



Paternoster Holding III GmbH

to acquire

Wittur International Holding GmbH

€225.0 million 8.50% Senior Notes due 2023

Guaranteed on a senior subordinated basis by certain of its subsidiaries

Paternoster Holding III GmbH, a *Gesellschaft mit beschränkter Haftung* incorporated under the laws of Germany (the “**Issuer**”), is offering (the “**Offering**”) €225.0 million in aggregate principal amount of its 8.50% Senior Notes due 2023 (the “**Notes**”) as part of the financing for the proposed acquisition (the “**Acquisition**”) of Wittur International Holding GmbH (the “**Target**”) by BidCo, a wholly-owned subsidiary of the Issuer.

Interest on the Notes will be payable semi-annually, in arrears, on each August 15 and February 15, except for the first interest payment, which shall be payable on October 15, 2015. The Notes mature on February 15, 2023. Prior to February 15, 2018, the Issuer will be entitled, at its option, to redeem all or a portion of the Notes by paying the relevant applicable premium. Some or all of the Notes may also be redeemed at any time on or after February 15, 2018 at the redemption prices set forth in this offering memorandum (this “**Offering Memorandum**”). In addition, prior to February 15, 2018, the Issuer may redeem at its option up to 40% of the aggregate principal amount of the Notes with the net proceeds from certain equity offerings at the redemption price set forth in this Offering Memorandum, provided that at least 60% of the aggregate principal amount of the Notes originally issued remains outstanding. Upon the occurrence of certain events constituting a change of control, the Issuer may be required to make an offer to repurchase all of the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. In addition, the Issuer may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law.

Pending the consummation of the Acquisition, the Initial Purchasers (as defined herein) will deposit the gross proceeds from the Offering into an escrow account which will be pledged for the benefit of the holders of the Notes. The release of escrow proceeds will be subject to the satisfaction of certain conditions, including the consummation of the Acquisition. The consummation of the Acquisition is subject to certain conditions, including regulatory approval. If the Acquisition is not consummated on or prior to September 30, 2015, or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be a price equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the issue date of the Notes to the date of special mandatory redemption. See “Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.” The escrow account will be charged on a first-ranking basis to secure the Notes.

The Notes will be senior obligations of the Issuer and will rank *pari passu* in right of payment to all of the Issuer’s existing and future senior indebtedness and will be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes. The Notes and the Guarantees (as defined herein) will be secured on the Issue Date on a first-priority basis by the Escrow Charge (as defined herein), and, on or within five business days of the Issue Date (as defined below) on a first-priority basis by a pledge of the shares of the Issuer and a pledge of the bank accounts of the Issuer (the “**Notes Collateral**”) and on a second-priority basis by the Shared Collateral (as defined herein). The Shared Collateral will secure obligations under the Senior Facilities and certain hedging obligations on a first-priority basis. The Notes will be guaranteed as of the Issue Date on a senior subordinated basis by BidCo, and within 90 days of the Completion Date on a senior subordinated basis by the other Guarantors (as defined herein). Each of the Guarantees (as defined herein) will be a senior subordinated obligation of the applicable Guarantor, and will be subordinated to any senior indebtedness of such Guarantor, including such Guarantor’s obligations under the Senior Facilities and certain hedging obligations. The validity and enforceability of the Guarantees and the security interests and the liability of each Guarantor under a Guarantee will be subject to the limitations described in “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.” The Notes will be structurally subordinated to all obligations of the Issuer’s subsidiaries that do not guarantee the Notes and effectively subordinated to any existing and future debt of the Issuer and its subsidiaries that is secured by property or assets which do not secure the Notes, including the Senior Facilities, to the extent of the value of the property and assets securing such debt. This offering memorandum includes information on the terms of the Notes and the Guarantees, including redemption and repurchase prices, covenants and transfer restrictions. See “Description of the Notes.”

There is currently no market for the Notes. Application has been made to the Irish Stock Exchange for the approval of this document as Listing Particulars. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange and trading on the Global Exchange Market of the Irish Stock Exchange. Pursuant to Rule 1.9 of the Global Exchange Market Conditions for Listing and Trading, the Notes must be freely transferable in order to be listed on the Irish Stock Exchange. The Issuer accepts responsibility for the information contained in this Offering Memorandum. The Issuer declares that, to the best of its knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published.

Investing in the Notes involves a high degree of risk. See “Risk Factors” beginning on page 27.

Price for the Notes: 100.00% plus accrued interest, if any, from the Issue Date.

We expect that the Notes will be delivered in book-entry form through Euroclear System (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream**”) on or about February 17, 2015 (the “**Issue Date**”).

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the laws of any other jurisdiction. The Notes may not be offered or sold within the United States, except to qualified institutional buyers in reliance on the exemption from

registration provided by Rule 144A under the U.S. Securities Act (“Rule 144A”) and outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act (“Regulation S”). You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See “Notice to Prospective Investors” and “Transfer Restrictions” for additional information about eligible offerees and transfer restrictions.

The date of these Listing Particulars is March 3, 2015.

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IMPORTANT INFORMATION

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the 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. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Memorandum. You must also obtain any consents or approvals that you need in order to purchase any Notes. None of us or any of Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, Deutsche Bank AG, London Branch and RBC Europe Ltd. (together, the “**Initial Purchasers**”) are responsible for your compliance with these legal requirements. See also “Notice to Prospective Investors,” “Notice to Certain European Investors” and “Plan of Distribution.”

You should base your decision to invest in the Notes solely on the information contained in this Offering Memorandum. Neither we nor the Initial Purchasers have authorized anyone to provide you with different information. In addition, neither we nor the Initial Purchasers nor any of our or their respective representatives are providing you with any legal, business, tax or other advice in this Offering Memorandum. 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 Notes.

This Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference should be made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain of the documents referred to herein will be made available to prospective investors upon request to us.

The Initial Purchasers, the trustee and any other agents or persons acting with respect to the Notes make no representation or warranty, express or implied, as to the accuracy or completeness of the information set out in this Offering Memorandum and nothing contained in this Offering Memorandum is, or should be relied upon as, a promise or representation by the Initial Purchasers, the trustee or any other agents or persons acting with respect to the Notes as to the past or the future. The Issuer, and not the Initial Purchasers, has ultimate authority over the information contained in this Offering Memorandum and whether and how to communicate the information contained herein.

By receiving this Offering Memorandum, you acknowledge that you have not relied on the Initial Purchasers or the trustee or any other agents or persons acting with respect to the Notes, or their respective directors, affiliates, agents or advisors in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have reviewed this Offering Memorandum and have had an opportunity to request, and have received all additional information that you need from us. No person is authorized in connection with any offering made by this Offering Memorandum to give any information or to make any representation not contained in this Offering Memorandum or any pricing term sheet or supplement and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers.

The information contained in this Offering Memorandum is as of the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set out in this Offering Memorandum or in our business since the date of this Offering Memorandum.

The Issuer has prepared this Offering Memorandum solely for use in connection with the offer of the Notes and the Guarantees to qualified institutional buyers under Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. You should read this Offering Memorandum before making a decision whether to purchase any Notes. You agree that you will hold the information contained in this Offering Memorandum and the transactions contemplated hereby in confidence. You must not use this Offering Memorandum for any other purpose, make copies of any part of this Offering Memorandum or give a copy of it to any other person. You also agree that you will not disclose any information in this Offering Memorandum or distribute this Offering Memorandum to any other person, other than persons retained to advise you in connection with the purchase of the Notes.

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions and agree not to use any information herein for any purpose other than considering an investment in the Notes. This Offering Memorandum may only be used for the purpose for which it was published. The information contained under “Exchange Rate Information” includes

extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing the information concerning exchange rate information, we accept no further responsibility in respect of such information. The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the section entitled “Book-Entry; Delivery and Form,” is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream.

We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor will we or our agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

None of the U.S. Securities and Exchange Commission (the “SEC”), any state securities commission or any non-U.S. securities authority has approved or disapproved of these securities or determined that this Offering Memorandum is accurate or complete. Any representation to the contrary is a criminal offense in the United States. The Issuer has applied to have the Notes listed on the Official List of the Irish Stock Exchange (the “ISE”) and to have them admitted for trading on the Global Exchange Market thereof, and has submitted this Offering Memorandum to the competent authorities in connection with the listing application. Comments by the competent authority may require significant modification or reformulation of information contained in this Offering Memorandum or may require the inclusion of additional information. The Issuer may also be required to update the information in this Offering Memorandum to reflect changes in our business, financial condition or results of operations and prospects. We cannot guarantee that the application for the Notes to be listed on the Official List of the ISE and to be admitted to trading on the the Global Exchange Market of the ISE will be approved as of the issue date for the Notes or at any time thereafter, and the issuance of the Notes is not conditioned on obtaining this listing.

The Issuer is offering the Notes and the Guarantors are issuing the Guarantees, in reliance on an exemption from registration under the U.S. Securities Act for an offer and sale of securities that do not involve a public offering. The Notes are subject to restrictions on transferability and resale, which are described under “Plan of Distribution” and “Transfer Restrictions.” By possessing this Offering Memorandum or purchasing any Note, you will be deemed to have represented and agreed to all of the provisions contained in those sections of this Offering Memorandum. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

We reserve the right to withdraw this Offering at any time. We are making this Offering subject to the terms described in this Offering Memorandum. We and the Initial Purchasers may reject any offer to purchase the Notes in whole or in part and to allot to any prospective purchaser less than the amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

Tax Considerations

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the consequences of purchasing, holding and disposing of the Notes, including, without limitation, the application of U.S. federal tax laws to their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction, and the consequences of purchasing the Notes at a price other than the initial issue price. See “Taxation.”

STABILIZATION

IN CONNECTION WITH THIS OFFERING, CREDIT SUISSE SECURITIES (EUROPE) LIMITED (THE “STABILIZATION MANAGER”) (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER), MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCES THAT THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) WILL UNDERTAKE ANY SUCH STABILIZATION ACTION. SUCH STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES AND MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE

CONDUCTED BY THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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 REVISED STATUTES, AS AMENDED (“RSA 421-B”), 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 THAT ANY DOCUMENT FILED UNDER RSA 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 PROVISIONS OF THIS PARAGRAPH.

NOTICE TO PROSPECTIVE INVESTORS

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

This Offering is being made only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) and outside the United States in offshore transactions in reliance on Regulation S. Prospective purchasers that are qualified institutional buyers are hereby notified that the Initial Purchasers of the Notes may be relying on an exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area

This Offering Memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 3 of the Prospectus Directive (as defined below) as implemented in member states of the European Economic Area (the “**EEA**”), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for us or the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this Offering Memorandum.

In relation to each member state of the EEA that 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 offer is not being made and will not be made to the public of any Notes which are the subject of the offering contemplated by this Offering Memorandum to the public in that Relevant Member State, other than:

- (a) to any legal entity that is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by us for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of the Notes shall require the publication by us or any Initial Purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to the 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU (the “**2010 PD Amending Directive**”), to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive other than in reliance on Article 3(2)(b).

Each subscriber for or purchaser of the Notes in the offering located within a member state of the EEA 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. We, the Initial Purchasers and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a “qualified investor” and who has notified the Initial Purchasers of such fact in writing may, with the consent of the Initial Purchasers, be permitted to subscribe for or purchase the Notes in the Offering.

Austria

The 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 Notes in the Republic of Austria. The Notes are not registered or otherwise authorized for public offer in Austria under the Austrian Capital Market Act or any other securities laws in Austria and this Offering Memorandum has not been and/or will not be published pursuant to the Austrian Capital Market Act. The Notes may only be marketed to investors in Austria on the basis of, and in accordance with, an exemption from the obligation to publish a prospectus pursuant to section 3 of the Austrian Capital Market Act. Accordingly, the Notes may not be, and are not being, offered or advertised publicly and the Notes will only be available to, and this Offering Memorandum and any other offering material in relation to the Notes is directed only at, persons to whom such offer or disclosure may be lawfully made. Any resale of the Notes in Austria may only be made in accordance with the Austrian Capital Market Act and other applicable laws and in any case only on the basis of, and in accordance with, an exemption from the obligation to publish a prospectus pursuant to section 3 of the Austrian Capital Market Act.

Germany

The Notes may be offered and sold in the Federal Republic of Germany only in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) as amended, the Commission Regulation No (EC) 809/2004 of April 29, 2004, as amended, or any other laws applicable in Germany governing the issue, offering and sale of securities. This Offering Memorandum has not been approved under the German Securities Prospectus Act or the Prospectus Directive and accordingly the Notes may not be offered publicly in the Federal Republic of Germany. The Notes will be offered in the Federal Republic of Germany in reliance on an exemption from the requirement to publish an approved securities prospectus under the German Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the German Securities Prospectus Act and other applicable laws. The Issuer has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (“**BaFin**”) or obtain a notification to BaFin from another competent authority of a member state of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17(3) of the German Securities Prospectus Act.

United Kingdom

Members of the public are not eligible to take part in this Offering. The issue and distribution of this Offering Memorandum is restricted by law. This Offering Memorandum is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (“**FSMA**”) by, a person authorized under FSMA. This Offering Memorandum is for distribution only to persons who (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (b) are persons falling within Article 49(2)(a) to (d) (“**high net worth companies, unincorporated associations, etc.**”) of the Financial Promotion Order, (c) are outside the United Kingdom, or (d) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA, in connection with the issue or sale of the Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or

investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Recipients of this Offering Memorandum are not permitted to publish, reproduce, distribute, transmit or otherwise make it available in whole or in part to any other person. Persons distributing this Offering Memorandum must satisfy themselves that it is lawful to do so. The Notes are not being offered or sold to the public in the United Kingdom.

France

This Offering Memorandum has not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the *Code Monétaire et Financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the “**AMF**”) and therefore has not been submitted for clearance to the AMF or any other competent authority of another state that is a contracting party to the agreement on the EEA and notified to the AMF. Consequently, the Notes have not been and will not be, directly or indirectly, offered or sold to the public in France, and neither this Offering Memorandum nor any other offering material relating to the Notes has been or will be distributed or caused to be distributed to the public in France. Such offers, sales and distribution of the Notes have been and will 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*) other than individuals, acting for their own account, as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1, D. 411.2, D. 734-1, D. 744-1, D. 754-1 and D. 764.1 of the *Code of Monétaire et Financier* and applicable regulations thereunder.

Italy

The Offering of the Notes has not been registered with nor cleared by the *Commissione Nazionale per la Società e la Borsa* (“**CONSOB**”) (the Italian Securities and Exchange Commission), pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or distributed to the public nor may copies of this document or of any other document relating to the Notes be distributed in the Republic of Italy (“**Italy**”), except:

- (i) to qualified investors (*investitori qualificati*), pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998 as amended from time to time (the “**Financial Services Act**”) as implemented by Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time (the “**Issuers Regulation**”); or
- (ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Financial Services Act and Article 34-ter of the Issuers Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this document or any other document relating to the Notes in Italy under (i) or (ii) above must be and will be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, will be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time and Legislative Decree No. 385 of September 1, 1993, as amended from time to time (the “**Banking Act**”);
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer or resale of the Notes it purchases in the offering occurs in compliance with applicable Italian laws and regulations.

Luxembourg

The terms and conditions relating to this Offering Memorandum 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 the

purposes of public offering or sale in the Grand Duchy of Luxembourg (“**Luxembourg**”). Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum 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 for the sole purpose of the admission to trading and listing of the Notes on the Official List of the Luxembourg Stock Exchange and 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 July 10, 2005 on prospectuses for securities, as amended.

Spain

This Offering Memorandum has not been registered and will not be registered with or approved by the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Notes may not be offered, sold or distributed, nor may any subsequent resale of the Notes be carried out, in Spain by any means, except in circumstances which do not constitute a public offer of securities in Spain in accordance with article 30bis of the Spanish Securities Market Act (“*Ley 24/1988, de 28 de julio del Mercado de Valores*”) as amended and restated (the “**Spanish Securities Market Act**”), or pursuant to an exemption from registration in accordance with article 41 of the Royal Decree 1310/2005 of 4 November (“*Real Decreto 1310/2005, de 4 de noviembre por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*”), and supplemental rules enacted thereunder or in substitution thereof from time to time.

Sweden

This Offering Memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) nor any other Swedish enactment. Neither the Swedish Financial Supervisory Authority (*Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this Offering Memorandum or will examine, approve or register this Offering Memorandum. Accordingly, this Offering Memorandum may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Swedish Financial Instruments Trading Act.

The Netherlands

The Notes (including rights representing an interest in each global note that represents the Notes) may only be *offered* or sold to qualified investors within the meaning of article 5:3 (1)(a) in conjunction with article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

NOTICE TO TURKISH INVESTORS

The terms and conditions relating to this Offering Memorandum have not been approved by and will not be submitted for approval to the Turkish Capital Markets Board (*Türkiye Sermaye Piyasası Kurumu*) (the “**CMB**”) under the provisions of the Capital Markets Law No. 6362 of the Republic of Turkey (the “**Turkish Capital Markets Act**”).

The Notes (or any beneficial interest therein) will not be offered or sold in the Republic of Turkey in any circumstances which would constitute an offer to the public within the meaning of the Turkish Capital Markets Act and the Communiqué regarding Foreign Securities, Depository Receipts and Foreign Investment Funds Shares (Serial VII NO: 128.4) and no prospectus, or other offering material related to the offering will be utilized in connection with any general offering to the public within the Republic of Turkey for the purpose of the offering, marketing or sale of the Notes without the prior approval of the CMB. Pursuant to Article 15(D)(II) of Decree No. 32 of the Republic of Turkey regarding the protection of the value of the Turkish currency, there is no restriction on the purchase of securities which are traded abroad such as the Notes (or any beneficial interest therein) by residents of the Republic of Turkey on an unsolicited basis, provided that (i) such purchase is made through banks and/or licensed brokerage institutions in the Republic of Turkey and (ii) the consideration for the purchase of such Notes has been or will be transferred through banks operating in the Republic of Turkey.

None of the holders or the issuer of the Notes, or any of their respective affiliates, or any person acting on behalf of any of them or any of such person’s affiliates, may engage in any directed marketing or selling efforts in connection with the Notes within the Republic of Turkey without obtaining approval of the CMB.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ *BEFORE* YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Offering Memorandum, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “projected,” “should,” or “will” or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Offering Memorandum. In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- our industry’s correlation to the construction industry;
- our dependence on a small number of significant customers;
- substantial risks associated with the performance of the global economy and the Eurozone debt crisis;
- underutilization of our facilities and the cyclical nature of our industry;
- the risk that outsourcing trends in our industry may continue, or even reverse;
- competitive pressures from the potential expansion of our local competitors into global players;
- country risks in the regions in which we operate, including in emerging markets;
- a variety of business, economic, legal and political risks;
- compliance risks associated with economic and trade sanctions imposed by the United States, the EU and other jurisdictions;
- exposure to liability under anti-corruption and anti-bribery legislation;
- financing being available to our customers;
- a significant amount of competition, which could reduce our revenue or put continued pressure on our sales prices;
- risks associated with market trends and developments;
- our dependence on large MNCs for the sale of our products;
- our dependence on a small number of customers for our revenue;
- our dependence on a limited number of key suppliers for certain products;
- fluctuations in prices of raw materials and energy;
- successful execution of our growth strategy of expanding in growing emerging markets;
- risks in connection with past and future acquisitions, local sales force, investments and reorganizations, as well as strategic partnerships;
- our ability to maintain both the high quality and efficient time of delivery of our products;

- changes in our product mix or our portfolio of large projects;
- our ability to maintain our state-of-the-art technology;
- our ability to secure sufficient funding for our research and development efforts;
- seismic risks and other natural disasters;
- strikes and other labor disputes;
- the safety of our workers which is, due to the nature of our operations, regularly in jeopardy;
- complex IT systems and networks;
- the security of our information, Intellectual Property and Research and Development;
- our ability to attract and retain highly qualified senior management, key employees and personnel;
- property loss and unforeseen business or transportation interruption;
- legal, taxation and environmental risks;
- risks related to our financial profile;
- risks related to the transactions; and
- other factors discussed or referred to in this Offering Memorandum.

The risks described in the “Risk Factors” section of this Offering Memorandum are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our business, financial condition and results of operations. New risks emerge from time to time, and it is not possible for us to predict all such risks; nor can we assess the impact of all such risks on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

We urge you to read carefully the sections of this Offering Memorandum entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Industry and Market Data” and “Our Business” for a more detailed discussion of the factors that could affect our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Memorandum may not be accurate or occur at all. Accordingly, prospective investors should not place undue reliance on these forward-looking statements, which speak only as of the date on which the statements were made. In addition, from time to time we and our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing. These forward-looking statements may be included in, but are not limited to, press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

We undertake no obligation, and do not intend, to update or revise any forward-looking statement or risk factors, whether as a result of new information, future events or developments or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Memorandum.

CURRENCY PRESENTATION AND DEFINITIONS

In this Offering Memorandum, all references to “euro,” “EUR” or “€” are to the single currency of the participating member states of the Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time and all references to “U.S. dollars,” “US\$” and “\$” are to the lawful currency of the United States of America.

Definitions

Unless otherwise specified or the context requires otherwise in this Offering Memorandum:

- references to the “**Acquisition**” are to the acquisition by BidCo pursuant to the Acquisition Agreement of (i) all issued and outstanding capital stock of and (ii) certain shareholders loans extended to the Target;
- references to the “**Acquisition Agreement**” are to that certain sale and purchase agreement dated December 22, 2014 among BidCo as purchaser, TriWay HoldCo AB and Way Equity GmbH & Co KG as sellers and Way Shareholder Loan I GmbH & Co KG;
- references to “**Asia**” with respect to our financial condition and results of operations are to the Asia Pacific region as per our financial statements presented elsewhere in this Offering Memorandum;
- references to “**Bain Capital**” are to Bain Capital Europe Fund IV, L.P.;
- references to “**BidCo**” are to Paternoster Holding IV GmbH;
- references to “**Clearstream**” are to Clearstream Banking, *société anonyme*;
- references to the “**Collateral**” are to the Notes Collateral and the Shared Collateral;
- references to the “**Completion Date**” are to the date on which the Acquisition is consummated and the proceeds from the Offering are released from the Escrow Account;
- references to “**Deferred Consideration**” are to the subordinated loans made by the Sellers to HoldCo on or about the Completion Date, in an aggregate principal amount of €40.0 million, representing deferred consideration in respect of the Acquisition;
- references to the “**Escrow Account**” are to the escrow account into which the gross proceeds of the Offering will be deposited on the Issue Date;
- references to “**Escrow Agent**” are to Elavon Financial Services Limited, UK Branch;
- references to the “**Escrow Agreement**” are to the agreement to be dated the Issue Date between the Issuer, the Trustee and the Escrow Agent relating to the Escrow Account into which the gross proceeds of the Notes, less certain deductions with respect to fees, will be deposited pending consummation of the Acquisition;
- references to the “**Escrow Charge**” are to the escrow account charge to be dated as of the Issue Date between the Issuer and the Trustee, pursuant to which the initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account, will be charged on a first-ranking basis to secure the Notes;
- references to the “**Equity Contribution**” are to the €205.0 million contribution to the equity of the Issuer made by HoldCo on or about the Completion Date in connection with the Transactions and the funding of the purchase price for the Acquisition;
- references to “**Euroclear**” are to Euroclear Bank SA/NV;
- references to “**Europe**” with respect to our financial condition and results of operations are to the Europe & Africa region as per our financial statements presented elsewhere in this Offering Memorandum;
- references to the “**European Union**” or the “**EU**” are to the European economic and political union;
- references to the “**Existing Senior Facilities**” are to (i) a €72,500,000 term loan facility A which matures December 6, 2016, (ii) a €72,500,000 term loan facility B which matures December 6, 2017, (iii) a €60,000,000 term loan facility C which matures December 6, 2017, and (iv) €30,000,000 Revolving Credit Facility which matures December 6, 2016;
- references to the “**Existing Senior Facilities Agreement**” are to the agreement governing the Existing Senior Facilities originally dated December 6, 2010, as amended from time to time, among the Target, UniCredit Bank AG as mandated lead arrangers and UniCredit Luxembourg S.A. as agent and security agent;

- references to the “**Financing**” are to the transactions described under “Summary—The Transactions—The Financing”;
- references to “**GDP**” are to gross domestic product;
- references to “**German GAAP**” are to the generally accepted accounting principles in Germany;
- references to “**Germany**” are to the Federal Republic of Germany;
- references to the “**Guarantees**” are to the guarantees to be issued by the Guarantors on a senior subordinated basis guaranteeing the Notes;
- references to the “**Guarantors**” are to Wittur GmbH (which is based in Austria); Wittur Austria Holding GmbH; Wittur Austria GmbH; Wittur Limited; Paternoster Holding IV GmbH; Wittur International Holding GmbH; Wittur Electric Drives GmbH; Wittur GmbH (which is based in Germany); Wittur Holding GmbH; Wittur Deutschland Vertrieb Holding GmbH; Wittur Italia Holding s.r.l.; Wittur S.p.A.; Wittur Elevator Components, S.A.U.; Wittur Sweden AB and Wittur Asansör San. ve Tic. A.S.;
- references to “**HGB**” are to the German Commercial Code (*Handelsgesetzbuch*);
- references to “**HoldCo**” are to Paternoster Holding II GmbH;
- references to “**IFRS**” are to International Financial Reporting Standards as adopted by the European Union;
- references to the “**Indenture**” are to the indenture to be dated the Issue Date between, among others, the Issuer, the Issue Date Guarantor and the Trustee;
- references to “**Independents**” are to independent elevator installers active in a limited geographic market;
- references to the “**Initial Purchasers**” are to Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, Deutsche Bank AG, London Branch and RBC Europe Ltd.;
- references to the “**Intercreditor Agreement**” are to the intercreditor agreement entered into between, among others, the Issuer, the Issue Date Guarantors, the Trustee on behalf of the holders of the Notes, the Security Agents and the lenders under the Senior Facilities on or about the Issue Date, as amended, restated, novated, supplemented or otherwise modified or varied from time to time;
- references to “**Issue Date**” are to the date on which the Notes offered hereby are issued;
- references to the “**Issuer**” are to Paternoster Holding III GmbH and not its consolidated subsidiaries;
- references to the “**Listing Agent**” are to Dillon Eustace;
- references to “**LuxCo**” are to Elevate (BC) S.C.A.;
- references to a “**Member State**” are to a member state of the European Economic Area;
- references to “**MidCo**” are to the Issuer;
- references to a “**MNC**” are to a multinational corporation elevator installation business;
- references to the “**New Term Loan B Facility**” are to a €95.0 million term loan B facility under the Senior Facilities Agreement;
- references to the “**Notes**” are to the €225.0 million in aggregate principal amount Senior Notes due 2023 offered hereby;
- references to the “**Notes Collateral**” are to the collateral securing the Notes on a first-priority basis consisting of (A) the Escrow Charge, (B) a pledge of the shares of the Issuer and (C) a pledge of the bank accounts of the Issuer;
- references to the “**Notes Security Agent**” are to U.S. Bank Trustees Limited, as security agent in respect of the Notes Collateral;
- references to the “**Offering**” are to the offering of the Notes pursuant to this Offering Memorandum;
- references to this “**Offering Memorandum**” are to this offering memorandum, pursuant to which the Notes are offered dated as of the date hereof;
- references to the “**Paying Agent**” are to Elavon Financial Services, UK Branch and any of its successors and assigns;
- references to the “**Principal Paying Agent**” are to Elavon Financial Services, UK Branch and any of its successors and assigns;

- references to the “**Proceeds Loan**” are to the intercompany loan of the gross proceeds from the Offering to BidCo;
- references to the “**Purchase Price**” are to the purchase price for the Acquisition, excluding transaction fees and expenses and the repayment of third party financial debt, but including the repayment of shareholder loan;
- references to the “**Registrar**” are to Elavon Financial Services Limited;
- references to “**Regulation S**” are to Regulation S under the U.S. Securities Act;
- references to “**Rest of the World**” with respect to our financial condition and results of operations are to the rest of world-region as per our financial statements presented elsewhere in this Offering Memorandum;
- references to the “**Restricted Group**” are to the Issuer and its subsidiaries, unless designated as an unrestricted subsidiary in accordance with the Indenture;
- references to “**Revolving Credit Facility**” are to the €65.0 million senior secured, multi-currency revolving credit facility under the Senior Facilities Agreement;
- references to “**Rule 144A**” are to Rule 144A under the U.S. Securities Act;
- references to the “**SEC**” are to the United States Securities and Exchange Commission;
- references to the “**Security Agents**” are to Notes Security Agent and the Shared Security Agent;
- references to the “**Sellers**” are to Tri Way HoldCo AB and Way Equity GmbH & Co. KG;
- references to the “**Senior Facilities**” are to (i) the New Term Loan B Facility, (ii) the Revolving Credit Facility and (iii) any additional facility under the Senior Facilities Agreement;
- references to the “**Senior Facilities Agreement**” are to the agreement governing the Senior Facilities, dated as of the Issue Date, as amended from time to time, among BidCo, as borrower, Credit Suisse International, Barclays Bank PLC, Deutsche Bank AG, London Branch and Royal Bank of Canada, as mandated lead arrangers, Credit Suisse AG, London Branch as agent and security agent;
- references to the “**Shared Collateral**” are to the collateral securing the Notes on a second-priority basis and the Senior Facilities on a first-priority basis consisting of (i) a pledge of the shares of BidCo, (ii) a security interest in respect of the Proceeds Loan, (iii) a pledge of the bank accounts of BidCo and (iv) the assignment of claims under the Acquisition Agreement (in each case, subject to the Agreed Security Principles);
- references to the “**Shared Security Agent**” are to Credit Suisse AG, London Branch, as security agent in respect of the Shared Collateral;
- references to the “**Target**” are to Wittur International Holding GmbH;
- references to “**TopCo**” are to Paternoster Holding I GmbH;
- references to the “**Transactions**” are to the Acquisition, the Financing and the related transactions, including the repayment of all outstanding amounts under the Existing Senior Facilities and the cancellation thereof, as further described in “Summary—The Transactions;”
- references to “**Triton**” are to Triton Advisers Limited and its affiliates and direct or indirect subsidiaries;
- references to the “**Transfer Agent**” are to Elavon Financial Services Limited, UK Branch;
- references to the “**Triton Funds**” are to funds or limited partnerships managed or advised by Triton;
- references to the “**Trustee**” are to U.S. Bank Trustees Limited;
- references to the “**U.S.**” are to the United States of America;
- references to the “**U.S. Exchange Act**” are to the United States Securities Exchange Act of 1934, as amended;
- references to the “**U.S. Securities Act**” are to the United States Securities Act of 1933, as amended;
- references to the “**Wittur Group**” and “**Wittur**” are to the Target and its subsidiaries; and
- references to “**we**,” “**us**,” “**our**,” the “**Group**” and other similar terms are to the Issuer, the Target and their respective subsidiaries after giving effect to the Transactions, except where expressly stated otherwise or where the context otherwise requires.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

Unless otherwise indicated, the financial information as of and for the years ended December 31, 2013 and 2012 and as of and for the nine months ended September 30, 2014 and 2013 presented in this Offering Memorandum has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”). Certain financial information as of and for the year ended December 31, 2012 and 2011 presented in this Offering Memorandum has been prepared on the basis of German generally accepted accounting principles (“**German GAAP**”). In this Offering Memorandum, the terms “financial statements” and “financial information” refer to the financial statements and the financial information of the Wittur Group. This Offering Memorandum contains:

- the unaudited condensed consolidated interim financial statements of the Target as of and for the nine months ended September 30, 2014 (“**Unaudited Interim Consolidated Financial Statements**”), prepared in accordance with IFRS;
- the audited consolidated financial statements of the Target as of and for the year ended December 31, 2013 (“**2013 Audited Consolidated Financial Statements**”), prepared in accordance with IFRS; and
- the audited consolidated financial statements of the Target as of and for the year ended December 31, 2012 (“**2012 Audited Consolidated Financial Statements**”), prepared on the basis of German GAAP.

The Unaudited Interim Consolidated Financial Statements, the 2013 Audited Consolidated Financial Statements and the 2012 Audited Consolidated Financial Statements are together referred to as the “**Consolidated Financial Statements**”; the 2013 Audited Consolidated Financial Statements and the 2012 Audited Consolidated Financial Statements are together referred to as the “**Audited Consolidated Financial Statements**.”

The unaudited financial information for the twelve months ended September 30, 2014 included elsewhere in this Offering Memorandum is based on the Consolidated Financial Statements of the Target and is calculated by taking the results of operations for the nine months ended September 30, 2014 (as derived from the Unaudited Interim Consolidated Financial Statements and the Target’s accounting records) and adding them to the results of operations for the year ended December 31, 2013 (as derived from the 2013 Audited Consolidated Financial Statements and the Target’s accounting records) and subtracting the results of operations for the nine months ended September 30, 2013 (as derived from the Unaudited Interim Consolidated Financial Statements and the Target’s accounting records). This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed.

Our income statement for the year ended December 31, 2011 and 2012 included in our 2012 Audited Financial Statements have been prepared on the basis of German GAAP, using the “nature of expense” method. Our income statements included in our 2013 Audited Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements have been prepared on the basis of IFRS, using the “cost of sales” method. In the nature of expense method, expenses are classified in the income statement according to their nature (for example, cost of materials and personnel expenses) and not among various functions within the entity (for example, cost of sales). As a result, income statements presented in accordance with the nature of expense method do not show gross profit. Income statements presented in accordance with the cost of sales method, by contrast, classify expenses according to their function as part of cost of sales, the costs of distribution or administrative activities. Profit, however, is unaffected regardless of whether the nature of expense or cost of sales method is chosen.

The Issuer was formed on December 19, 2014 for the purpose of facilitating the Transactions. The Issuer does not have any business operations or material assets or liabilities other than those incurred in connection with its incorporation and the Transactions. Consequently, limited historical financial information relating to the Issuer is available, and no financial information with respect to the Issuer is included in this Offering Memorandum, except for certain limited as adjusted financial data presented on a consolidated basis as adjusted to reflect certain effects of the Transactions and the Offering. All historical financial information presented in this Offering Memorandum is that of the Target and its subsidiaries; accordingly, all references to “we,” “us,” “our” or the “Group” in respect of historical financial information in this Offering Memorandum are to the Target and its subsidiaries on a consolidated basis.

In the future, we will report our financial results at the level of the Issuer, on a consolidated basis. The Issuer will account for the Acquisition using the acquisition method of accounting under IFRS, which will affect the comparability of the Issuer’s future consolidated financial statements.

The financial statements included in this Offering Memorandum are those of the Wittur Group and have not been adjusted to reflect the impact of any changes to the income statement, balance sheet or cash flow statement that might occur as a result of application of purchase accounting adjustments to be applied as a result of the Acquisition, nor have they been adjusted to reflect the impact of any changes to the balance sheet as a result of any limitation on our ability to use certain net operating loss carry forwards for tax purposes following the Acquisition. We expect that the carrying value for certain deferred tax assets on our balance sheet will be reduced upon consummation of the Acquisition as a result of these limitations. In addition, the application of purchase accounting could result in different carrying values for existing assets and assets we may add to our balance sheet, which may include intangible assets, such as goodwill, and different amortization and depreciation expenses, which could be significant. Our financial statements could be materially different from the financial statements included in this Offering Memorandum once the adjustments are made. If the Offering were registered under the U.S. Securities Act, we would be required to present *pro forma* financial statements to reflect such adjustments and the impact of the Transactions, but no *pro forma* financial statements are presented in this Offering Memorandum.

The Acquisition will be accounted for using the purchase method of accounting. Under IFRS 3 “Business Combinations,” the cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred and the equity interests issued by the acquirer, including the fair value of any asset or liability incurred and the equity interests issued by the acquirer, including the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair market values at the acquisition date. The excess of the consideration transferred over the fair value if the acquirer’s share of the identifiable net assets acquired is recorded as goodwill. Since the Acquisition has not been consummated as of the date of this Offering Memorandum, we have not identified the fair value of assets acquired and liabilities to be assumed at the date of the Acquisition. In accordance with IFRS, we have up to twelve months from the Completion Date to finalize the allocation of the purchase price.

Differences between German GAAP, IFRS and U.S. GAAP

There are significant differences between German GAAP and IFRS. For this reason, the 2012 Audited Consolidated Financial Statements and the information extracted or derived therefrom are not directly comparable to the other financial information presented in this Offering Memorandum. Our 2013 Audited Financial Statements include a reconciliation of our financial condition and results of operations for the year ended December 31, 2012 from German GAAP to IFRS. However, no such reconciliation is available for our financial statements for the year ended December 31, 2011, which are based on German GAAP and we cannot estimate the net effect that applying IFRS would have had on our results of operations or our financial position for the year ended December 31, 2011. The effect of such differences might be material, and, in particular, total shareholders’ equity (capital debit), gross profit and net income prepared on the basis of IFRS may be materially different. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS.”

In addition, IFRS and German GAAP differ in certain material respects from generally accepted accounting principles in the United States of America (“**U.S. GAAP**”). As a result, the results of operations and financial condition derived from the financial statements that are included in this Offering Memorandum may differ substantially from the results of operations and financial condition derived from financial statements prepared in accordance with U.S. GAAP. The Issuer has not prepared a reconciliation of their financial information to U.S. GAAP or a summary of significant accounting differences in the accounting and valuation methods of IFRS or German GAAP and U.S. GAAP, nor has the Issuer otherwise reviewed the impact the application of U.S. GAAP would have on its financial reporting. Accordingly, in making an investment decision, investors must rely on their own examination of the Issuer’s financial information.

Non-GAAP Financial Measures

This Offering Memorandum contains non-GAAP financial measures and ratios (the “**non-GAAP measures**”), including EBITDA, Historic Adjusted EBITDA, Adjusted EBITDA, FX Spot Rate Adjusted EBITDA, Cash Conversion, gross profit, working capital and leverage and interest coverage ratios that are not required by, or presented in accordance with, IFRS or other generally accepted accounting principles.

“**EBITDA**” is defined as the consolidated net result before transfer of profit or losses for the period adding back interest, taxes on income, amortization and depreciation.

“**Historic Adjusted EBITDA**” is defined as EBITDA for the period after making certain other adjustments as described under Footnote (2) of “Summary—Summary Consolidated Financial and Other Information—Other Financial and Operating Data.”

“**Adjusted EBITDA**” is defined as Historic Adjusted EBITDA excluding the estimated amount of EBITDA for each period presented that was generated from our sales into Iran, which we are discontinuing in connection with the Transactions.

“**FX Spot Rate Adjusted EBITDA**” is defined as Adjusted EBITDA for the twelve months ended September 30, 2014, after the retroactive application of certain exchange rates as of December 31, 2014 to our results for the twelve months ended September 30, 2014. The exchange rates as of December 31, 2014 used for the purposes of this adjustment were as follows: €1.00 = RMB7.536 and €1.00 = TRY2.832, in each case not taking into account any currency hedges.

“**Cash Conversion**” is defined as a quotient equal to (i) Historic Adjusted EBITDA, minus total capital expenditures, divided by (ii) Historic Adjusted EBITDA.

“**gross profit**” has been calculated in accordance with IFRS and the cost of sales method.

“**working capital**” is defined as the sum of inventories, trade receivables and other current assets, less trade payables and other payables and other current liabilities.

We present the non-GAAP measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-GAAP measures may not be comparable to other similarly titled measures of other companies.

The non-GAAP measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results or any performance measures under IFRS as set forth in our financial statements. Some of these limitations of non-GAAP measures are:

- they do not reflect our cash expenditures or future requirements for capital commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the interest expense or cash requirements necessary to service interest or principal payments on our debt;
- they do not reflect any cash income taxes that we may be required to pay;
- they are not adjusted for all non-cash income or expense items that are reflected in our consolidated income statement;
- they do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations;
- assets are depreciated or amortized 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 our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, the non-GAAP measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our financial statements and using these non-GAAP measures only on a supplemental basis to evaluate our performance.

As Adjusted Financial Information

We present in this Offering Memorandum certain as adjusted financial information for the Issuer, which is based on the financial information for the Wittur Group, on an as adjusted basis to reflect certain effects of the Transactions on the indebtedness, cash position and interest expense of the Issuer as of and for the twelve months ended September 30, 2014. See “Summary—Summary Consolidated Financial and Other Information—Other Financial and Operating Data.” The as adjusted financial information includes the following *pro forma* non-GAAP measures (the “***pro forma non-GAAP measures***”):

- “***Pro forma net financial debt***” of the Group means the pro forma gross financial debt less pro forma cash and cash equivalents, assuming that the Transactions had occurred on September 30, 2014; and

- **“Pro forma cash interest expense”** of the Group means the interest expense on the pro forma net financial debt for the twelve months ended September 30, 2014, assuming that the Transactions had occurred on October 1, 2013. Pro forma cash interest expense is calculated based on assumed interest rates for the Notes.

These *pro forma* non-GAAP measures have been prepared for illustrative purposes only and do not represent what our actual interest expense would have been had the Transactions occurred on October 1, 2013 or what our actual cash position, indebtedness or secured indebtedness would have been had the Transactions occurred on September 30, 2014, nor do they purport to project our indebtedness, cash position or interest expense at any future date. The *pro forma* non-GAAP measures have not been adjusted to reflect the impact of any changes to the income statement, balance sheet or cash flow statement that might occur as a result of application of the acquisition method of accounting under IFRS, which will affect the comparability of the Issuer’s future consolidated financial statements with the Wittur Group’s financial statements contained in this Offering Memorandum. The as adjusted financial information has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, other SEC requirements, IFRS, German GAAP or other generally accepted accounting principles. Neither the assumptions underlying the *pro forma* adjustments nor the resulting *pro forma* non-GAAP measures have been audited or reviewed in accordance with any generally accepted auditing standards.

These *pro forma* non-GAAP measures are not measures determined based on IFRS, or any other internationally accepted accounting principles, and you should not consider such items as an alternative to the historical financial position or results or other indicators of our position or performance based on IFRS measures. The *pro forma* non-GAAP measures, as provided for in this Offering Memorandum, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our *pro forma* non-GAAP measures are calculated. Even though these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our position or results as reported under IFRS.

Non-Financial Operating Data

Certain key performance indicators and other non-financial operating data included in this Offering Memorandum, including (i) number of doors sold (*units*), including mechanisms, (ii) number of employees (*heads*), (iii) order intake and (iv) order book at the end of the period, are derived from management estimates, are not part of our financial statements or financial accounting records, and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS.

Rounding

Certain numerical figures set out in this Offering Memorandum, including financial information presented in millions and percentages describing market shares, have been subject to rounding and, as a result, the totals of the data in this Offering Memorandum 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 forth in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” are calculated using the numerical data in each of the Consolidated Financial Statements of the Target or the tabular presentation of other information (subject to rounding) contained in this Offering Memorandum, as applicable, and not using the numerical data in the narrative description thereof.

PRESENTATION OF INDUSTRY AND MARKET DATA

In this Offering Memorandum, we rely on and refer to information regarding our business and the markets in which we operate and compete. Certain economic and industry data, market data and market forecasts set forth in this Offering Memorandum were extracted from market research, governmental and other publicly available information, independent industry publications, reports prepared by industry consultants and other external sources (including two global consulting firms). Some of these reports were commissioned by the Sellers or the Target in connection with the Acquisition, and as such may not be fully independent views on the industry or the market.

Industry publications, surveys, reports and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys, reports and forecasts, to the extent quoted or referred to herein, are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness.

While we accept responsibility for accurately summarizing the information from these external sources, and as far as we are aware and able to ascertain no facts have been omitted which would render this information inaccurate or misleading, we accept no further responsibility in respect of such information.

Certain information in this Offering Memorandum, including statements regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants, are based on our internal estimates and analyses and based in part on third-party sources.

We cannot assure you that our estimates or any of the assumptions underlying our estimates are accurate or correctly reflect our position in the industry. None of our internal surveys or information has been verified by any independent sources. Neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this information. All of the information set forth in this Offering Memorandum relating to the operations, financial results or market share of our competitors has been obtained from publicly available information or independent research. Neither we nor the Initial Purchasers have independently verified this information and cannot guarantee its accuracy.

Certain market share information and other statements presented herein regarding our position relative to our competitors with respect to the manufacture or distribution of particular products are not based on published statistical data or information obtained from independent third parties, but reflect our best estimates. We have based these estimates upon information obtained from our customers, trade and business organizations and associations and other contacts in our industry.

EXCHANGE RATE INFORMATION

The following table shows, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as U.S. dollars per €1.00. 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 this Offering Memorandum. Neither we nor the Initial Purchasers represent that the U.S. dollar amounts referred to below could be or could have been converted into euro at any particular rate indicated or any other rate.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily Bloomberg Composite Rates during that month, or shorter period, as the case may be.

The Bloomberg Composite Rate of the euro at 1:00 p.m. New York time on February 9, 2015 was \$1.1329 per €1.00.

	Period end	Average	High	Low
	<i>U.S. dollars per €1.00</i>			
Year				
2010	1.3366	1.3266	1.4510	1.1952
2011	1.2960	1.3924	1.4874	1.2925
2012	1.3197	1.2859	1.3463	1.2053
2013	1.3743	1.3285	1.3804	1.2780
2014	1.2100	1.3283	1.3925	1.2100
Month				
August 2014	1.3132	1.3314	1.3430	1.3132
September 2014	1.2631	1.2895	1.3150	1.2631
October 2014	1.2524	1.2682	1.2837	1.2516
November 2014	1.2433	1.2474	1.2550	1.2388
December 2014	1.2100	1.2312	1.2509	1.2100
January 2015	1.1288	1.1611	1.2010	1.1255
February 2015 (until February 9, 2015)	1.1329	1.1387	1.1471	1.1322

SUMMARY

This summary highlights selected information about us and the Offering contained in this Offering Memorandum. This summary is not complete and does not contain all the information you should consider before investing in the Notes. The following summary should be read in conjunction with, and the following summary is qualified in its entirety by, the more detailed information included in this Offering Memorandum, including the Consolidated Financial Statements of the Target. You should read carefully the entire Offering Memorandum to understand our business, the nature and terms of the Notes and the tax and other considerations which are important to your decision to invest in the Notes, including the risks discussed under the caption “Risk Factors” and “Forward-Looking Statements” and our financial statements including the notes to those financial statements contained elsewhere in this Offering Memorandum.

Overview

We are the world’s leading independent elevator components manufacturer. The elevator components industry is characterized by long-term growth and resilience during economic downturns due to a number of favorable factors. Demand for elevators has grown significantly faster than GDP due to a number of favorable global trends, such as population growth, urbanization, taller buildings, aging populations, increased wealth and increased regulation and safety awareness. As a manufacturer of elevator components operating independently from elevator installers, we also benefit from the trend of elevator installers increasingly seeking to outsource the manufacture of components, which has increased the rate of growth for elevator components manufacturers above the growth in demand for elevators. Our position as the leading independent elevator components manufacturer has enabled us to capitalize on these growth trends, as evidenced by our strong long-term revenue growth and EBITDA margins in excess of 10% on average since 2004.

We are a global manufacturer of elevator components with a strong footprint across multiple regions. We divide our operations into three geographical regions which include Europe, Asia and the Rest of the World. Our Europe region includes our operations in Africa and represents our core market, accounting for 48.6% of our revenue in the year ended December 31, 2013, with upside potential as Southern European economies recover. Our Asia region provides the growth engine for our business, with 37.4% of our revenue, driven by increased urbanization and other favorable trends in China, and with the potential to grow spare parts sales in China as the market matures. Our Rest of the World region primarily includes Eurasia, Turkey, the Middle East and Latin America and represented 13.9% of our revenue, with the potential for significant future growth.

Our product offering features a large range of elevator components for new elevator manufacturing and sourcing, for spare parts and for modernization and upgrades. Our components span from sophisticated mechatronic components for elevator cabin and landing doors (including the associated opening mechanisms) to other critical components such as gearless drives, slings, safety gears and cars. We also offer complete elevators, which we primarily sell to independent elevator installers (“**Independents**”). Sales of doors and door components accounted for 69% of our revenue in the year ended December 31, 2013. Doors and door components are required at each floor of a building, so as the average height of new buildings increases, the demand for elevator doors and door components also increases at a faster rate than demand for other components. Doors and door components range from relatively standardized, high-volume production doors to highly customized, special-order doors—we offer 19 models of landing doors and 15 models of elevator car doors. Having produced approximately 1.2 million doors and door components in the year ended December 31, 2013, we believe we are the leading elevator door and door components supplier in a highly fragmented elevator components market.

We manufacture components for both the original equipment market and the aftermarket. We estimate that the original equipment market makes up a larger percentage of our business in developing countries, such as China, while the aftermarket makes up approximately 50% of our sales in a mature market such as Europe. Aftermarket sales range from routine provision of spare parts through the lifetime of an elevator, to components for modernization and upgrade of an elevator, to complete replacement of an elevator. In developing markets such as China, we expect aftermarket components sales to strongly increase as the life cycle of newly-installed elevators progresses.

Our key customers are global, multinational corporation elevator installers (“**MNCs**”), such as western-based MNCs Kone, Otis, Schindler and ThyssenKrupp Elevator (“**Western MNCs**”) and Asian-based MNCs Fujitec, Hitachi, Hyundai, Mitsubishi Electric and Toshiba (“**Asian MNCs**”), as well as Independents, which are typically active in a limited geographic market. In the year ended December 31, 2013, Western MNCs accounted for approximately 68% of our revenue, Independents for approximately 32% of our revenue and Asian MNCs for less than 1% of our revenue. We have deeply-ingrained, mutually-dependent relationships with a number of our key customers, and benefit from multi-year, guaranteed “share-of-wallet” contracts with a number of our key customers, allowing us to share in the growth of our customers’ business.

In the twelve months ended September 30, 2014, we generated revenue of €501.4 million and Historic Adjusted EBITDA of €72.7 million. As of September 30, 2014, we had a work force of 3,206 employees and conducted business in more than 50 countries.

Our Strengths

We believe our competitive strengths include the following:

Leading global position

We are the world's largest independent elevator component manufacturer, with unparalleled breadth and scale across products and regions. We estimate that we generate more than two times the revenue of our next largest competitor. We manufacture and sell a broad range of critical and technologically complex components throughout the world. In contrast, most of our competitors are suppliers that focus on a narrow range of products and specific regions. Our size and global footprint translate into a number of competitive advantages, including (i) purchasing power economies of scale, (ii) the capacity to meet our customers' volume requirements throughout the world, (iii) the resources to manage complex global safety regulations and certification processes and to undertake market-leading global research and development, (iv) the ability to deliver globally-consistent, high levels of quality to our customers and (v) the ability to attract the most skilled talent in our industry. Because of our leading position, we believe we are often MNCs' trusted partner of choice for their most complex projects, including high-visibility projects such as Apple store glass elevators, large hotels and marine facilities, cruise and cargo ships and offshore oil platforms. Our long and successful track record in projects such as these provides us with an advantage when our customers are making purchase decisions, thereby allowing us to grow as the elevator installation industry grows, and to benefit from the same favorable trends.

Strong and resilient market dynamics supporting multiple levers of growth

The elevator and elevator components market has experienced significant growth, with growth in demand for elevators estimated to have grown by a CAGR of 9.5% from 1996 to 2012, significantly outpacing global GDP growth. This has been the result of a number of favorable global trends which we expect to continue, including population growth, urbanization, taller buildings, aging populations, increased wealth and increased regulation and safety awareness. Demand for elevator components is driven by new installations, as well as the need for the modernization and maintenance of the installed base. New installations grow most quickly in developing markets, such as China, while mature markets, such as those in Europe, have a greater focus on modernization, maintenance and spare parts. As developing markets mature, we expect the aftermarket for modernization, maintenance and spare parts in such markets to grow. We also benefit from the trend of outsourcing, whereby elevator installers choose to outsource the manufacturing of elevator components, which has increased in recent years, allowing elevator component manufacturers to grow more quickly than demand for elevators. The elevator components industry lags behind the automotive industry (which itself continues to increase the rate of outsourcing of components manufacturing) in terms of share of components outsourced, and we expect the elevator components industry to follow the same trend. These favorable industry trends have driven our growth.

Long-term growth and demonstrated resilience underpinned by a strong financial profile and stable cash generation

We have achieved strong financial results over the last ten years, combined with resilience during the period from 2009 to 2010. Our revenue has grown by a CAGR of 7% from 2004 to 2014 and, excluding 2009 to 2010, we grew our revenues by over 10% per year on average. Our EBITDA margin has exceeded 10% on average in each year since 2004. Even during the 2009 to 2010 economic downturn our revenues only declined by 10-15%, and benefiting from our relatively flexible cost structure and capital expenditure profile, we maintained EBITDA margins in excess of 10% through strict cost management. By 2011, we were able to surpass our pre-crisis level revenue and EBITDA. Despite weak new housing starts in China in 2014, our business in China continued to exhibit strong growth throughout the year with a further acceleration in the fourth quarter, and healthy order book levels for us and our key customers at the end of the year. Our growth over the last ten years has coincided with that of our Western MNC customers, and they have also experienced margin improvement, underscoring the overall attractiveness of the industry. We are a highly cash generative business with relatively low levels of capital expenditures and working capital requirements for the manufacturing industry, and had Cash Conversion of 82.7% for the twelve months ended September 30, 2014. Our global production footprint provides us a natural hedge against currency, pricing and other local risks. At the same time, we have also maintained consistent profitability across the regions in which we operate.

Strong, long-standing relationships with leading MNCs

We are a trusted supplier to the largest international elevator companies in the world. Our largest customers include many of the world's most significant elevator companies, such as Kone, Schindler, Otis and ThyssenKrupp Elevator, who together accounted for approximately 43% of total revenue in the elevator industry in the year ended December 31, 2013. We derived approximately two-thirds of our revenue from these four customers in the year ended December 31, 2013. We have long-standing relationships with each of these customers, which we have maintained over the past 15 to 30 years. These long-standing relationships have allowed us to better understand our customers' needs and priorities, thereby enabling us to cater to our customers from conception, design and development to manufacturing and distribution of components to offering comprehensive after-sale services and technical support. MNCs put substantial efforts in long-term product standardization in order to simplify and reduce complexity in the maintenance and breakdown service process. In addition, elevator certification and safety regulations mean that changing components suppliers can add additional compliance costs. For these reasons, elevator installers prefer to remain with selected components and suppliers. Doing so reduces failure rates and maintenance cost, improves productivity and minimizes safety risks. The result has been that our MNC customers engage with us to deliver on their most complex and important projects, and rely on us as their partner of choice in a manner that would be difficult for a competitor to replicate. Our close relationships with our key Western MNC customers are also demonstrated by our multi-year agreements under which our largest customers have agreed to purchase a certain percentage of their requirements for certain components from us ("share-of-wallet" agreements). We also see an opportunity to expand business with Asian MNCs, using our close relationships with Western MNCs as a model, particularly as safety regulations become more stringent in emerging markets to the benefit of established, high-quality component manufacturers such as us.

Strong relationships with Independents

We also have strong, long-standing relationships with Independents, who are generally regional elevator installers. In the year ended December 31, 2013, sales to Independents constituted approximately 32% of our revenue. Independents accounted for approximately 39% of total revenue in the elevator industry in 2013, typically require more individualized solutions than MNCs and outsource to a greater degree than MNCs. We have a full-service offering for Independents that caters to their needs, including offering complete elevators and spare parts and comprehensive support services for our components. As a result, sales to Independents typically generate higher gross profit margins than those to MNCs.

Serve both the new installation market and the aftermarket

We sell elevator components for use in both new elevator installations and for modernizations, upgrades and maintenance spare parts. The share of our business constituting new installations compared to modernizations, upgrades and maintenance spare parts varies by region, depending on the age of the installed base of elevators compared to the pace of new installation. For example, we estimate that new installations constitute approximately 50% of our sales in mature markets such as Europe, but 90% of our sales in emerging markets, such as China. Our ability to service both the new installation market and the aftermarket allows us to benefit from economic growth and emerging markets, while also giving us downside protection and steady sales in mature markets.

Leading research and development platform guided by deep customer and competitor insights

Our research and development ("R&D") teams are supported by leading testing infrastructure, with dedicated laboratories for doors, drives and safeties. We also systematically analyze competitor products to improve our own products. Furthermore, existing test towers in Austria, China, Germany and Spain (currently under construction), also give us a key advantage as an independent component manufacturer. We have seven R&D centers that focus on performance improvements, weight reduction, energy efficiency, reliability, maintenance reduction, installation speed and adjustability to new industry norms. We also hold more than 300 patents.

We also cooperate with major universities, providing us access to innovative new technologies at an early stage. In addition, we have established a close interlink between our R&D department and our product certification team, thereby ensuring not only a short lead time for required certifications for new product innovations, but also allowing for quick responses to new regulatory standards. Our R&D work focuses on a "mechatronic" (the combination of mechanical and electrical engineering) design approach, which enables us to develop intelligent components with monitoring and diagnostic capabilities, and optimizes installation time. As a result, the individual life cycle of our components is prolonged, which further supports our customers' profitability, and therefore their loyalty to us.

Experienced and diversified management team with a proven track record for value creation

The Wittur Group is led by chief executive officer Dr. Walter Rohregger and chief financial officer Dr. Daniel Wiest, who are experienced managers with a track record of delivering growth at manufacturing companies with international operations. Since joining the Wittur team in early 2012, they have developed and implemented substantial strategic and operational improvements, including rationalization of certain of our operations, implementation of uniform processes across functional groups, improved management practices, relocating production to lower-cost jurisdictions and improving internal controls and have coincided with growth in our revenues and profit margins. They lead a strong senior management team of six regional and functional managers with a collective 39 years of experience in the industry. Following completion of the Acquisition, we also expect to benefit from the market expertise, business relationships, knowledge and experience of our future shareholder, Bain Capital.

Our Strategy

Our management has formulated a comprehensive strategy covering all regions and functions that we believe will drive growth and align the entire organization to be in a position to exploit the existing market opportunities:

Benefit from group-wide continuous improvement

We intend to grow our business, improve our margins, and strengthen relationships with our customers by continuously improving all aspects of our business. During the last two-and-a-half years, under the leadership of our management team, we have begun implementing processes throughout our organization in an effort to drive such continuous improvement. Some of the most significant operational improvements include rationalization of certain of our operations, relocating production to lower-cost jurisdictions and improving internal controls. But we are also taking more extensive improvements that reach deep into our organization, and cover all relevant functions, from sales to purchasing, production, R&D and also include support functions such as finance and human resources. Through these improvements, we have incentivized individual management to drive growth. We believe the improvements achieved through these new processes are significant, particularly in relation to production processes. Our production process improvements focus on improving our quality management systems and achieving our zero accidents objective. We also are working to improve our delivery performance and improve the quality of the suppliers from which we source materials. We intend to improve our key account outreach and sales with Asian MNCs, and we also intend to continue to update and modernize our product range. We are also focused on optimizing our electronic integration with our key account management teams. This includes improving our tracking system to enable our customers to track the status of the production process.

Continue to grow with the industry and our MNC customers

We work closely with our key account MNC customers, and are in constant contact with them to increase our business with them and benefit from upcoming outsourcing decisions. This close relationship means that as our MNC customers grow, we plan to grow as well. In particular, we intend to grow with Kone, but also to continue to diversify our customer base by further developing our relationships with other MNCs. For example, we recently entered into binding, multi-year “share-of-wallet” agreements with Schindler, as well as with Kone. We are also in active dialogue with other MNCs, including Asian MNCs, who have historically outsourced less of their elevator components demand than Western MNCs, and intend to more substantially diversify our customer mix by developing relationships with other Western MNCs. Over the past twelve months, we have received an increasing number of requests for quotes for new business from Asian MNCs, validating this strategy. As part of our continuous improvement strategy, we have focused on optimizing our key account management teams and strengthening our regional sales teams across all regions and have prioritized R&D to develop our available products and retain our competitive position in the market.

Grow with Independents

Our business with Independents represents our second main source of revenue after sales to MNCs. We see potential to grow our business with Independents, and are working to improve our sales forces’ focus on such customers. We focus on sales of spare parts via a business-to-business platform to grow our business with Independents. We believe that increasing regulatory requirements, particularly in developing markets, will enable us to grow our business with Independents who typically require fully certified packages or complete elevators, and that Independents will increasingly seek out established, high-quality component manufacturers such as ourselves to help them meet more stringent requirements. We also believe that a focus on Independents will help us continue our geographic expansion.

Further geographic expansion

We believe that significant opportunities for our business exist in certain developing markets where we have not historically focused our operations. In particular, we see opportunities in Eurasia, Latin America and India and Southeast Asia. In Eurasia, which made up approximately 5% of all new elevator installations in 2013, we intend to grow in line with the rapidly-growing market by winning business with the MNCs and further penetrating Independents. In Latin America, we intend to grow our business on the back of strong end market growth and to benefit from our new plant in Brazil. In India, which made up approximately 5% of all new elevator installations in 2013, and in Southeast Asia, we see attractive, growth driven end-markets for elevator components, and the opportunity to sell to both MNCs and Independents operating in those markets. Our view is that these markets are on the cusp of a strong phase of growth in demand for elevators, akin to that in China in recent years. To exploit these opportunities, we have increased our sales forces in these regions and are working to increase local market penetration, so we already have a strong base by which we will be able to quickly respond to growing demand. We also intend to continue to utilize our strategy of locating our plants in low cost countries where we benefit from labor cost efficiencies and close proximity to customers. We also are investigating entry into the North American market. While we expect most of our growth to be organic, we may also opportunistically undertake accretive acquisitions in the highly fragmented elevator components market.

Increase focus on modernization, maintenance and spare parts aftermarket

We see the potential for increased sales in the modernization, maintenance and spare parts aftermarket, particularly in developing markets, such as China. At present, approximately 90% of our sales in emerging markets are for new elevator installations. However, as the lifecycles of the elevators installed in these markets in recent years progress over time, we expect demand for modernization, maintenance and spare parts to grow to be similar to those in more mature markets, such as Europe, where sales of components for modernization, maintenance and spare parts constitute approximately 50% of our sales.

Increase focus on new products and modernization

Our R&D and product development is focused on five core initiatives: (i) improving product range completion (for example, decreasing the weight and installation time of our products); (ii) upgrading existing best-seller-products such as our drives and slings; (iii) localization of certain products in emerging markets (for example, introducing our existing product base and adapting it based on local requirements); (iv) improving existing technology (such as optimizing the product range for drives and reducing their complexity); and (v) developing new technology (for example, developing complete elevators and expanding our product range, such as furthering new safety gears to avoid uncontrolled car movements). Our customers drive our focus and structure the process of product development. For example, we aim to continuously modernize our products based on customer feedback, such as minimizing energy consumption and eco-efficiency, as our customers indicate a demand for such features.

Our History

We were founded in 1968 by Horst Wittur in Wiedenzhausen (Bavaria, Germany) as a manufacturer and distributor of elevator swing doors and as a trader of elevator components focusing on the local market. Since then, we have continuously expanded our product portfolio and production footprint, both organically and through acquisitions (mainly by way of outsourcing transactions, such as recently taking over the Scheibbs, Austria, facility from Kone in 2000). We have been early entrants into a number of emerging markets with local production, such as Turkey (1993), China (1995), Argentina and Brazil (both 2000), Slovakia (2009) and India (2010). Today, we believe we are the largest independent manufacturer of elevator components, modules and complete elevators with an extensive global manufacturing footprint and sales network as well as a broad range of products.

The Transactions

The Acquisition

On December 22, 2014, BidCo, an entity indirectly owned by Bain Capital and the direct, wholly-owned subsidiary of the Issuer, entered into the Acquisition Agreement with TriWay HoldCo AB, Way Equity GmbH & Co KG and Way Shareholder Loan I GmbH & Co KG to acquire all the issued and outstanding capital stock of the Target and certain shareholder loans (the “**Acquisition**”). The consummation of the Acquisition is subject to satisfaction of certain conditions, including regulatory approval in Germany, Austria, Finland, Brazil and China. In addition, the Transaction will be subject to certain statutory conditions, such as regulatory approval in Turkey. If regulatory approval is not obtained on or prior to, or if any injunction by a governmental authority of competent jurisdiction that restrains or prohibits the consummation of the

Acquisition is in effect as of September 30, 2015 (or such later date as the parties to the Acquisition Agreement agree), the Acquisition Agreement may be terminated by the Target. As part of the Acquisition, Bain Capital intends to establish a management equity plan under which our senior management may hold ordinary shares of LuxCo. See “Certain Relationships and Related Party Transactions—Management Equity Plan.”

The Issuer, a *Gesellschaft mit beschränkter Haftung* incorporated and existing under the laws of Germany, is a wholly-owned subsidiary of HoldCo, a *Gesellschaft mit beschränkter Haftung* incorporated and existing under the laws of Germany. HoldCo, in turn, is a wholly-owned subsidiary of TopCo, a *Gesellschaft mit beschränkter Haftung* incorporated and existing under the laws of Germany. TopCo, in turn, is a wholly owned subsidiary of LuxCo, a *Société à responsabilité limitée* incorporated and existing under the laws of Luxembourg. Each of TopCo, HoldCo, the Issuer and BidCo were acquired by Bain Capital as acquisition vehicles for the Transactions. LuxCo was formed by Bain Capital as an acquisition vehicle for the Transactions.

The Financing

The Acquisition is expected to require €93.3 million of debt and equity financing, excluding transaction fees and expenses, but including the repayment of the net debt of the Target and its subsidiaries. The Acquisition will be financed in part through the issuance of the Notes in an aggregate principal amount of €25.0 million and a drawing of the New Term Loan B Facility in an amount of €95.0 million.

As of the Completion Date, the Revolving Credit Facility in an aggregate principal amount of €65.0 million will also be available. Currently, it is expected that the Revolving Credit Facility will not be drawn as of the Completion Date. See “Use of Proceeds.”

The proceeds from the financing described above will be used to:

- fund the consideration payable for the capital stock of the Target purchased in the Acquisition;
- repay all existing amounts outstanding under the Existing Senior Facilities Agreement;
- repay debt of certain subsidiaries of the Target; and
- pay the fees and expenses in connection with the Acquisition and the Financing, including estimated fees and expenses to be incurred in connection with the Offering.

Pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering of the Notes into the Escrow Account in the name of the Issuer. The Escrow Account will be controlled by, and pledged on a first-ranking basis in favor of, the Trustee on behalf of the holders of the Notes. The release of escrow proceeds is subject to the satisfaction of certain conditions, including the consummation of the Acquisition. If the Acquisition is not consummated on or prior to September 30, 2015, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be a price equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of special mandatory redemption. See “Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.”

We refer to the Acquisition and the Financing collectively as the “**Transactions**.” See “Use of Proceeds,” “Capitalization,” “Description of Certain Financing Arrangements” and “Description of the Notes.”

Recent Developments

As of the date of this Offering Memorandum, we have completed trading for the year ended December 31, 2014. Our estimated EBITDA and revenues for the year ended December 31, 2014, increased compared to our EBITDA and revenues for the year ended December 31, 2013, as a result of strong sales performance, particularly MNC sales from our businesses in China and Austria. Our estimated revenues for the two months ended November 30, 2014 were between approximately €93 and €103 million, which constituted an increase of 15% to 20% compared to the revenues for the two months ended November 30, 2013. These increases were also primarily due to strong sales performance, particularly MNC sales in China and Austria. Despite weak new housing starts in China in 2014, our business in China continued to exhibit strong growth throughout the year with a further acceleration in the fourth quarter, and healthy order book levels for us and our key customers at the end of the year.

The preliminary financial results presented above are derived from our accounting records and internal management accounts. This information has not been audited, reviewed or compiled, nor have any procedures been performed by our independent auditors with respect thereto. Accordingly, no opinion or any other form of assurance is provided with respect thereto. We have not yet prepared consolidated financial statements for the year ended December 31, 2014 nor have we completed our year-end accounting close processes. Accordingly, the preliminary financial results presented above are subject to the completion of our results for the year ended December 31, 2014, may change and those changes may be material.

The Issuer

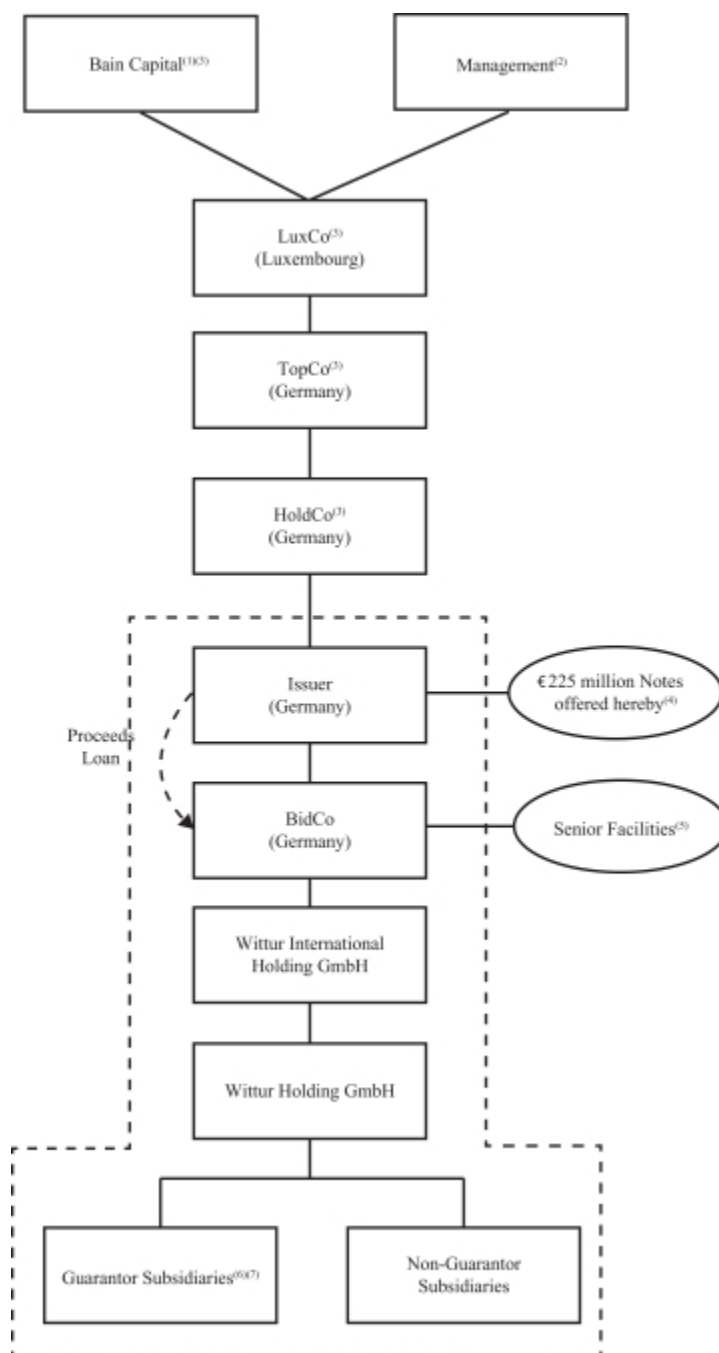
The Issuer, a *Gesellschaft mit beschränkter Haftung* organized under the laws of Germany, was formed on December 19, 2014. The Issuer was acquired by Bain Capital as acquisition vehicle for the Transactions and it has conducted no operations or other material activities. The Issuer is registered with the commercial registry of Munich under number HRB 215485. The Issuer's principal business address is at Maximilianstraße 11, c/o Bain Capital Beteiligungsberatung GmbH, 80539 Munich, Germany.

Our Principal Shareholders

Bain Capital, LLC is a leading global private investment firm, which advises and manages capital across several asset classes, including private equity, venture capital, public equity, global macro and leveraged debt assets. Since its inception in 1984, Bain Capital, LLC and its affiliates have completed over 450 transactions in a broad range of industries across a variety of industries including Industrials, Financial and Business Services, Consumer & Retail, Technology, Media & Telecommunications, and Healthcare. The firm has a strong track record of investments in the automotive industry, including its investments in Asimco, FCI, FTE, Hero and Sensata Technologies, as well as a number of market leading companies globally such as Bellssystem24, Burger King, Burlington Coat Factory, Domino's Pizza, HCA, IMCD, Novacap, Samsonite, Securitas Direct, SigmaKalon and Worldpay. Headquartered in Boston, Bain Capital, LLC and its affiliates have offices in New York, Chicago, Palo Alto, London, Luxembourg, Munich, Hong Kong, Mumbai, Shanghai, Tokyo and Melbourne.

CORPORATE STRUCTURE AND CERTAIN FINANCING ARRANGEMENTS

The following chart shows a simplified summary of our corporate and financing structure as of the date of this Offering Memorandum adjusted to give effect to the Transactions. All entities shown below are 100% directly or indirectly owned unless otherwise indicated. For a summary of the debt obligations identified in this diagram, please refer to the sections entitled “Description of the Notes,” “Description of Certain Financing Arrangements” and “Capitalization.”



- (1) Upon consummation of the Acquisition, Bain Capital will indirectly hold or control (through wholly-owned intermediate holding companies) substantially all of the share capital of the Target (other than management equity). See “Principal Shareholders.”
- (2) Bain Capital intends to establish a management equity plan under which our senior management may hold ordinary shares of LuxCo. At present, we expect management will hold approximately 15% of the ordinary share capital of LuxCo, subject to vesting periods. See “Certain Relationships and Related Party Transactions—Management Equity Plan.”
- (3) Bain Capital will make an equity investment in the ordinary share capital and preferred equity certificates (“PECs”) of LuxCo. LuxCo will extend the proceeds therefrom to TopCo via an intercompany loan and TopCo will then contribute the proceeds thereof to the equity of HoldCo. HoldCo will make the Equity Contribution to the Issuer. In addition, in connection with the Acquisition and in lieu of receiving cash payment on a part of the Purchase Price, the Sellers, as lenders, entered into agreements governing the Deferred Consideration in an aggregate principal amount of €40.0 million

with HoldCo, as borrower, as deferred consideration in respect of the Purchase Price. See “Principal Shareholders—Preferred Equity Certificates of LuxCo, Shareholder Loan to TopCo and Deferred Consideration.”

- (4) The Notes will be senior obligations of the Issuer and will rank *pari passu* in right of payment to all of the Issuer’s existing and future senior indebtedness and will be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes. The Notes and the Guarantees will be secured as of the Issue Date on a first-priority basis by the Escrow Charge and, as of the Issue Date or within five business days thereof, by the other Notes Collateral and, on a second-priority basis by the Shared Collateral. The Shared Collateral will secure obligations under the Senior Facilities and certain hedging obligations on a first-priority basis. The Notes will be guaranteed within 90 days of the Completion Date on a senior subordinated basis by the Guarantors (other than BidCo, which will guarantee the Notes on the Issue Date). Each of the Guarantees will be a senior subordinated obligation of the applicable Guarantor, and will be subordinated to any senior indebtedness of such Guarantor, including such Guarantor’s obligations under the Senior Facilities and certain hedging obligations. The validity and enforceability of the Guarantees and the security interests and the liability of each Guarantor under a Guarantee will be subject to the limitations described in “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.” The Notes will be structurally subordinated to all obligations of the Issuer’s subsidiaries that do not guarantee the Notes and effectively subordinated to any existing and future debt of the Issuer and its subsidiaries that is secured by property or assets which do not secure the Notes, including the Senior Facilities, to the extent of the value of the property and assets securing such debt.
- (5) The Senior Facilities consist of (i) the €195.0 million New Term Loan B Facility, (ii) the €65.0 million Revolving Credit Facility which is expected to be undrawn as of the Issue Date and the Completion Date and (iii) any additional facility under the Senior Facilities Agreement. See “Description of Certain Financing Arrangements—Senior Facilities.”
- (6) The Notes will be guaranteed within 90 days of the Completion Date on a senior subordinated basis by the Guarantors (other than BidCo, which will guarantee the Notes on the Issue Date). Each of the Guarantees will be a senior subordinated obligation of the applicable Guarantor, and will be subordinated to any senior indebtedness of such Guarantor, including such Guarantor’s obligations under the Senior Facilities and certain hedging obligations. The validity and enforceability of the Guarantees and the security interests and the liability of each Guarantor under a Guarantee will be subject to the limitations described in “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.”
- (7) As of and for the year ended December 31, 2013, the Guarantors (excluding BidCo) accounted for (i) gross assets of €173 million or 64% of the consolidated gross assets (in each case, excluding goodwill and certain other intangible assets resulting from the purchase price allocation of our acquisition by Triton in 2010 which cannot be allocated to individual subsidiaries), (ii) net revenue of €241 million or 50% of the consolidated net revenue, (iii) net assets of €14 million or -24,314% of consolidated net assets (calculated on the basis of consolidated net assets of €1.7 million) and (iv) EBITDA of €37 million or 60% of the consolidated EBITDA of the Group (in each case, excluding BidCo).

SUMMARY OF THE OFFERING

The following is a brief summary of certain terms of the Offering. It may not contain all the information that is important to you. For a more complete understanding of the Notes and the Guarantees, including the definitions of terms used in this summary, please see “Description of the Notes.”

Issuer	Paternoster Holding III GmbH, incorporated as a <i>Gesellschaft mit beschränkter Haftung</i> , under the laws of Germany.
Notes Offered	€225.0 million in aggregate principal amount of its 8.50% Senior Notes due 2023.
Issue Date	February 17, 2015.
Issue Price	100.00% (plus accrued and unpaid interest from the Issue Date).
Maturity Date	February 15, 2023.
Interest Rate and Payment Dates	The Notes will bear interest at a rate of 8.50% per annum, payable semi-annually in arrears on August 15 and February 15 of each year, except for the first interest payment, which shall be payable on October 15, 2015. Interest on the Notes will accrue from the Issue Date.
Form of Denomination	The Notes will be issued in global form in denominations of €100,000 and in integral multiples of €1,000 in excess thereof, maintained in book-entry form.
Ranking of the Notes	<p>The Notes will:</p> <ul style="list-style-type: none">• be senior obligations of the Issuer;• be secured as set forth under “—Security;”• rank <i>pari passu</i> in right of payment to all of the Issuer’s existing and future senior indebtedness;• be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes;• rank effectively senior to the existing and future indebtedness of the Issuer that is unsecured to the extent of the value of the Collateral;• be structurally subordinated to all obligations of the Issuer’s subsidiaries that do not guarantee the Notes; and• be effectively subordinated to any existing and future debt of the Issuer and its subsidiaries that is secured by property or assets which do not secure the Notes or which secure such other debt on a senior-priority basis, including the Senior Facilities, to the extent of the value of the property and assets securing such debt.

Guarantees

The Notes will be guaranteed within 90 days of the Completion Date on a senior subordinated basis by the Guarantors, other than BidCo, which will guarantee the Notes on the Issue Date.

The obligations of each Guarantor will be limited as described under the heading “Description of the Notes—The Notes Guarantees.”

Each Guarantee will be subject to certain contractual and legal limitations. For example, the Guarantees by our Italian subsidiaries, Wittur Italia Holding s.r.l. and Wittur S.p.A., are expected to be limited to €5.0 million and €1.0 million, respectively (based on a Completion Date of March 31, 2015). The limitation of the Italian Guarantees will be calculated as a percentage of the intercompany proceeds loans used to refinance existing indebtedness of our Italian subsidiaries and could be higher or lower, depending on the amount of outstanding local debt on the actual Completion Date. In addition, the Guarantee provided by Wittur Asansör San. V Tic. A.S., our subsidiary in Turkey, will be capped at €2.5 million. However, we cannot provide any assurances that holders of the Notes will be able to recover even these amounts under such Guarantees, as payment under each Guarantee is contractually subordinated to all the senior indebtedness of such Guarantor, including such Guarantor’s obligations under the Senior Facilities and certain hedging obligations. See “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.”

As of and for the year ended December 31, 2013: (i) Wittur Italia Holding s.r.l. accounted for no net revenue, net assets of €32 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -1,864% of consolidated net assets) and gross assets of €0.5 million (which represented 0.2% of our consolidated gross assets); (ii) Wittur S.p.A. accounted for net revenue of €38.1 million (which represented 7.9% of our consolidated net revenue), net assets of €52 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -3,057% of consolidated net assets) and gross assets of €43.3 million (which represented 16.0% of our consolidated gross assets); and (iii) Wittur Asansör San. V Tic. A.S. accounted for net revenue of €34.2 million (which represented 7.1% of our consolidated net revenue), net assets of €12 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -686% of consolidated net assets) and gross assets of €18.7 million (which represented 6.9% of our consolidated gross assets).

Ranking of the Guarantees

Each Guarantee will:

- be a senior subordinated obligation of the applicable Guarantor;
- be secured as set forth under “—Security;”
- be subordinated in right of payment to any existing and future senior indebtedness of such Guarantor, including the Senior Facilities and certain hedging obligations;
- rank *pari passu* in right of payment to all existing and future senior subordinated obligations of such Guarantor;
- be structurally subordinated to all obligations of the Issuer’s subsidiaries that do not guarantee the Notes; and

- be effectively subordinated to any existing and future debt of the Issuer and its subsidiaries that is secured by property or assets which do not secure the Notes, including the Senior Facilities, to the extent of the value of the property and assets securing such debt. As of and for the year ended December 31, 2013, the Guarantors (excluding BidCo) accounted for (i) gross assets of €173 million or 64% of the consolidated gross assets (in each case, excluding goodwill and certain other intangible assets resulting from the purchase price allocation of our acquisition by Triton in 2010 which cannot be allocated to individual subsidiaries), (ii) net revenue of €241 million or 50% of the consolidated net revenue, (iii) net assets of €414 million or -24,314% of consolidated net assets (calculated on the basis of consolidated net assets of €1.7 million) and (iv) EBITDA of €37 million or 60% of the consolidated EBITDA of the Group (in each case, excluding BidCo).

The Guarantees will be subject to the terms of the Intercreditor Agreement. See “Description of Certain Financing Arrangements—Intercreditor Agreement.” The Guarantees will be subject to release under certain circumstances. See “Description of the Notes—The Notes Guarantees—Notes Guarantees Release.”

Security

Subject to certain agreed security principles and certain perfection requirements, on the Issue Date or within five business days thereof, the Notes and the Guarantees (upon the granting thereof by the respective Guarantors) will be secured:

- (i) on a first-priority basis, by the Notes Collateral consisting of:
 - the Escrow Charge (which will be in place on the Issue Date);
 - a pledge of the shares of the Issuer; and
 - a pledge of the bank accounts of the Issuer; and
- (ii) on a second-priority basis pursuant to the Intercreditor Agreement to obligations under the Senior Facilities, by the Shared Collateral; consisting of:
 - a pledge of the shares of BidCo;
 - a security interest in respect of the Proceeds Loan;
 - a pledge of the bank accounts of BidCo; and
 - an assignment of BidCo’s claims under the Acquisition Agreement.

The Shared Collateral will secure obligations under the Senior Facilities and certain hedging obligations on a first-priority basis.

Lenders under the Senior Facilities will receive priority to the proceeds from the Collateral in the event of any enforcement. See “Description of the Notes—Security.”

The Collateral will be subject to contractual and legal limitations and may be released under certain circumstances. See “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations” and “Description of the Notes—Security—Release of Liens.” No appraisals of the Collateral have been made in connection with this Offering. By its nature, some of or all the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See “Risk Factors—Risks Related to the Notes and Our Structure.

Intercreditor Agreement

The indebtedness and obligations under the Notes and the Senior Facilities and certain other existing and future indebtedness and obligations permitted under the Indenture governing the Notes will be secured by liens on the Collateral. Under the terms of the Intercreditor Agreement, however, in the event of enforcement of the Shared Collateral, the holders of the Notes will receive proceeds from the Shared Collateral only after the lenders under the Senior Facilities have been repaid in full.

Moreover, the holders of the Notes will be subject to certain limitations on their ability to take certain actions in respect of the security interests in the Collateral, including certain standstill periods See “Description of Certain Financing Arrangements—Intercreditor Agreement.”

Escrow of Proceeds; Special Mandatory Redemption:

Pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering of the Notes into the Escrow Account. The Escrow Account will be controlled by the Escrow Agent, and pledged on a first-priority basis in favor of, the Trustee in its capacity on behalf of the holders of the Notes. Upon delivery to the Trustee in its relevant capacity and the Escrow Agent of an officer’s certificate stating that the conditions to the release of the proceeds from escrow are satisfied, the escrow proceeds will be released to the Issuer and utilized as described in “The Transactions,” “Use of Proceeds,” and “Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.” The release of escrow proceeds will be subject to the satisfaction of certain conditions, including the consummation of the Acquisition. The consummation of the Acquisition pursuant to the Acquisition Agreement is subject to the satisfaction of certain conditions, including regulatory approval.

In the event that (a) the Completion Date and the release of escrow proceeds does not take place on or prior to September 30, 2015, (b) in the reasonable judgment of the Issuer, the Acquisition will not be consummated by September 30, 2015, (c) the Acquisition Agreement terminates at any time prior to September 30, 2015, (d) Bain Capital cease to beneficially own and control a majority of the issued and outstanding capital stock of the Issuer or (e) certain insolvency events of default occur on or prior to September 30, 2015, the Notes will be subject to a special mandatory redemption. The

special mandatory redemption price will, in each case, be a price equal to 100% of the aggregate issue price of the relevant Notes, plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of the special mandatory redemption. The relevant escrow proceeds would be applied to pay for any such special mandatory redemption. In the event that the funds on deposit in the Escrow Account are insufficient to pay the special mandatory redemption price, plus accrued and unpaid interest and additional amounts, if any, Bain Capital will be required to make an equity contribution to the Issuer in an amount required to enable the Issuer to pay such accrued and unpaid interest and additional amounts, if any, owing to the holders of the Notes, pursuant to an agreement between Bain Capital and the Trustee. See “Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption,” and “Risk Factors—Risks Related to the Transactions—If the conditions to the escrow are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes.”

Use of Proceeds

The Issuer intends to use the gross proceeds from the Offering, together with the New Term Loan B Facility and the Equity Contribution, to (i) fund the consideration payable for the capital stock of the Target purchased in the Acquisition; (ii) repay all existing net debt outstanding under the Existing Senior Facilities Agreement and the net debt of certain subsidiaries of the Target; and (iv) pay the fees and expenses in connection with the Transactions, including estimated fees and expenses to be incurred in connection with the Offering. See “The Transactions—The Financing” and “Use of Proceeds.”

Additional Amounts; Tax Redemption

All payments made with respect to the Notes will be made without withholding or deduction for taxes in any Relevant Taxing Jurisdiction (as defined in “Description of the Notes—Withholding Taxes”), except to the extent required by law. If withholding or deduction is required by law, the Issuer will pay additional amounts so that the net amount you receive is no less than that which you would have received in the absence of such withholding or deduction, subject to certain exceptions. See “Description of the Notes—Withholding Taxes.”

If certain changes in the law of any Relevant Taxing Jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See “Description of the Notes—Redemption for Taxation Reasons.”

Optional Redemption

Prior to February 15, 2018, the Issuer may redeem all or part of the Notes at a price equal to 100% of the principal amount of the Notes redeemed plus the applicable “make whole” premium set forth under the caption “Description of the Notes—Optional Redemption,” plus accrued and unpaid interest, if any (subject to the rights of holders of the Notes of record on the relevant record

date to receive interest due on the relevant interest payment date). See “Description of the Notes—Optional Redemption.”

Prior to February 15, 2018, the Issuer may, on one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes issued under the Indenture with the proceeds from specified equity offerings at a redemption price equal to % of the aggregate principal amount thereof plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, provided that at least 60% of the original principal amount of the Notes issued under the Indenture remains outstanding. See “Description of the Notes—Optional Redemption.”

On or after February 15, 2018, the Issuer may redeem all or part of the Notes at the redemption prices set forth in this Offering Memorandum under the caption “Description of the Notes—Optional Redemption.”

Change of Control

Upon the occurrence of certain change of control events, the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of the purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). See “Description of the Notes—Change of Control.”

Certain Covenants

The indenture governing the Notes (the “**Indenture**”) will contain certain covenants that restrict, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- pay dividends on, redeem or repurchase our capital stock;
- make certain restricted payments;
- make certain investments;
- create or permit to exist certain liens;
- impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us;
- merge or consolidate with other entities, or make certain asset sales;
- enter into certain transactions with affiliates;
- impair the security interests for the benefit of the holders of the Notes.
- guarantee certain indebtedness; and
- layer certain indebtedness.

Each of the covenants is subject to a number of important exceptions and qualifications. See “Description of the Notes—Certain Covenants.”

Transfer Restrictions

The Notes and the Guarantees have not been registered under the U.S.

Securities Act or the securities laws of any other jurisdiction and will not be so registered. The Notes are subject to restrictions on transferability and resale. See “Transfer Restrictions.” Holders of the Notes will not have the benefit of any exchange or registration rights.

No Prior Market

Although application has been made to have the Notes listed on the Official List of the Irish Stock Exchange and for trading on the Global Exchange Market of the Irish Stock Exchange in accordance with its rules, no assurances can be given that the Notes will become, or remain, listed on the Irish Stock Exchange. The Notes will be new securities for which there is no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, we cannot assure you that an active trading market for the Notes will develop or be maintained.

Original Issue Discount

The Notes may be issued with original issue discount for U.S. federal income tax purposes. If the stated principal amount of the Notes exceeds their issue price by more than a statutorily defined *de minimis* amount, the Notes will be treated as issued with original issue discount for U.S. federal income tax purposes. In such case, U.S. holders (as defined in “Taxation—Certain United States Federal Income Tax Considerations”), whether on the cash or accrual method of tax accounting, would be required to include amounts representing original issue discount in gross income (as ordinary income) on a constant yield to maturity basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable. For further discussion, see “Taxation—Certain United States Federal Income Tax Considerations.”

Governing Law for the Notes, the Guarantees and the Indenture

New York law.

Governing Law for the Intercreditor Agreement

English law.

Governing Law for the Security Documents

The documents granting the security over the Collateral will be governed by the applicable local law for each security interest.

Trustee

U.S. Bank Trustees Limited.

Registrar

Elavon Financial Services Limited.

Principal Paying Agent and Transfer Agent

Elavon Financial Services Limited, UK Branch.

Notes Security Agent

U.S. Bank Trustees Limited.

Shared Security Agent

Credit Suisse AG, London Branch.

Escrow Agent

Elavon Financial Services Limited, UK Branch.

Listing Agent

Dillon Eustace.

Risk Factors

Investing in the Notes involves substantial risks. You should carefully consider all the information in this Offering Memorandum, and, in particular, you should evaluate the specific risk factors set forth in the “Risk Factors” section in this Offering Memorandum before making a decision whether to invest in the Notes.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables present the Target's summary financial information and should be read in conjunction with the Audited Consolidated Financial Statements as of and for the years ended December 31, 2012 and 2013, and the Unaudited Interim Consolidated Financial Statements as of and for the nine months ended September 30, 2014, which are all reproduced elsewhere in this Offering Memorandum, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." See also "Presentation of Financial and Other Information." The summary financial information as of and for the nine months ended September 30, 2014 and 2013 has been derived from the Unaudited Interim Consolidated Financial Statements from the accounting records of the Target or from the internal management accounts of the Target. The summary financial information as of and for the years ended December 2011, 2012 and 2013 provided below has been derived from the Audited Consolidated Financial Statements, from the accounting controls of the Target or from the internal management accounts of the Target. The 2013 Audited Consolidated Financial Statements were prepared in accordance with IFRS as adopted by the EU and the 2012 Audited Consolidated Financial Statements were prepared on the basis of German GAAP. The Audited Consolidated Financial Statements were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC"). The Unaudited Interim Consolidated Financial Statements, which were prepared in accordance with IFRS applicable to interim financial reporting as adopted by the EU, have not been audited. The information below is not necessarily indicative of the results of future operations.

All historical financial information presented in this Offering Memorandum is that of the Target and its subsidiaries; accordingly, all references to "we," "us," "our" or the "Group" in respect of historical financial information in this Offering Memorandum are to the Target and its subsidiaries on a consolidated basis.

The summary unaudited consolidated financial information for the twelve months ended September 30, 2014 has been calculated by adding the unaudited consolidated interim financial information for the nine months ended September 30, 2014, derived from the Unaudited Interim Consolidated Financial Statements, and the historical financial information for the year ended December 31, 2013, derived from the Audited Consolidated Financial Statements, and the Target's accounting records and subtracting the unaudited consolidated financial information for the nine months ended September 30, 2013, derived from the Unaudited Interim Consolidated Financial Statement and the Target's accounting records. This data has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed.

Consolidated Income Statement Information in Accordance with IFRS

	Year ended December 31,		Nine months ended September 30,		Twelve months ended September 30,
	2012	2013	2013	2014	2014
	in € million				
	(audited)	(audited)	(unaudited)	(unaudited)	
Revenues	455.9	479.8	359.3	380.9	501.4
Cost of sales	(336.7)	(357.9)	(268.9)	(280.0)	(369.1)
Direct materials	(234.0)	(240.1)	(181.5)	(189.9)	(248.5)
Other costs of sales	(102.7)	(117.8)	(87.4)	(90.1)	(120.6)
Gross profit	119.2	121.9	90.4	100.8	132.3
Selling expenses	(22.3)	(19.7)	(14.8)	(13.8)	(18.7)
Research & development expenses	(5.7)	(5.8)	(4.4)	(4.7)	(6.1)
Administrative expenses	(64.5)	(59.3)	(42.4)	(41.3)	(58.2)
Other income	2.5	2.8	1.9	1.3	2.1
Other expenses	(2.6)	(1.7)	(1.4)	(1.7)	(2.1)
Earnings before interest and taxes (EBIT)	26.6	38.0	29.3	40.6	49.3
Finance expense	(21.6)	(21.4)	(16.1)	(13.1)	(18.3)

	Year ended December 31,		Nine months ended September 30,		Twelve months ended September 30,
	2012	2013	2013	2014	2014
			<i>in € million</i>		
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>
Finance income	0.5	0.8	0.3	1.1	1.6
Earnings before income taxes (EBT).....	5.5	17.5	13.5	28.6	32.6
Income taxes.....	(5.1)	(9.3)	(7.9)	(11.5)	(12.9)
Net result for the period for continuing operations	0.4	8.2	5.6	17.1	19.8
Loss after taxes for Discontinued Operations	(0.4)	(0.6)	(0.6)	—	—
Net result for the period	(0.03)	7.6	5.0	17.1	19.8

Consolidated Income Statement Information on the Basis of German GAAP

	Year ended December 31,	
	2011 ^(*)	2012 ^(*)
	<i>in € million</i>	
	<i>(audited)</i>	<i>(audited)</i>
Sales.....	387.7	466.0 ^(**)
Increase or decrease in finished goods and work in process.....	(3.1)	(0.2)
Other operating income	10.0	11.2
Cost of materials	(210.9)	(250.4)
Personnel expense.....	(78.3)	(87.9)
Amortization and depreciation.....	(43.7)	(47.7)
Other operating expenses.....	(69.6)	(87.0)
Other interest and similar income	0.4	0.5
Write-down of long-term financial assets and current securities	(0.0)	(0.0)
Interest and similar expenses	(19.5)	(20.1)
Profit/loss on ordinary activities.....	(26.9)	(15.6)
Taxes on income	(3.4)	(6.6)
Other taxes	(1.1)	(2.3)
Consolidated net loss for the year.....	(31.4)	(24.5)
Share of minorities in the net loss for the year loss share attributable to other shareholders	(0.0)	(0.0)
Consolidated net loss for the year after minority shares.....	(31.4)	(24.5)
Loss carried forward	(1.9)	(33.3)
Consolidated accumulated deficit.....	(33.3)	(57.8)

(*) The financial information as of and for the year ended December 2011 and 2012 has been derived from the 2012 Audited Consolidated Financial Statements which were prepared on the basis of German GAAP. Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS.”

(**) The difference of €10.1 million in sales under German GAAP and revenue under IFRS for the year ended December 31, 2012, reflects the sale of the operations of Wittur Hydraulic Drives s.r.l., Bagnatica, Italy, in 2013, which was classified as discontinued operations for purposes of the 2013 Audited Consolidated Financial Statements and therefore was excluded from the presentation of revenues under IFRS, but not from the presentation of sales under German GAAP. For additional details, please see note 5.9 to the 2013 Audited Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Consolidated Balance Sheet Information in Accordance with IFRS

	As of December 31,		As of September 30,
	2012	2013	2014
	<i>in € million</i>		
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Assets			
Intangible assets.....	151.8	138.3	132.2
Property, plant and equipment	75.5	74.8	71.6
Investment properties.....	1.9	1.8	3.3
Other non-current financial assets	0.0	0.8	0.4
Other non-current receivables.....	0.1	—	0.1
Deferred tax assets	6.1	5.5	6.8
Non-current assets	235.3	221.1	214.4
Inventories	34.2	37.9	43.8
Trade and other receivables	77.9	85.2	98.2
Other current financial assets.....	0.4	0.4	1.5
Other current assets.....	14.3	12.6	10.8
Cash and cash equivalents	22.4	20.0	36.2
Current assets.....	149.1	156.2	190.5
Assets classified as held for sale.....	5.1	1.6	—
Total Assets	389.5	378.8	405.0
Equity and Liabilities			
Subscribed capital ^(†)	0.0	0.0	0.0
Retained earnings.....	(24.8)	(24.9)	(17.2)
Net gain / loss for the year	(0.0)	7.6	17.1
Other components of equity.....	20.0	15.5	16.4
Reserves of disposal group classified as held for sale	(0.0)	—	—
Total equity	(4.9)	(1.7)	16.3
Non-current interest-bearing loans and borrowings.....	237.5	221.5	218.2
Provisions for pensions.....	9.1	8.4	9.4
Other non-current provisions	5.5	6.1	3.7
Other non-current financial liabilities	5.6	3.8	3.7
Deferred tax liabilities	15.2	9.5	8.1
Non-current liabilities.....	272.8	249.3	243.2
Current interest-bearing loans and borrowings	17.3	31.5	18.9
Trade and other payables	89.4	90.0	113.5
Provisions for pensions.....	0.5	0.4	0.3
Other current provisions	1.9	2.1	2.9
Other current financial liabilities	0.6	0.7	0.3
Income tax liabilities.....	7.6	6.5	9.5
Current liabilities.....	117.3	131.2	145.4
Liabilities associated with the assets classified as held for sale.....	4.3	—	—
Total Equity and Liabilities	389.5	378.8	405.0

(†) As of each of the dates presented the fully-paid up share capital of the Target was equal to €25,000.

Consolidated Balance Sheet Information on the Basis of German GAAP

As of December 31,

	2011 ^(*)	2012 ^(*)
	<i>in € million</i>	
	<i>(audited)</i>	<i>(audited)</i>
Intangible assets		
Internally developed industrial property rights and similar rights and assets	0.9	2.0
Acquired concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	72.2	54.9
Goodwill	91.7	68.6
Prepayments.....	0.0	0.0
Total intangible assets	164.8	125.6
Tangible assets		
Land, land rights and building including buildings on leasehold land.....	54.2	51.8
Technical equipment and machinery	13.6	13.1
Other equipment, factory and office equipment	7.2	7.1
Prepayments and construction in process	1.2	5.0
Total tangible assets.....	76.2	77.1
Financial assets		
Other long-term equity investments.....	0.0	0.0
Long-term securities	0.0	0.0
Other loans.....	0.0	0.0
Total financial assets.....	0.0	0.0
Total fixed assets	241.1	202.7
Inventories		
Raw materials and supplies.....	25.1	22.8
Work in process	5.8	3.6
Finished goods and merchandise	11.5	10.5
Prepayments.....	0.8	0.6
Total inventories	43.1	37.5
Receivables and other assets		
Trade receivables	67.9	80.7
Other assets.....	14.3	14.4
Total receivables and other assets	82.2	95.1
Securities	0.0	0.0
Cash on hand, bank balances and checks.....	20.6	22.4
Total current assets.....	145.9	155.1
Prepaid expenses.....	0.8	0.8
Deferred tax assets	5.1	8.3
Consolidated net loss not covered by equity.....	11.7	36.8
TOTAL ASSETS	404.4	403.6
Shareholders' equity		
Subscribed capital.....	0.0	0.0
Capital reserves.....	22.0	22.0
Equity capital difference from currency translation.....	(1.0)	(1.6)
Consolidated accumulated deficit.....	(33.3)	(57.8)
Compensating item for minority shares	0.6	0.6
Consolidated deficit not covered by equity.....	11.7	36.8

	As of December 31,	
	2011 ^(*)	2012 ^(*)
	in € million	
	(audited)	(audited)
Total shareholders' equity	0.0	0.0
Provisions		
Provisions for pensions and similar obligations	1.3	1.2
Tax provisions	6.6	4.5
Other provisions.....	23.4	30.0
Total provisions.....	31.2	35.7
Liabilities		
Liabilities to banks.....	156.5	138.1
Prepayments received on account of orders.....	4.2	4.3
Trade payables	61.7	63.6
Other liabilities	125.1	140.3
Total liabilities.....	347.5	346.3
Deferred income	0.0	0.0
Deferred tax liabilities	25.7	21.5
TOTAL EQUITY AND LIABILITIES	404.4	403.6

(*) The financial information as of and for the year ended December 2011 and 2012 has been derived from the 2012 Audited Consolidated Financial Statements which were prepared on the basis of German GAAP. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS."

Cash Flow Statement Information in Accordance with IFRS

	Year ended December 31,		Nine months ended September 30,		Twelve months ended September 30,
	2012	2013	2013	2014	2014
	in € million				
	(audited)	(audited)	(unaudited)	(unaudited)	
Operating activities					
Profit (loss) after Tax.....	(0.0)	7.6	5.0	17.1	19.8
Depreciation, Amortization and Impairment	24.8	23.5	17.6	14.2	20.1
Taxes.....	5.1	8.2	6.8	11.5	12.9
Interest	21.1	21.0	16.3	12.0	16.7
Loss on sale of discontinued operations	—	0.3	0.3	—	—
Gain/loss on sale of fixed assets	(0.9)	(0.2)	(0.1)	(0.0)	(0.1)
Losses from disposal of fixed assets.....	0.1	0.2	0.2	0.0	0.1
Cash generated from operations (excluding working capital changes).....	50.2	60.7	46.0	54.8	69.4
Changes in working capital.....	(0.8)	(14.1)	(1.5)	6.5	(6.0)
Net movement in provisions, pension obligations and other liabilities	3.8	0.3	(1.0)	(1.7)	(0.5)
Net movement in other assets	(1.1)	0.1	1.0	0.5	(0.5)
Interest received.....	0.5	0.3	0.2	0.2	0.3

	Year ended December 31,		Nine months ended September 30,		Twelve months ended September 30,
	2012	2013	2013	2014	2014
			<i>in € million</i>		
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>
Income taxes paid	(14.1)	(12.6)	(8.0)	(11.9)	(16.6)
Net cash flow from operating activities.....	38.5	34.6	36.8	48.3	46.2
Investing activities					
Purchase of property, plant & equipment	(8.3)	(10.6)	(4.2)	(3.0)	(9.4)
Purchase of intangible assets	(1.5)	(2.3)	(1.5)	(2.4)	(3.2)
Disposal of assets	0.5	0.7	0.6	1.7	1.8
Proceeds from disposal of Group company	—	0.9	0.9	—	—
Net cash flow used in investing activities	(9.3)	(11.3)	(4.2)	(3.7)	(10.8)
Net cash flow before financing activities.....	29.2	23.3	32.6	44.7	35.3
Financing activities					
Repayment of shareholder loan	—	(70.0)	—	(2.5)	(72.5)
Proceeds from borrowings	—	73.4	0.0	—	73.4
Repayment of borrowings.....	(18.6)	(16.1)	(11.4)	(20.0)	(24.7)
Payment of refinancing fees	—	(3.3)	(1.2)	—	(2.1)
Interest paid	(7.9)	(9.1)	(5.8)	(6.7)	(10.0)
Net cash flow used in financing activities.....	(26.4)	(25.2)	(18.3)	(29.2)	(36.0)
Net increase/(decrease) in cash.....	2.8	(1.9)	14.3	15.5	(0.7)
Effects of currency translation	(1.0)	(0.5)	(0.3)	0.7	0.5
Cash and cash equivalents at beginning of period	20.6	22.4	22.4	20.0	36.3
Cash and cash equivalents at the end of period	22.4	20.0	36.3	36.2	36.2

Cash Flow Statement Information on the Basis of German GAAP

	Year ended December 31,	
	2011 ^(*)	2012 ^(*)
	<i>in € million</i>	
	<i>(audited)</i>	<i>(audited)</i>
Net income/loss for the year (before extraordinary events/transactions).....	(31.4)	(24.5)
Depreciation of/write-ups on fixed assets.....	43.7	47.7
Increase/decrease in provisions.....	(4.2)	4.5
Income/loss from the disposal of fixed assets.....	0.0	(0.2)
Increase/decrease in inventories, trade receivables and other assets that are not allocable to investing or financing activities	(7.0)	(10.6)
Increase/decrease in trade payables and other liabilities that are not allocable to investing or financing activities	7.7	13.0
Cash flow from operating activities.....	8.9	30.0
Payments received from the disposal of tangible assets and intangible assets.....	0.2	0.5
Payments made for investments in tangible assets and intangible assets.....	(9.1)	(9.7)
Payments made to acquire financial investments	0.0	(0.0)
Cash flow from investing activities.....	(8.9)	(9.3)
Payments received from additions to equity capital	0.0	0.0
Payments made to shareholders	0.0	0.0
Payments received from taking out (financial) loans.....	8.6	0.0
Payments made for the repayment of (financial) loans vis à vis direct and indirect shareholders	(181.1)	0.0
Payments made for the repayment of bonds and (financial) loans	(8.6)	(18.0)
Cash flow from financing activities	(181.1)	(18.0)
Net increase/decrease in cash and cash equivalents.....	(181.1)	2.8
Exchange rate and valuation-based changes in cash and equivalents	(0.8)	(0.5)
Cash and cash equivalents at the beginning of the year.....	201.3	19.5
Cash and cash equivalents at the end of the year.....	19.5	21.7
Structure of cash and cash equivalents at the end of the year		
Marketable securities	0.0	0.0
Cash	20.6	22.4
Bank liabilities due on demand.....	(1.1)	(0.7)
Cash and cash equivalents	19.5	21.7

(*) The financial information as of and for the year ended December 2011 and 2012 has been derived from the 2012 Audited Consolidated Financial Statements which were prepared on the basis of German GAAP. Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS.”

Other Financial and Operating Data

Other Financial Data

	Year ended December 31,	Year ended December 31,		Nine months ended September 30,		Twelve months ended September 30,
	2011 ⁽¹⁾	2012	2013	2013	2014	2014
	(unaudited)	(unaudited unless otherwise stated)				
	in € millions	in € millions				
<u>Profit and Loss</u>						
Revenues.....	387.7 (**)	455.9 (**)	479.8 (**)	359.3	380.9	501.4
thereof Europe.....	224.8	234.0	233.4	175.8	175.4	233.0
thereof Asia.....	106.8	159.8	179.5	135.6	154.6	198.5
thereof Rest of World.....	56.1	62.1	66.9	47.9	50.8	69.8
Revenues (excl. Iran) ⁽¹⁾	381.2	447.6	475.7	356.4	376.5	495.8
EBITDA ⁽²⁾	35.9	51.0	61.2	46.9	54.8	69.1
Historic Adjusted EBITDA ⁽²⁾		57.2	64.3	48.8	57.2	72.7
Adjusted EBITDA ⁽²⁾		55.0	62.9	47.9	55.9	70.9
Adjusted EBITDA margin ⁽³⁾		12.3	13.2	13.4	14.8	14.3
		%	%	%	%	%
FX Spot Rate Adjusted EBITDA ⁽²⁾						74.8
Gross profit ⁽⁴⁾		119.2	121.9	90.4	100.8	132.3
Gross profit margin ⁽⁴⁾		26.1	25.4	25.2	26.5	26.4
		%	%	%	%	%
<u>Cash Flow</u>						
Total capital expenditures ⁽⁵⁾	9.1	9.7	12.9	5.7	5.3	12.6
Change in working capital ⁽⁶⁾	0.7	(0.8)	(14.1)	(1.5)	6.5	(6.1)
Cash Conversion ⁽⁷⁾	74.7	83.0	79.9	88.3	90.7	82.7
	%	%	%	%	%	%
<u>Credit Data</u>						
Pro forma cash and cash equivalents.....						—
Pro forma net senior financial debt ⁽⁸⁾						198.8
Pro forma net financial debt ⁽⁹⁾						423.8
Pro forma cash interest expense ⁽¹⁰⁾						31.0
Ratio of pro forma net senior financial debt to FX Spot Rate Adjusted EBITDA.....						2.66x
Ratio of pro forma net financial debt to FX Spot Rate Adjusted EBITDA.....						5.67x
Ratio of FX Spot Rate Adjusted EBITDA to pro forma cash interest expense.....						2.42x
Ratio of pro forma net senior financial debt to Adjusted EBITDA.....						2.80x
Ratio of pro forma net financial debt to Adjusted EBITDA.....						5.98x

Year ended December 31,	Year ended December 31,		Nine months ended September 30,		Twelve months ended September 30,
2011 ^(*)	2012	2013	2013	2014	2014
(unaudited)	(unaudited unless otherwise stated)				
in € millions	in € millions				

Ratio of Adjusted EBITDA to

pro forma cash interest

expense.....

2.29x

- (*) The financial information as of and for the year ended December 31, 2011 presented above has been derived from the 2012 Audited Consolidated Financial Statements, which were prepared on the basis of German GAAP. Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS.” As used for the period ended December 31, 2011, the term revenues refer to sales, the term total capital expenditure refers to payments made for investments in tangible assets and intangible assets and the term change in working capital refers to the decrease in inventories, trade receivables and other assets that are not allocable to investing or financing activities less the increase in trade payables and other liabilities that are not allocable to investing or financing activities, in each case as defined under German GAAP. Amounts presented under the column for the year ended December 31, 2011 have not been prepared on a comparable basis to the other amounts presented.
- (**) Audited financial information. Revenues by region for the year ended December 31, 2011 have been regrouped to match our present revenue split and include sales deductions. Therefore, the revenues by region for the year ended December 31, 2011, deviate from our 2012 Audited Financial Statements in which revenues by region had been grouped differently and did not include sales deductions. Revenues by region for the years ended December 31, 2012 and 2013 include sales deductions and thus deviate from our 2013 Audited Financial Statements in which revenues by region for these years do not include sales deductions.
- (1) Revenues (excl. Iran) represents, for any period, consolidated net revenues of the group, excluding sales into Iran, which we are discontinuing in connection with the Transactions
- (2) We define EBITDA as the consolidated net result for the period adding back finance expense, finance income, income taxes and depreciation and amortization. We define Historic Adjusted EBITDA as EBITDA as adjusted to reflect the extraordinary income and expenses described below. We define Adjusted EBITDA as Historic Adjusted EBITDA excluding the estimated EBITDA generated from sales to Iran in such period. We define FX Spot Rate Adjusted EBITDA as Adjusted EBITDA after giving effect to the *pro forma* application of the exchange rates as of December 31, 2014 to the twelve month period ended September 30, 2014. We believe that these EBITDA-based measures are useful to investors in evaluating our operating performance and our ability to incur and service our indebtedness. These EBITDA-based measures are not indicators of performance recognized under IFRS or German GAAP. These EBITDA-based measures are not necessarily comparable to the performance figures published by other companies. You should exercise caution in comparing these EBITDA-based measures as reported by us to EBITDA-based measures of other companies. For more information, see “Presentation of Financial and Other Information—Non-GAAP Financial Measures.” The following table is a reconciliation of net result for the period to EBITDA, Historic Adjusted EBITDA, Adjusted EBITDA and FX Spot Rate Adjusted EBITDA, in each case as defined by us, for the periods presented:

	Year ended December 31,	Year ended December 31,		Nine months ended September 30,		Twelve-month period ended September 30,
	2011	2012	2013	2013	2014	2014
		in € million				
Net result for the period for continuing operations^(A)	(31.4)	0.4	8.2	5.6	17.1	19.7
Finance expense ^(A)	19.5	21.6	21.4	16.1	13.1	18.4
Finance income ^(A)	(0.4)	(0.5)	(0.8)	(0.3)	(1.1)	(1.6)
Income taxes ^(A)	4.5	5.1	9.3	7.9	11.5	12.9
Depreciation and amortization ^(A)	43.7	24.4	23.3	17.6	14.2	19.9
EBITDA	35.9	51.0	61.2	46.9	54.8	69.1
Reorganization costs ^(B)		2.3	0.5	0.1	0.5	0.9
Severance and recruitment costs ^(C)		1.4	0.8	0.3	0.3	0.8
Project costs and consultant fees ^(D)		2.5	0.8	0.5	1.6	1.9
Shareholder loan refinancing costs ^(E)		—	1.0	1.0	—	—
Historic Adjusted EBITDA		57.2	64.3	48.8	57.2	72.7
Exclusion of EBITDA generated by business with Iran ^(F)		(2.2)	(1.4)	(0.9)	(1.3)	(1.8)
Adjusted EBITDA		55.0	62.9	47.9	55.9	70.9
Spot-rate FX adjustment ^(G)						3.9

	Year ended December 31,	Year ended December 31,		Nine months ended September 30,		Twelve-month period ended September 30,
	2011	2012	2013	2013	2014	2014
				<i>in € million</i>		
FX Spot Rate Adjusted EBITDA						74.8

- (A) For the year ended December 31, 2011, net result for the period for continuing operations refers to consolidated net loss for the year, finance expense refers to interest and similar expenses, finance income refers other interest and similar income and income taxes refers to the sum of taxes on income and other taxes, in each case as defined under German GAAP. Amounts presented under the column for the year ended December 31, 2011 have not been prepared on a comparable basis to the other amounts presented. For all periods presented, except for the year ended December 31, 2011 and the nine months ended December 31, 2014, depreciation and amortization as presented in this table excludes discontinued operations, and therefore is not identical to depreciation and amortization as presented in the Consolidated Financial Statements.
- (B) Reorganization costs relate to expenses incurred to reorganize certain aspects of our operations. These reorganization costs were incurred in connection with new initiatives put in place by our new group management in 2012, including:
- in the year ended December 31, 2012: the closing of our plant in Madrid, Spain, and relocation of certain of its former operations and employees to Zaragoza, Spain; as well as related severance expenses; start-up costs related to our plant opening in India; and professional fees and one-off taxes related to the foregoing;
 - in the year ended December 31, 2013: severance and redundancy costs and consultancy fees related to the transfer of certain operations from Italy and Spain to Slovakia; consultancy and legal fees related to the merger of certain subsidiaries in Germany and the demerger of certain subsidiaries in Austria for tax optimization purposes; the release of a provision for severance and redundancy costs which resulted from certain employees who agreed to relocate from our closed Madrid plant; and
 - in the nine months ended September 30, 2014: interim management and recruitment costs related to the restructuring of our operations at our facility in Dresden, Germany.
- (C) Severance and recruitment costs relate to the hiring of our new group management in 2012 and initiatives put in place by our new group management, including:
- in the year ended December 31, 2012: severance payments, transaction expenses and legal fees paid in connection with the replacement of the former group chief executive officer and chief financial officer;
 - in the year ended December 31, 2013: severance payments, transaction expenses and legal fees paid in connection with the replacement of certain other of our senior managers; severance and redundancy costs in connection with headcount rationalization in our Argentina office in 2013; and severance and redundancy costs paid in connection with headcount rationalization in our norms and patent department; and
 - in the nine months ended September 30, 2014: the transfer of certain of our operations in Rome, Italy, as well as related severance expenses.
- (D) Project costs and consultancy fees relate to costs and fees incurred in connection with one-off projects, including:
- in the year ended December 31, 2012: consultancy fees paid to consultants who advised us on our transition from German GAAP to IFRS and for the implementation of new consolidation software and new consolidation processes; recruiting costs for the search and selection of a new senior management team, for which we reimbursed our shareholders; and incremental expenses attributable to the larger-than-normal supervisory board that our existing shareholders maintained;
 - in the year ended December 31, 2013: consultancy fees paid to consultants who advised us on our transition from German GAAP to IFRS and for the implementation of new consolidation software and new consolidation processes; consultancy fees related to one-off tax optimization projects, in particular optimization of tax treatment in China; consulting fees related to our now-abandoned plans to sell our facility in Dresden, Germany; consultancy fees paid to an affiliate of one of our existing shareholders for purposes of such shareholder implementing purchasing savings and strategies across its portfolio; and incremental expenses attributable to the larger-than-normal supervisory board that our existing shareholders maintained; and
 - in the nine months ended September 30, 2014: fees and expenses paid in connection with our sale process.
- (E) Shareholder loan refinancing costs relate to stamp taxes and consulting, legal and other uncapped expenses incurred in relation to the refinancing of a shareholder loan in 2013.
- (F) Exclusion of EBITDA generated by business with Iran excludes from the calculation of Adjusted EBITDA our estimated EBITDA for each period presented that were generated from our sales into Iran, which we are discontinuing in connection with the Transactions. We calculated the EBITDA generated by business with Iran by multiplying net sales into Iran by the EBITDA margin of our Turkish subsidiary (from which our sales to Iran have been made), before applying management and sales costs applicable to the Group on a consolidated basis. The EBITDA margin of our Turkish subsidiary is higher than that of the Wittur Group as a whole.
- (G) Represents the effect on Adjusted EBITDA of a pro forma application of certain exchange rates as of December 31, 2014, to the twelve months ended September 30, 2014. The pro forma increase results from the euro's depreciation against the Chinese renminbi and the Turkish lira in 2014. We did not make pro forma adjustments for other exchange rates. The exchange rates as of December 31, 2014, used for the purposes of this adjustment were as follows: €1.00 = RMB7.536 and €1.00 = TRY2.832, not taking into account any currency hedges. The average exchange rates for the twelve months ended September 30, 2014 were €1.00 = RMB8.341 and €1.00 = TRY2.890. As of January 29, 2015, the exchange rates were as follows: €1.00 = RMB7.0619 and €1.00 = TRY2.7290. Application of the exchange rates described above is not indicative of any past or future performance. Foreign exchange rates are volatile, and our currency of account, the euro, is subject to increases and decreases in value against other currencies, including the Chinese renminbi and the Turkish lira. The depreciation of the euro against these

currencies may not continue in the future, or may reverse, with the relative value of the euro increasing in the future. Such an appreciation of the euro against these currencies in the future would reduce, eliminate or even reverse the effect described above, which could have a negative impact on our results of operations, and such negative impact could be significant. In addition, our results of operations for any particular period will be affected by currency exchange rates over the entire period and not on any particular date, as well as for other exchange rate movements.

- (3) Adjusted EBITDA margin represents, in any period, Adjusted EBITDA for such period, divided by revenues (excl. Iran) for such period.
- (4) Gross profit margin represents a quotient equal to (i) revenues for such period, minus costs of goods sold for such period, divided by (ii) revenues for such period.
- (5) For the year ended December 31, 2011, total capital expenditures represents payments made for investments in tangible assets and intangible assets. For any other period presented, total capital expenditures represents the sum of purchase of property, plant & equipment and purchase of intangible assets for such period.
- (6) Represents change in working capital as presented in the cash flow statement included in the financial statements for the year ended December 31, 2013 and in the interim financial statements for the nine-month period ended September 30, 2014. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Working Capital.”
- (7) For the year ended December 31, 2011, cash conversion represents a quotient equal to (i) EBITDA, minus payments made for investments in tangible assets and intangible assets, divided by (ii) EBITDA. For any other period presented, cash conversion represents a quotient equal to (i) Historic Adjusted EBITDA, minus total capital expenditures, divided by (ii) Historic Adjusted EBITDA.
- (8) *Pro forma* net senior financial debt represents the *pro forma* gross financial debt of the Group that is senior indebtedness (including structurally senior indebtedness of subsidiaries that are not Guarantors, minus *pro forma* cash and cash equivalents, after giving effect to the Transactions as if they had occurred on September 30, 2014.
- (9) *Pro forma* net financial debt represents the *pro forma* gross financial debt of the Group, minus *pro forma* cash and cash equivalents, after giving effect to the Transactions as if they had occurred on September 30, 2014.
- (10) *Pro forma* cash interest expense represents the estimated interest expense of the Group on a *pro forma* basis for the twelve months ended September 30, 2014, after giving effect to the Transactions as if they had occurred on October 1, 2013.

Other Operating Data

	Year ended December 31,	Year ended December 31,		Nine months ended September 30,	
	2011	2012	2013	2013	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Number of doors sold (<i>units</i>), including door mechanisms.....		1,292,209	1,381,809	1,038,143	1,157,603
Number of employees (<i>heads</i>) ⁽¹⁾	2,422	2,785	2,957	2,977	3,206
Order intake (<i>in € million</i>) ⁽²⁾	394.9	457.5	488.0	379.9	403.3
Order book at the end of the period (<i>in € million</i>) ⁽³⁾	56.0	56.4	63.1	74.7	82.9

- (1) Employee figures are headcount figures (including temporary workers in 2011 and 2012). Employee figures are based on the annual average for 2011, but on the number at period-end for all other periods presented.
- (2) We count order intake upon execution of a definitive contract and one of (i) receipt of the agreed down-payment or (ii) confirmation of committed financing; Order intake represents a gross number, which includes certain changes of existing orders that are counted as a new order (with the original order being deemed cancelled, but not netted off against the gross number of order intakes).
- (3) Order book at the end of the period represents orders for products and services where no contingencies remain before we and the customer are required to perform. Order book does not include prospective orders where customer-controlled contingencies remain, such as customers receiving approval from their board of directors or shareholders and the completion of financing arrangements. All such contingencies must be satisfied or must have expired prior to recording an order in the backlog, even if satisfying such conditions is highly certain. However, orders may still be cancelled and any replacement orders are not required to have the same value.

RISK FACTORS

An investment in the Notes involves a high degree of risk. In addition to the other information contained in this Offering Memorandum, you should carefully consider the following risk factors before purchasing the Notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations and our ability to fulfill our obligations under the Notes and Guarantees. If any of the possible events described below were to occur, our business, financial condition and results of operations could be materially and adversely affected. If that happens, the trading prices of the Notes could decline, we may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment.

This Offering Memorandum also contains “forward-looking” statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum. Please see “Forward-Looking Statements.”

Risks Related to the Industry in which We Operate

Our industry exhibits correlation to new construction in the commercial and residential real estate markets.

The level of demand for our products depends upon the level of demand for new elevators installations, and, to a lesser extent, for modernization and maintenance of spare parts in the elevator aftermarket. Demand for new installations is correlated to new construction in the commercial and residential real estate markets. Therefore, our income and results of operations have been influenced, and will continue to be influenced, by the general state and the performance of the commercial and residential real estate markets. The commercial and residential real estate construction markets are volatile, and are affected by a variety of factors, such as economic development, urbanization, demographic growth, mobility, wealth and income levels, consumer confidence, home equity values, home equity loan withdrawals, consumer spending habits, reasonably attainable consumer financing and interest rates.

For example, during the recent global financial crisis, the number of new builds in the commercial and residential real estate markets declined sharply. As a result, the demand for elevator components decreased, and our income and results of operations were negatively impacted. If a similar event were to occur again, including any prolonged or significant downturn in the Chinese residential housing and construction market, we would expect our results of operations to be adversely affected.

Any downturn in the commercial and residential real estate markets could cause demand for new elevators to decline, which in turn could cause demand for the elevator components we manufacture that are used in new elevator installations to decline. Any deterioration in the commercial or real estate markets could therefore have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are dependent on a small number of significant customers.

We derive a significant amount of our revenues each year from a small number of large MNCs, particularly in Asia. In the nine months ended September 30, 2014, our four largest customers (Kone, Otis, Schindler and ThyssenKrupp Elevator) accounted for approximately two-thirds of our revenue, and 92.7% of our revenue in Asia. Our business and results of operations are largely dependent on the success of our significant customers. The loss of any large customer, a decline in the volume of sales to these customers or the deterioration of their financial condition could adversely affect our business, results of operations, financial condition and cash flows. We could also be adversely affected if a serious accident occurs due to an elevator installed by one of our primary MNC customers, as such an accident could adversely affect such MNC's brand, reputation and sales for an extended period of time. MNCs typically do not rely on a single supplier in their outsourcing strategy but are increasingly migrating towards double- or triple-outsourcing strategies pursuant to which they retain two or three suppliers. Such outsourcing can be beneficial to MNCs for several reasons, including to manage the risk of product recall when there is a potential quality issue with any outsourced product. As a result, we may lose some, or all, of the sales volume to one or more of our MNC customers to another of their key suppliers. As MNCs continue to outsource an increasingly greater share of their components, our dependence on these customers may also increase.

We do not have binding framework agreements with all of our significant customers, but instead operate on an order-by-order basis with some of them, which means that such customers do not have any contractual obligation to continue to do business with us.

For those customers with whom we do have binding framework agreements, the term of such agreements is typically approximately three years, with renewal periods thereafter. We may not successfully be able to renew such agreements, including our “share-of-wallet” agreements with our largest customers on a timely basis, on terms acceptable to us or at all. In addition, our existing agreements include change of control clauses which entitle our business partners to termination upon the completion of the Acquisition. See “—Risks Related to The Transactions—The Acquisition will entitle our customers and certain other business partners of the Wittur Group to terminate their agreements as a result of change of control provisions.” Failure to renew or extend our sales agreements with our key customers for any reason could have a negative impact on our revenues and business prospects, which in turn could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are exposed to substantial risks associated with macroeconomic conditions, including the performance of the global economy and the Eurozone debt crisis.

The markets in which we operate are materially influenced by general economic conditions and macroeconomic cycles and volatility. The levels of economic activity vary widely in the different regions and countries where we operate and, in some of these regions and countries, typically display cyclical changes and fluctuations at intervals shorter than a year. A downturn in economic activity, either globally or in the markets in which we operate, could lead, among other effects, to a reduced demand for our products and services, increasing price pressure or increasing the inability of our customers to make payments. For example, during the economic downturn of 2009-2010, our revenues declined by 10-15%. We are most exposed to downturns in Europe (where we generated 46% of our revenues for the twelve months ended September 30, 2014) and Asia (where we generated 40% of our revenue for the twelve months ended September 30, 2014). Because approximately two-thirds of our customers are MNCs, whose business largely fluctuates with the global economic cycles, we are exposed to a decrease in demand resulting from any potential economic downturns.

In particular, should the political tensions between Russia and Ukraine continue or should a conflict between the two nations ensue, the strength of the global economy could deteriorate. In mid-December 2014, the Russian central bank significantly increased its base interest rate in light of the weakening of the Russian ruble. This could lead to worsening credit conditions in Russia combined with low growth, which in turn could affect the political and economic condition in both Europe and Asia, as well as impacting our Rest of the World operations, more than 70% of which are in Eurasia (including Russia).

Should ongoing political tensions between countries, movements and armed groups in the Middle East continue or should a broader conflict between nations ensue, the strength of the global economy could also deteriorate, harming our business.

Concerns about the levels of sovereign debt of several countries of the Eurozone, including Cyprus, Greece, Italy, Ireland, Spain and Portugal, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has raised uncertainties regarding the stability and overall standing of the European Monetary Union. Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the euro. The departure or risk of departure from the euro by one or more Eurozone countries or the abandonment of the Euro as a currency could have major negative effects on both existing contractual relations and the fulfillment of obligations by us and/or our customers. It could also spur a global or European economic downturn, which would negatively impact our business.

Any material future deterioration in economic conditions for the aforementioned or other reasons could materially and adversely affect our financial position and results of operations, which could in turn have a negative impact on our revenues, profitability and business prospects, which in turn could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are exposed to the risk of underutilization or lack of capacity due to the cyclical nature of our industry.

Since our business is characterized by high fixed costs associated with our production plants, we risk underutilization of our facilities or having insufficient capacity to meet customer demand if the markets in which we are active either decline or grow faster than we have anticipated. An underutilization of our facilities could result in idle capacity costs, write-offs of inventories and losses on products due to falling average sale prices, with falling production volumes causing declines in revenue and earnings. On the other hand, lack of capacity would limit our ability to exploit opportunities for new business, and may hamper relationships with our customers if we are unable to meet their purchasing requirements.

Sales to our customers are to a certain extent cyclical and depend, among other things, on general economic conditions as well as on construction trends, which can be affected by a number of factors, including unemployment rates, energy costs, interest rate levels, inflation, globalization, demographic changes, demand for green and sustainable construction, the increasing importance of technology in construction and growing demand from emerging economies such as Argentina, Brazil, China, India, Iran, Northern Africa, Russia and Turkey. Given the variety of such economic parameters influencing the global demand for elevator components, the market volume of elevator component production has historically been, and will continue to be, characterized by a degree of fluctuation, making it difficult for us to accurately predict demand levels for our products aimed at the elevator components sector.

The risks related to the nature of the industry in which we operate could have a negative impact on our revenues and business prospects, which in turn could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

The outsourcing trend in our industry may not continue, and may even reverse.

The outsourcing of the production of elevator components by global MNCs and Independents to suppliers is an ongoing trend which has driven demand for elevator parts. A number of factors drive outsourcing by elevator producers, including (i) the ability of the elevator producer to focus on core activities, such as the elevator installation and maintenance business without having to attend to potential production issues; (ii) increased flexibility of the elevator producer in terms of production capacity and locations as well as increased speed of penetration of new markets; (iii) the ability to free up cash by avoiding capital expenditures for new production facilities; (iv) lack of economies of scale and in-house production capacities of a large number of elevator producers; and (v) the ability of MNCs to access innovation capabilities and best-in-class processes through outsourcing. We estimate that as of December 31, 2014, approximately 55% of the total components market for doors and drives was outsourced to suppliers, as opposed to 45% produced in-house by MNCs. Our business has historically benefited from the outsourcing trend in our industry. However, this trend may not continue, and may even reverse. If our customers decide to reduce the number or volumes of products they outsource to us, this could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We face competitive pressures from the potential expansion of our local competitors into the global market.

Because a key part of our success in relation to our competitors is our ability to leverage our leading global position, this advantage may be eroded if our smaller competitors expand their businesses into other regions in which we operate. We also face growing competition in our areas of strategic expansion. For example, our Chinese competitors, including leading local elevator components players, have been expanding, or are expected to expand, their operations in the Chinese market. Such local companies could also expand their operations outside of China. A number of our local competitors may merge or form strategic alliances with, or acquire, other competitors in both their home regions and elsewhere. Our inability to compete effectively in a more competitive environment marked by an increase in global players could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We face risks in the regions in which we operate, including in emerging markets.

We operate globally, and a substantial portion of our business relates to emerging markets. The proportion of our business that relates to emerging markets may increase in the future as we further expand into emerging markets such as China. Due to the international scope of our business operations, we face risks with respect to possible geopolitical, economic and social instability, terrorist attacks, natural disasters and epidemics, as well as exposure to adverse government action and to changes in a specific country's or region's laws, regulatory requirements and policies affecting trade and investment. These factors could, in addition to directly affecting us, have an adverse effect on the general level of economic activity, which could also indirectly lead to reduced sales opportunities for us and adversely affect our growth prospects. Moreover, certain countries or regions in which we operated in the past and may continue to operate, such as China, India, Argentina, Russia, Turkey, Northern Africa and Brazil, have different business practices and in some cases considerably lower levels of economic, political, and legal stability compared to Western Europe.

Emerging markets are, to varying degrees, influenced by political, economic and market conditions in more industrialized countries, particularly the United States and the Eurozone. In particular, changes in the U.S. and European central bank policy and resulting currency devaluations may lead to significant economic volatility in emerging markets.

Our presence and growth plans in China expose us to significant risks linked to the Chinese economy. In 2012, China's economic growth decelerated to its slowest pace since the global financial crisis. China was significantly impacted by the contraction in the Eurozone economy, which, until 2012, when the United States surpassed the Eurozone, had been China's biggest export partner. The Chinese government focuses heavily on investment to stimulate growth in the Chinese economy. However, it is unclear whether such actions to stimulate growth will be coupled with increasingly strict regulation. A significant factor impacting economic growth in China has been the Chinese residential housing market, with demand for housing driving a boom in construction and related raw materials. However, in the second half of 2014, housing prices in China declined compared to 2013, sparking concern that China may suffer a residential real estate crisis similar to that suffered in the United States in 2008-2009. While the near-term future of the Chinese housing and construction markets cannot be predicted, any significant slowdown in new construction in China could impact our business in China and adversely affect our financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees. See also "—Our industry exhibits correlation to new construction in the commercial and residential real estate markets."

The Chinese "shadow banking" sector has grown rapidly in recent years, and a significant amount of credit and liquidity is provided by Chinese institutions outside the scope of financial regulation. Due to the lack of supervision, the complexity of shadow banking activities and the close connection between the shadow banking sector and the regulated financial sector, any significant liquidity shortages or defaults in the shadow banking sector may have a material impact on the economic climate in China.

Any of the aforementioned factors could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Our efforts to expand in certain markets are subject to a variety of business, economic, legal and political risks.

We manufacture our products in many countries and we market and sell our products worldwide. We are actively operating and expanding our operations in rapidly growing and emerging markets in Asia, Latin America and Africa. In the future, we expect to generate a greater percentage of our revenues from these markets.

Potential social, political, legal, and economic instability may pose significant risks to our ability to conduct our business and expand our activities in certain markets. Inherent in our international operations is the risk that any number of the following circumstances could affect our operations: underdeveloped infrastructure; lack of qualified management or adequately trained personnel; currency exchange controls, exchange rate fluctuations and devaluations; changes in local economic conditions; governmental restrictions on foreign investment, transfer or repatriation of funds; protectionist trade measures, such as anti-dumping measures, duties, tariffs or embargoes; prohibitions or restrictions on acquisitions or joint ventures; changes in laws or regulations and unpredictable or unlawful government actions; the difficulty of enforcing agreements and collecting receivables through foreign legal systems; fraudulent transactions; variations in protection of intellectual property and other legal rights; potential nationalization of enterprises or other expropriations; and political or social unrest or acts of sabotage or terrorism.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the EU and other jurisdictions.

Our international operations could expose us to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations, including the United Nations, the European Union and their member countries. In particular, the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC, administers certain laws and regulations that impose restrictions upon U.S. companies and persons and, in some contexts, foreign entities and persons, with respect to activities or transactions with certain countries, governments, entities and individuals that are the subject of such sanctions laws and regulations. We have undertaken in the past and may continue to undertake business in countries subject to U.S. sanctions laws, including generating revenues in immaterial amounts from customers located in Cuba, Iran, Iraq and other countries which are the subject of such OFAC sanction laws and regulations. For example, through our Turkish subsidiary, we generated €8.3 million, €4.1 million and €4.4 million for the years ended December 31, 2012 and 2013 and for the nine months ended September 30, 2014, respectively, from sales to our customers in Iran. In connection with the Transactions, we are planning to discontinue our sales to customers in Iran. Under economic and trading sanctions laws, governments may seek to impose modifications to business practices, and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and other sanctions.

We are monitoring developments in the United States, the European Union and other jurisdictions that maintain sanction programs, including developments in the implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries subject to sanctions), or modifications in how existing sanctions are interpreted or enforced may be amended. If any of the risks described above materialize, this could have a material adverse effect on our business, results of operations, financial condition and our ability to fulfill our obligations under the Notes and the Guarantees.

We may be exposed to liability under anti-corruption and anti-bribery legislation.

We are subject to anti-corruption and anti-bribery legislation and regulations that prohibit companies and their intermediaries from making improper payments or offers of payments to foreign governments and their officials and political parties, or others for the purpose of obtaining or retaining business and other benefits. Due to our global operations, in particular those in emerging markets, we could face, directly or indirectly, corrupt demands by officials, militant groups or private entities. Consequently, we face the risk that one or more of our employees, agents, intermediaries or consultants may make or receive unauthorized payments given that such persons may not always be subject to our control. In addition, it is possible that we could be held liable for successor liability for violations committed by companies in which we have invested or acquired or may invest or acquire.

We are not aware of any current or threatened material investigations or any legitimate grounds that could give rise to any investigations relating to us or any existing adverse findings against us, our directors, officers, employees or joint venture partners, but if any such investigations are made and substantiated in the future or any such persons are found to be involved in corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against us, our directors, officers and employees.

Any such findings, or any alleged or actual involvement in corrupt practices or other illegal activities by us or our commercial partners or anyone with whom we conduct business could damage our reputation and our ability to do business, including by affecting our rights and title to assets or by the loss of key personnel, and together with any increased compliance costs, could adversely affect our business, results of operations, cash flows, financial condition and prospects.

Our business, in particular our project business, is dependent on financing being available to our customers.

We produce, in part, upscale elevator components, for the financing of which our customers require substantial capital resources or borrowed funds. A significant portion of our business consists of projects that depend on the financing being available to our customers. A shortage in available financing opportunities, for example as a result of the European sovereign debt and financial crisis, may make it difficult to carry out such projects. For the same reason, existing orders may be deferred or cancelled, or customers may experience payment difficulties. Any of these factors could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Our industry is characterized by a significant amount of competition, which could reduce our revenue or put continued pressure on our sales prices.

The market for elevator components in which we operate is highly competitive. We compete with both large international market participants as well as with numerous smaller regional and local suppliers that vary depending on the region. Our competitive position also varies in the individual product sub-markets (such as sub-markets for different types of elevator components and complete elevators) and regions. If we are unable to continue to provide our services to existing clients, to develop new service portfolios, to attract new clients, to respond to client trends, to increase our operating efficiency and to reduce our operating and overhead costs, we may not be able to successfully compete. Furthermore, in many of the markets in which we compete, customers place a strong emphasis on local manufacturing capabilities, and we may be unable to quickly expand our manufacturing capacities as required in certain fast-growing regions, and thus lose market share in such regions. Our expansion in certain markets, such as China and India, which are generally characterized by lower costs of production, rapid growth and high levels of low-cost, low-quality competition. In addition, many of our competitors may have the resources to reduce their sales prices to below market-competitive rates to gain market share.

The level of development in many markets in which we operate is determined to a certain extent by technological changes and innovation, and our strategy is therefore particularly directed towards being perceived as a technology leader in the such markets. This requires continuous investments in research and development. Despite our efforts and investments, existing or new competitors may develop their current products and technologies further, create alternative products that are more attractively priced, offer products of a higher quality or a broader functionality than our products or offer products that

are more appealing than our products for other reasons. Furthermore, our research and development may be insufficient to meet our customers' demands in time, and we may become unable to meet product specifications due to a lack of research and development expertise. Additionally, our existing competitors and new entrants may have greater operational, financial and other resources or may otherwise be better positioned to develop new products and compete for opportunities and, as a result, our business may be less successful. New or better-developed products may potentially be offered at more attractive prices and, if such products are more attractive than our products for any other reason such as a higher degree of functionality, demand for our products could fall.

In addition, even though large MNCs primarily focus on the installation of elevators and maintenance services and we generally are not active in these areas, we may compete with some of our customers with respect to certain products. As a result, our customers may decide not to purchase our products.

Our customers and end customers face price pressures and cost-cutting pressures. If our competitors are able to significantly reduce their prices, if new low-cost competition enters the market or if customers decide to use their own products where we compete with them, we might not be able to reduce our costs, offer similar pricing or otherwise remain competitive, which could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are exposed to risks associated with market trends and developments.

Our future success depends on our ability to recognize market trends and technological changes and to develop and bring to the market new and improved products in a timely manner. The elevator components market, in particular, is characterized by progressive development toward higher levels of performance, energy efficiency and safety. Among other risks, (i) we may not be successful in developing new products or systems or in bringing them to market in a timely manner, or at all; (ii) products or technologies developed by others may render our offerings obsolete or non-competitive; (iii) our customers may substitute our products with competing products; (iv) the market may not accept our innovations; and (v) our competitors may be able to produce our non-patented products more inexpensively from other sources. Should we fail to develop appropriate strategies as a response to these or similar market trends, or should we fail to enhance existing products, develop new products or keep pace with developing technology, growth opportunities could be lost or we could lose existing customers. Furthermore, if we devote resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to be commercially viable, all or part of these R&D expenses may be lost and our business may suffer. Any such risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Risks Related to Our Business

We depend on large MNCs for the sale of our products.

Many of our customers are large MNCs, such as Kone, Otis, Schindler and ThyssenKrupp Elevator, as well as, to a lesser extent, several Asian MNCs, such as Fujitec, Hitachi, Hyundai, Mitsubishi Electric and Toshiba. Large companies have substantial bargaining power with respect to price and other commercial terms. If, for example, Kone's business were to slow down, we would be materially impacted because much of our recent growth has been attributable to the growth of Kone's business. Our customers' demand for price reductions drives us to constantly improve our production processes to reduce cost. If we are not successful in these improvements, our profit margin may be negatively affected. In addition, if any of our MNC customers becomes insolvent, discontinues its business relationship with us or terminates a supply contract prematurely, the original investments made by us to provide such products or outstanding claims against such customer could be wholly or partially lost.

The timing and amount of sales to our MNC customers ultimately depends on factors that are beyond our control, including sales levels and shipping schedules for the MNC products into which our products are incorporated. Our MNC customers may not continue to manufacture products that incorporate our products at current levels or at all. Failure of our MNC customers to achieve significant sales of elevators and other products incorporating our components and fluctuations in the timing and volume of such product sales could be harmful to our business. Further, failure by these customers to inform us of changes to their production needs in a timely manner could also hinder our ability to effectively manage our business. In addition, we do not carry insurance on all our receivables. If certain of our customers are unable to make payment against products that we have already delivered, we may not be able to recover those receivables.

In the nine months ended September 30, 2014, our four largest customers accounted for approximately two-thirds of our revenue. Loss of all or a substantial portion of sales made to any of our large MNC customers for whatever reason would

materially adversely affect our financial condition, results of operations and our ability to fulfil our obligations under the Notes and the Guarantees. In addition, a continued reduction of prices for products sold to these customers could have a significant adverse effect on our business, financial condition and results of operations. Factors that could cause such a loss of sales include loss of market share by these customers, termination of supply agreements and the failure to renegotiate new agreements or new terms, loss of contracts, insolvency, reduced or delayed customer requirements and plant shutdowns, strikes, or other work stoppages affecting production by such MNC customers. We may lose all or a portion of sales to our large MNC customers and we may not be able to offset a continued reduction of prices for products sold to these customers with reductions in costs.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We depend on four customers for two-thirds of our revenues, with one customer providing us with a significant proportion of such revenues, and the loss of, or a significant reduction in orders from, any of these customers would significantly impair our operating results and cash flows.

Our business depends on our four largest customers for approximately two-thirds of our revenues, with one of these four customers accounting for a significant proportion of those revenues and a second customer also representing a significant and growing portion of our revenues. The loss of any of these four key customers, or any significant reduction in sales to any of them, or any material adverse changes in the financial conditions of any of them (for example, due to a deterioration of economic conditions in the markets in which they operate, employment levels, increased taxation or other factors), would have a material adverse effect on our business, financial condition and results of operation.

Our industry and business are marked by a relatively small number of large customers, and we expect this high concentration of customers to continue for the foreseeable future. If we were to lose any of our key customers, we may be unable to find an alternative customer of similar size, or otherwise compensate for such loss, in a timely manner, or at all. Moreover, in light of the maturity of the European elevator components market, our ability to win contracts with new customers in the European market would likely turn on whether we succeed in taking market share from our competitors in Europe, which we may be unable to do due to long-term contracts and exclusivity agreements of our competitors. Additionally, customers in our industry face time and cost-related barriers to selecting new suppliers for their elevators, as changing suppliers requires new homologation of such components and the review and adjustment of all maintenance manuals.

If any of our key customers defaults on a material amount of its outstanding payment obligations, our business, financial condition and results of operation would be materially adversely affected and we may not be able to compensate in a timely manner, or at all, for the shortfall in liquidity resulting from such a default.

We depend on a limited number of key suppliers for certain products.

We require substantial amounts of raw materials, including steel tubing and bars, strip steel, nickel and other alloys. We are dependent on suppliers for such key parts as motors for the mechanisms we produce as well as magnets for our drives. We are subject to the risk that any or all of these materials may increase in price or become unavailable. At present, we source one of our critical supplies from a single supplier. Reliance on a single supplier cannot always be avoided and, consequently, our dependence on one supplier for any given input may continue or even increase in the future. Our procurement logistics may experience supply delays, cancellations, strikes, insufficient quantities or inadequate quality, which could in turn result in interruptions in production and, therefore, negatively impact our production capacity and cause delays in the delivery of products to our customers in these areas. If any one of our suppliers becomes unable to meet our delivery requirements for any reason (for example, due to insolvency, destruction of production plants or refusal to perform, we may be unable to source input products from other suppliers upon short notice and at the required volume.

In addition, we are dependent on finding the right suppliers to provide the quality that allows us to deliver the requisite safety standards required by both regulatory and market norms. Furthermore, budget restrictions may delay the introduction of new safety standards.

The realization of these risks could lead to order cancellations or claims for damages and could harm our long-term relationships with MNC customers, who may as a result choose to select another supplier. Such an outcome could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are exposed to fluctuations in prices of raw materials.

Raw material costs constitute a large portion of our production costs, and fluctuations in the price of these raw materials affect our results of operations. In the year ended December 31, 2013, direct materials (the accounting term used in our accounts to represent raw material costs) accounted for €240.1 million, or 67.1% of our cost of sales. The primary raw materials used in our production processes are metal sheets and coils, carbon steel and stainless steel, but we also purchase other steel products such as steel rolled profiles. Steel products are our most important commodity and we estimate that steel products accounted for approximately one-third of our direct material costs in the year ended December 31, 2013. As a result, the market price of steel impacts our results of operations.

Historically, we have been able to pass costs through to our customers, however, even to the extent that we are successful in compensating for or passing on our increased costs to our customers by increasing prices, the positive effects of such price increases for us may not occur in the periods in which the additional expenses have been incurred, but in later periods. In that event, the price increases will not have a compensating effect for the periods in which the costs increased. If costs of raw materials rise, and if we are not able to undertake cost saving measures elsewhere in our operations or increase the selling prices of our products, we will not be able to mitigate such cost increases, which could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We may not be successful in executing our growth strategy of expanding in growing emerging markets.

If we are unable to secure sufficient funding to finance our development and growth activities in the future, we could lose our competitive position in emerging markets. Furthermore, if we invest in emerging markets that do not develop as expected, or that deteriorate due to economic, political or other reasons, all or part of these investments may be lost. We also depend on the success of our customers in the emerging markets. Historically, emerging markets have proven more volatile than developed markets. See “—Risks Related to the Industry in which We Operate—We face risks in the regions in which we operate, including in emerging markets.”

In addition, the success of our emerging markets growth strategy will depend on attracting and retaining qualified personnel (including the need to identify, recruit, train and integrate additional employees), maintaining our high quality standards and implementing our standardized processes and quality management policies globally. The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are exposed to risks in connection with past and future acquisitions, local sales force, investments and reorganizations, as well as strategic partnerships.

In the past, we have occasionally acquired businesses in order to expand our operations. For example, in 2000, we acquired the Kone plant in Scheibbs (Austria). Acquisitions, investments and reorganizations entail risks resulting from the integration of employees, processes, technologies and products. Such transactions may give rise to substantial administrative and other expenses. Such transactions may also result in the need for additional finance and may impact negatively on financing requirements and the financing structure. We may not be able to successfully integrate our current and future acquisitions, or they may not be successful.

In the future, we may acquire businesses or undertake investments or reorganizations in a targeted manner. There is no guarantee, however, that we will be able to identify suitable businesses and to acquire them or investments on favorable terms. There is also a risk that not all material risks in connection with the acquisition of a company, the establishment of a joint venture or the making of investments will be identified in the due diligence process and will not be or could not be sufficiently taken into account in the decision to acquire a business and in the purchase agreement, or the decision to enter into a joint venture and the joint venture agreement or make an investment. These risks could materialize only after a company has been acquired or a joint venture or investment has been entered into, and may not be covered by the warranties in the related agreements or by insurance policies. Any of these factors could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Our future business success depends on our ability to deliver high quality products in a timely manner.

For customers, one of the determining factors in purchasing our components and systems is the high quality of our products due to their often “mission-critical” nature. We supply a market in which safety is paramount. As a result, a decrease in quality that causes injury could lead not only to a damage compensation claim but also a loss of business due to

reputational damage. A decrease in the actual or perceived quality of our products could damage our image and reputation and also the image and reputation of one or more of our brands. Furthermore, defective products could result in loss of sales, loss of customers and loss of market acceptance. The risks arising from such warranty and product liability lawsuits, proceedings and other claims are insured up to levels considered economically reasonable by us. However, the insurance coverage could prove insufficient in individual cases. In addition, our customers rely on our ability to make timely deliveries of our products to them. Any delay in the delivery of our products to our customers could result in delays in elevator installations, or even delays in the relevant project, any of which could adversely affect our reputation.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Changes in our product mix or our portfolio of large projects may have a significant impact on our profit margins.

Some of our products have higher profit margins than others. Some of our products also have a much higher internally manufactured cost component. Therefore, changes in product mix from quarter-to-quarter or from year-to-year could have a significant impact on our reported margins through a change in our manufacturing costs and specifically, in our manufacturing costs as a percentage of revenue. In addition, certain large projects make up a substantial portion of our revenue, and as these projects are phased out, this can also have a significant impact on our reported revenue and margins for our business units that are active in the project business from quarter-to-quarter or from year-to-year. Any of these factors could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We may be unable to maintain our advanced technology.

The markets for the products that we offer are characterized by rapidly changing technology, evolving technical standards, changes in customer preferences and the frequent introduction of new products. The development and commercialization of new technologies and the introduction of new products will often make existing ones obsolete or unmarketable. Our competitiveness in the future will depend, at least in part, on our ability to (i) keep pace with rapid technological developments and maintain our state-of-the-art technology, (ii) develop and manufacture innovative products in a timely and cost-effective manner, (iii) attract and retain highly capable technical and engineering personnel and (iv) accurately assess the demand for, and perceived market acceptance of, new products that we develop.

Failure to maintain technology standards such as these could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We depend on our ability to secure sufficient funding for our research and development efforts.

Developing new and improved products is very costly and therefore requires a substantial amount of capital funding. We spend significant resources on R&D. During the years 2013 and 2012, our R&D expenses in relation to revenues accounted for 1.2% and 1.3%, respectively.

If we devote resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to become commercially viable, all or part of these R&D expenses may be lost. Should we be unable to secure sufficient funding to finance our development activities, we could lose our competitive position in a number of important and rapidly growing sub-markets. The failure to secure funding for R&D activity could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Our business could be disrupted or severely impacted by natural disasters.

If natural disasters (e.g., earthquakes, tsunamis and floods), epidemics, radioactive contamination, wars, terrorist acts, riots and accidents (e.g., fires and explosions) were to occur, we could incur extensive damage to one or more of our facilities, resulting in a full or partial disruption to our operations for a prolonged period of time. A seismic risk exists especially with regards to our operations in Turkey and other earthquake-prone zones. Even if our operations were not directly harmed by such events, confusion in logistic and supply networks, shortages in the supply of electric power, gas and other utilities, telecommunication problems or problems of supplier's production may continue for a long period of time. Accordingly, if delays or disruption in the procurement of materials and parts, or the production and sales of our products and services, or the deterioration of the capital raising environment or other adverse developments were to take place as a result of such events, our business results may be adversely affected. This could have a material adverse effect on our business, financial position, results of operation and our ability to fulfill our obligations under the Notes and the Guarantees.

Our business could be adversely impacted by strikes and other labor disputes.

Our relationships with our employees and our unions could deteriorate in the future, and we could experience additional strikes, unionization efforts or other types of conflicts with labor unions or our employees. Many of our customers and our other suppliers also have unionized workforces. Refusals to work or work downtime experienced by our customers or our other suppliers could result in decreased productivity or closures of our assembly plants where our products are needed for assembly. Salary increases, particularly in emerging markets, could impact our profitability or our ability to continue operating our plants. This could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

The safety of our workers is regularly in jeopardy due to the nature of our operations, and we could face material adverse effects as a result.

The workers in our plants who operate heavy machinery often work in dangerous conditions. In 2012 and 2013 for example, our accident rate, defined by employees absent for more than 24 hours as the result of a work-related injury, was at 113 and 83, respectively. In the month of July, 2014, we had 32 cases of work-related injuries. We experienced a fatal accident in our plant in Argentina in 2013 and a fatal accident in China in 2014. The installation of safety measures and policies aimed at decreasing such injuries, including traffic lights, safety corners, hazard clothing and designated safety managers will not be sufficient to eliminate all work-related injuries. As a result, if work-related injuries linked to our own negligence occur, we could suffer lawsuits from our employees, their beneficiaries, regulatory agencies or other parties which could have a material impact on our results and damage our reputation. Accordingly, any event negatively impacting the safety of our workers could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Our operations rely on complex IT systems and networks.

We rely heavily on centralized, standardized information technology systems, IT integration and networks to support business processes, as well as to facilitate internal and external communications. These systems and networks are potentially vulnerable to damage or interruption from a variety of sources, and to security threats. We are prone to interference by third parties or computer virus infections at the facilities and in the regions in which we operate. An extended outage in a data center or telecommunications network utilized by our systems, any security breaches or any similar event could lead to an extended unanticipated interruption of our systems or networks. The realization of any risks related to our IT system and network disruptions could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We rely on the security of our information, Intellectual Property and Research and Development.

We may obtain confidential information concerning our customers and individuals in the ordinary course of our business. We hold confidential business and technological intellectual property (“IP”), much of which is the product of our R&D. To forestall unauthorized access by means of cyber-attacks, tampering, destruction, leakage and losses, we employ safety measures, including implementing technological safety measures such as access rights and tracking systems, as well as strengthening our information management capabilities. However, when our network and information systems crash or other problems, such as a leak of confidential information concerning customers and individuals, occur, we may become liable for damages, or our reputation or customers’ confidence in us may be adversely affected. In addition, if our R&D, confidential business or technological information were leaked or misused by a third party, or if our intellectual properties were infringed upon by a third party, or we were held liable for infringing on a third party’s intellectual property rights, our business results may be adversely affected. For our Group, such risk is especially prevalent in emerging markets, and in particular, China. Any breach in the security of our information, IP and R&D could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are dependent on our ability to attract and retain highly qualified senior management, key employees and personnel.

We depend on senior executive officers and other key personnel, including our skilled R&D employees, to operate and grow our business and to develop new enhancements, offerings and technologies. Our R&D staff, for example, currently consists of approximately 104 employees, with significant expertise relating to our operations, of which 75 are graduated engineers. The success of our R&D activities is particularly dependent on our ability to attract and retain sufficient numbers of high-quality researchers and development specialists, and we face significant competition for highly qualified personnel from other companies, academic institutions, government entities and other organizations. We may not be able to successfully attract and retain such personnel. Considerable expertise could be lost if we cannot attract and retain such talent

or such talent may be gained by competitors. In addition, we rely on our CEO and Chairman of the Executive Management Board, Dr. Walter Rohregger, our CFO Dr. Daniel Wiest, as well as experienced senior management personnel. There is a risk that any such key individuals may leave our Group. The loss of any such key personnel or the inability to attract and retain highly skilled employees required for our activities could have an adverse effect on our business, financial condition and results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Property loss and unforeseen business or transportation interruption could adversely affect us.

Damage and loss caused by fire, accidents, natural disasters, terrorism, severe weather or other disruptions of our production process at our facilities or within our supply chain, with respect to customers and with suppliers, can be severe. Such risks arising from business interruption and loss of production are insured at levels considered economically reasonable by us, but our insurance coverage could prove insufficient in individual cases. Such events could injure or kill individuals or damage or destroy third party property or the environment, which could, among other things, lead to considerable financial costs for us. In addition, our manufacturing processes are dependent on critical pieces of equipment such as furnaces, as well as electrical equipment such as transformers and this equipment may, on occasion, be out of service as a result of unanticipated failures, which may result in production bottlenecks and breakdowns.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Legal, Taxation and Environmental Risks

We are exposed to warranty and product liability claims.

As a manufacturer, we are subject to product liability lawsuits and other proceedings alleging violations of due care, violations of warranty obligations, treatment errors and claims arising from breaches of contract, recall actions or fines imposed by government or regulatory authorities. For example, we are currently litigating a claim brought by one of our customers in relation to a product manufactured by one of our subsidiaries, Wittur Electric Drives GmbH. This customer has asserted that motors produced and delivered by Wittur Electric Drives GmbH failed to comply with certain quality requirements and claims damages of approximately €1.2 million. Any such lawsuits, proceedings and other claims could result in significant costs for us. In addition, defective products could result in loss of revenue, loss of customers and loss of market acceptance, in particular, because many of our products are mission-critical components which often have a major impact on the overall safety, durability and performance of our customers' end-product. The risks arising from such warranty and product liability lawsuits, proceedings and other claims are insured up to levels we consider economically reasonable, but the insurance coverage could prove insufficient in individual cases. Any major defect in one of our products could also have a material adverse effect on our reputation and market perception.

We manufacture many products pursuant to MNC customer specifications and quality requirements. If the products manufactured and delivered by us do not meet the requirements stipulated by our MNC customers at the agreed date of delivery, production of the relevant products is generally discontinued until the cause of the product defect has been identified and remedied. Moreover, our MNC customers could potentially bring claims for damages on the basis of breach of contract, even if the cause of the defect is remedied at a later point in time. Failure to perform with respect to quality requirements could negatively affect the market acceptance of our other products and our market reputation in various market segments.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Antitrust or competition-related claims or investigations could result in changes to business procedure and defending such claims could be costly.

We are subject to applicable antitrust and competition laws and regulations in the countries where we operate. These laws and regulations seek to prevent and prohibit anti-competitive activity, including merger control relating to acquisitions and prevention of abuses of a dominant market position. We may incur infringements of such laws and regulations in connection with our operations. Such behavior may lead to antitrust or competition-related claims and investigations, which can be costly in terms of time and expense. Following such a claim or investigation, we may be required to change the way in which we offer a particular product or service. If we are found to have violated antitrust or competition laws or regulations, we may be subject to fines or penalties. Any antitrust or competition-related claim or investigation could have a material

adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We could be unsuccessful in adequately protecting our intellectual property and technical expertise.

Our products and services are highly dependent upon our technological know-how and the scope and limitations of our proprietary rights in respect thereof. We have obtained and continue to apply for a large number of intellectual property rights, such as patents, that are of considerable importance to our business. The process of seeking patent protection can be lengthy and expensive. Patents may not be granted on currently pending or future applications or may not be of sufficient scope or strength to provide us with meaningful protection or a commercial advantage. In addition, while there is a presumption that patents are valid, the granting of a patent does not necessarily imply that it is effective or that possible patent claims can be enforced to the degree necessary or desired. A significant number of our know-how and industrial secrets is not patented and cannot be protected through intellectual property rights. Consequently, there is a risk that third parties, in particular competitors, will copy our know-how without incurring any expenses of their own.

We have entered into a number of license, cross-license, cooperation and development agreements with our customers, competitors and other third parties under which we are granted access to intellectual property or know-how of such third parties. It is possible that license agreements could be terminated under circumstances such as a licensing partner's insolvency or bankruptcy or in the event of a change of control in either party, leaving us with reduced access to intellectual property rights to commercialize our own technologies.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

There is a risk that we infringe intellectual property rights of third parties.

Competitors, suppliers and customers submit a large number of inventions for intellectual property protection. It is not always possible to determine with certainty whether there are effective and enforceable third-party intellectual property rights to certain processes, methods or applications. Third parties could assert infringement claims, including illegitimate ones, against us. As a result, we could be required to cease manufacturing, using or marketing the relevant technologies or products in certain countries or be forced to make changes to manufacturing processes or products. We could be liable to pay compensation for infringements or could be forced to purchase licenses to make use of technology from third parties. Intellectual property rights infringements could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We might not have validly acquired employee inventions or could fail to validly acquire them in the future.

There is a risk that we have failed or will fail to properly utilize inventions of our employees. For example, due to our failure to properly claim employee inventions as required pursuant to applicable law, present or former employees of our German operations who made employee inventions might continue to be the owners of the valuable rights to these inventions. This risk is of particular importance to the extent it affects our 18 patent families that we have designated as being of high importance to our business and nine patent families of medium importance. If an invention is deemed to be that of an employee, and we nevertheless registered as the owner of such patent or utility model and/or used an employee invention as such, then the employee who made the invention might have a claim for transfer of the patent or utility model against us, and might be able to assert claims for damages for the unauthorized use of his or her invention (*e.g.*, disgorgement of profits or notional license fees). In addition, a claim could be asserted against us to enjoin our use of the invention, or we could be forced to enter into a license agreement providing for the payment of royalties in order to use the invention in the future, or we might have to acquire the invention. There is a risk that employees may have claims for employee invention compensation which have not yet been fully satisfied. If we should have failed to have validly acquired employee inventions or should potentially fail to validly acquire them in the future, or if employees should have claims for employee invention compensation which have not been fully satisfied, this could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We may incur additional costs as a result of works council and industry collective bargaining agreements applicable to some of our European employees.

If works council agreements or industry collective bargaining agreements which apply to us, particularly in Italy, Austria, Spain and Germany, are amended to the effect that they foresee higher benefits for employees in the future, this may lead to higher employment costs and higher social security contributions for the past and future with regard to our employees

being subject to such collective bargaining agreements. The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are subject to mandatory pension liabilities required by domestic laws in both Austria and Italy.

We offer retirement benefits to our employees in Austria and Italy in accordance with the applicable law. Under Italian law, upon termination of employment, employees are entitled to receive a mandatory severance payment based upon salary and years of service under the *Trattamento di fine rapporto* (“**TFR**”). Our expenses for defined contribution pension plans relate to our contributions to statutory retirement pensions. According to Austrian Law, we are obliged to reimburse all employment related expenses (*Aufwand für die Dienstbezüge*) of civil servant employees to the federal administration of the Republic of Austria. These reimbursements include the contribution to the federal pension system for civil servants working for us in respect of the future pension entitlements of these civil servants. Such required reimbursements are subject to future fluctuations and could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are subject to risks from legal, administrative and arbitration proceedings.

We are involved in certain legal, administrative and arbitration proceedings and could become involved in additional legal, administrative and arbitration proceedings. These proceedings or potential proceedings could involve substantial claims for damages or other payments. Based on a judgment or a settlement agreement, we could be obligated to pay substantial damages. Our litigation costs and those of third parties could also be significant. This could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are subject to numerous laws and regulations in the many jurisdictions in which we operate, and we may be adversely affected by changes regarding applicable legal and regulatory requirements.

Numerous laws and regulations apply to our facilities and business operations in the various jurisdictions in which we operate. We are subject to the laws applicable to commercial enterprises including, in particular, laws relating to taxation and customs, land utilization and planning, occupational health and safety, security, quality and liability, transportation, work and employment practices (including pensions), competition and numerous provisions of product, regulatory and environmental laws. In addition, the types of services which we are permitted to perform may be subject to legal and regulatory requirements. Compliance with these numerous statutory provisions and other legal and regulatory requirements requires significant effort and expense. Although we believe we have taken adequate measures to train and instruct employees regarding conduct issues, employees may not act in compliance with applicable statutory provisions (including antitrust regulation and anti-corruption legislation) and other legal and regulatory requirements, as well as corporate policies, and we face the risk that penalties or liabilities may be imposed on us. We may face irregularities and compliance issues at our group companies.

In the case of economic sanctions or boycotts imposed by the United Nations, the United States or the European Union on certain countries, we may be unable to distribute our products in such jurisdictions. Existing and proposed legislation and regulation, some of which may vary considerably from country to country, may also increase our cost of doing business. Any amendment to, and in particular a tightening of, such provisions— including changes in the manner in which such legislation and regulations are interpreted by courts—could complicate operational procedures. The resulting adverse effect on the marketability of our services or the resulting increase in our compliance costs and tax burden, could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We could incur liabilities under environmental laws and regulations, including liability for soil, water or groundwater contamination or for risks related to hazardous materials.

Many of the sites at which we operate have been used for industrial purposes for many years, leading to risks of contamination and the resulting site restoration obligations. In addition, we could be held responsible for the remediation of areas adjacent to our sites. Competent authorities could assert claims against us, as the owner or tenant of the affected plots, for the examination or remediation of such soil or groundwater contamination, or order us to dispose of or treat contaminated soil excavated in the course of construction. We could also be required to indemnify the owners of plots leased by us or of other properties, if the authorities were to pursue claims against the relevant owner of the property and if we caused the contamination. Although we are not aware of any sites at which we have material cleanup obligations, costs typically

incurred in connection with such claims are generally difficult to predict, and we could incur additional costs as a result of contamination or additional cleanup obligations that are imposed in the future. Also, if any contamination became a subject of public discussion, there is a risk that our reputation or relations with our customers could be harmed.

The health and safety of third parties (such as former employees) may be affected by the use of potentially hazardous materials. For example, building materials containing asbestos were identified at our former warehouse in Rome. Under Italian law, employers are required to ensure that employees are not exposed to asbestos and, in case of any exposure, the employer is obliged to implement measures necessary to avoid any risks of asbestos-related diseases. Although we have not been notified of any asbestos-related claims as of the date of this Offering Memorandum, we could be exposed to such claims, whether related to asbestos or other types of contamination, in the future. We face similar risks with respect to former sites sold in the past. We also could be held responsible for currently unknown contamination at properties we own or use that we previously owned or used.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We could become subject to additional burdensome or costly environmental, safety or other regulations and additional regulation could adversely affect demand for our products and services.

We must observe and comply with a large number of different regulatory systems across the world that change frequently and are continuously evolving and becoming more stringent, in particular with respect to environmental regulations, chemicals and hazardous materials, as well as health regulations. This also applies to air, water and soil pollution regulations and to waste legislation, all of which have recently become more stringent through new laws. All of our major plants are certified according to the European Management and Audit Scheme (“**EMAS**”) system and certified according to ISO 14001, except that certification in our plant in Argentina is expected to follow in early 2015 and in Brazil in early 2016 once we complete our new plant there. Our plant in India is expected to receive the ISO certificate in early 2015 after approval. Wittur Turkey is expected to be certified within the year ended December 31, 2015. In addition, for our sites and operations, we require various permits and must comply with the requirements specified therein. In the past, adjusting to comply with new requirements has required significant investments and we assume that further significant investments in this regard will be required in the future. We also could incur fines or other sanctions as a result of violations of environmental requirements.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Risks Related to Our Financial Profile

Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Notes Guarantees.

After the issuance of the Notes, we will be highly leveraged. As of September 30, 2014, after giving effect to the Transactions and the application of the proceeds from the Financing, we would have had total debt of €420.0 million. The terms of the Indenture and the Senior Facilities will permit the Issuer and its restricted subsidiaries to incur substantial additional indebtedness, including in respect of committed borrowings of up to €65.0 million under the Revolving Credit Facility. See “Capitalization.”

The degree to which we will be leveraged following the issuance of the Notes could have important consequences for holders of the Notes, including the following:

- making it difficult for us to satisfy our obligations with respect to the Notes;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, product research and development or other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and the industry in which we operate;

- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

The Issuer is dependent upon cash flow from subsidiaries to meet its obligations on the Notes and the Notes Guarantees.

The Issuer is a company with limited business operations and it depends upon the receipt of sufficient funds from its subsidiaries to meet its obligations. We intend to provide funds to the Issuer in order to meet the obligations on the Notes primarily through payments under the Proceeds Loan. Given our Group's global operations, we have a large number of operating subsidiaries and business participations, which individually contribute to our Group's results. Therefore, in order to be able to meet its obligations to pay interest and principal to you under the Notes, the Issuer will be dependent on the operating subsidiaries and business of the Target and its subsidiaries. If the Proceeds Loan or dividends or other intercompany loans do not distribute sufficient cash to the Issuer to make scheduled payments on the Notes, the ability of the Issuer to make payments may be limited.

Various agreements governing our debt may restrict and, in some cases may actually prohibit, the ability of these subsidiaries to move cash within their restricted group. In particular, the Senior Facilities limit the ability to upstream cash to the Issuer apart from specific exemptions, including to service debt of the Issuer up to a cap specified by the Senior Facilities. Applicable tax laws may also subject such payments to further taxation. Applicable law may also limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prevent such payments. In particular, the ability of the Issuer's subsidiaries to pay dividends to the Issuer will generally be limited to the amount of distributable reserves available to it. Under German law, all dividends may only be distributed out of current profits and distributable reserves, and, generally, interim dividend distributions are not allowed under German law. The subsidiaries of the Issuer that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

The inability to transfer cash among entities within their respective consolidated groups may mean that, even though the entities, in aggregate, may have sufficient resources to meet their obligations, they may not be permitted to make the necessary transfers from one entity in their restricted group to another entity in their restricted group in order to make payments to the entity owing the obligations.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

The Indenture will restrict, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Issuers or their restricted subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to the Issuer;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- consolidate or merge with other entities;
- impair security interests for the benefit of the holders of the Notes;

- guarantee certain indebtedness; and
- layer certain indebtedness.

All these limitations will be subject to significant exceptions and qualifications. See “Description of the Notes—Certain Covenants.” The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest. In particular, our ability to incur debt at our subsidiaries that do not guarantee the Notes (including subsidiaries in China) will be limited, and therefore could limit our ability to execute our growth strategy in such regions. Certain of the covenants under the Indenture and the Senior Facilities impose limitations based on euro amounts (*e.g.*, the amount of additional indebtedness we or our subsidiaries may incur). As such, if the euro were to significantly decrease in value, the restrictions imposed by these covenants would become tighter, further restricting our ability to finance our operations and conduct our day-to-day business.

The Senior Facilities also contain restrictive covenants that, in most cases, are more restrictive than the covenants contained in the Indenture. Upon the occurrence of any event of default under the Senior Facilities, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding under the Senior Facilities, together with accrued interest, immediately due and payable. In addition, any default or acceleration under the Senior Facilities could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indenture (in the case of an acceleration). If our creditors, including the creditors under the Senior Facilities Agreement, accelerate the payment of those amounts or, in the case of letters of credit, require the provision of cash collateral, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay or, as the case may be, pay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay the Notes, in full or in part.

If we are unable to repay outstanding borrowings when due, the lenders under our Senior Facilities Agreement will also have the right to proceed against the collateral granted to them securing the indebtedness owed to them. Pursuant to the terms of the Intercreditor Agreement, obligations under the Notes and the Guarantees will be deemed to be secured on a second-priority basis to obligations under the Senior Facilities and certain hedging obligations and additional senior financial indebtedness permitted to be incurred in the future. As a result, enforcement proceeds from the Shared Collateral will be applied first to the indebtedness under the Senior Facilities and certain hedging obligations and, if any such additional financial indebtedness is incurred, then to such additional indebtedness in respect of second lien obligations, in each case, before any distributions are made on our obligations under the Notes. In addition, if we are unable to repay those amounts, our creditors could proceed against any collateral granted to them to secure repayment of those amounts.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We will require a significant amount of cash to meet our obligations under our indebtedness and to sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, including the Senior Facilities and our obligations under the Notes, and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these “Risk Factors,” many of which are beyond our control. The Notes will mature in 2023. See “Description of the Notes.” At the maturity of the Notes, or at the maturity of any other debt which we incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs, or if we are otherwise restricted from doing so due to corporate, tax or contractual limitations, we may be required to refinance our indebtedness. If we are unable to refinance all or a portion of our indebtedness or obtain such refinancing on terms acceptable to us, we may be forced to reduce or delay our business activities or capital expenditures, sell assets or raise additional debt or equity financing in amounts that could be substantial. The type, timing and terms of any future financing will depend on our cash needs and the prevailing conditions in the financial markets. We may not be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, the terms of our Senior Facilities Agreement, the Indenture and any future debt may limit our ability to pursue any of these measures.

Any of the aforementioned risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Despite our current level of indebtedness, we may still be able to incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. We have the ability to borrow up to €5.0 million under our Revolving Credit Facility, which will be secured by the Shared Collateral and other collateral provided by the Group, and the Senior Facilities and the Indenture also permit the incurrence of an additional €50.0 million facility thereunder. The Indenture and the Senior Facilities also permit us to incur a substantial amount of indebtedness at subsidiaries that do not guarantee the Notes and to incur indebtedness that shares in the Collateral or that benefits from security interests over assets that do not secure the Notes. Any debt that our subsidiaries incur could be structurally or effectively senior to the Notes to the extent that such subsidiaries do not guarantee the Notes, and other debt could be secured or could mature prior to the Notes. Although the Senior Facilities Agreement and the Indenture will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our and our subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, the Senior Facilities Agreement and the Indenture will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. Our inability to service our debt could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We are exposed to liquidity risks.

We are exposed to liquidity risk in that we may be unable to meet payment obligations because we have insufficient cash funds at our disposal. Cash funds are arranged and credit lines managed on the basis of a multiyear financial plan and a rolling month-by-month cash forecast. The inability to ensure sufficient liquidity reserves could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the Eurozone, or the potential dissolution of the euro entirely could have adverse consequences for us with respect to our outstanding debt obligations, such as the Notes, that are euro-denominated.

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "EFSF") and the European Financial Stability Mechanism (the "EFSM") to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "ESM"), to be activated by mutual agreement and to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries after June 2013. In December 2011, the European Council and each Eurozone country agreed to a package of measures designed to restore confidence and address the continued tensions in financial markets, including (i) bringing forward implementation of the ESM from June 2013 to as soon as Member States representing 90% of the capital commitments to the ESM have ratified the ESM treaty, which occurred on September 27, 2012, and (ii) a new fiscal compact between all 19 Eurozone countries (with restricted application to Latvia and Lithuania) and, subject to parliamentary vote, all other non-Eurozone countries (except the United Kingdom) to put deficit restrictions on Member State budgets, with associated sanctions for those Member States who violate the specified limits. Despite these measures, concerns persist regarding the debt burden of certain Eurozone countries (including, most recently, Cyprus and Slovenia), and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States or, possibly, the dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-dominated obligations and for parties subject to other contractual provisions referencing the euro such as supply contracts would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues could have adverse consequences for us with respect to our outstanding debt obligations that are euro-denominated, such as the Notes, and, as we have a substantial amount of debt denominated in euro, our financial condition may be materially affected. In January 2015, the European Central Bank announced a large asset-buying program, similar to the "quantitative easing" program undertaken by the U.S. Treasury. Upon this announcement, the value of the euro fell against other major currencies. The future effects of this asset-buying program are unknown, but they could lead to increased volatility, a decline in the value of the euro or inflation in the Eurozone. In addition, such measures may not be successful in assuaging concerns about sovereign debt in Europe.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees

We are exposed to risks associated with changes in currency exchange rates and hedging.

We operate a global business and are therefore exposed to financial risks that arise from changes in exchange rates. Currency exchange fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time liabilities denominated in currencies with a rising exchange rate appreciate. In addition, fluctuations in foreign exchange rates could enhance or minimize fluctuations in the prices of raw materials, since we purchase a considerable part of the raw materials which we source in foreign currencies. As a result of these factors, fluctuations in exchange rates could affect our results of operations.

External and internal transactions involving the delivery of products and services to or by third parties result in cash inflows and outflows which are denominated in currencies other than our functional currency, the euro.

The future use of derivative hedging instruments by us is generally dependent on the availability of adequate credit lines with appropriate financial institutions. As a result, we could be unable to use derivative financial instruments in the future, to the extent necessary, and our hedging strategy could therefore ultimately be adversely impacted. Furthermore, any hedging transactions executed in the form of derivative financial instruments may negatively impact our profit due to changes in the market-to-market valuation if hedge accounting is not applied.

In addition, we are exposed to foreign exchange risks arising from external and internal loan agreements, which result from cash inflows and outflows in currencies other than the functional currency of our respective group member. These foreign exchange risks are, in general, hedged against by using appropriate derivative financial instruments, particularly currency forwards or swaps and cross currency interest-rate swaps.

Our net foreign investments are generally not hedged against exchange rate fluctuations. In addition, a number of our consolidated companies report their results in currencies other than the euro, which requires us to convert the relevant items into euro when preparing our consolidated financial statements. Translation risks are generally not hedged.

The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We may have to repay investment grants and subsidies, or previously awarded investment grants may not be disbursed in part or at all.

Part of our investment requirements for developing and expanding our production capacity is covered by public aid, such as subsidies, loans at favorable conditions or tax reductions or exemptions. The decisions on granting public aid received by us contain various conditions such as the creation of jobs or specific research and development activities. If these conditions are not fulfilled during the commitment period, which generally exceeds the specified investment period, this could result in a repayment claim by the relevant authorities for the public aid received by us. During the commitment period, such conditions may no longer be satisfied and we could be subsequently exposed to considerable repayment claims. This could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Risks Related to the Transactions

The Acquisition is subject to significant uncertainties and risks.

On December 22, 2014, BidCo, an entity indirectly owned by Bain Capital and the direct, wholly-owned subsidiary of the Issuer, entered into the Acquisition Agreement with TriWay HoldCo AB, Way Equity GmbH & Co KG and Way Shareholder Loan I GmbH & Co KG, to acquire all the issued and outstanding capital stock of the Target and certain shareholder loans (the “**Acquisition**”). The consummation of the Acquisition is subject to the satisfaction of certain conditions, including regulatory approval in Germany, Austria, Finland, Brazil, China and Turkey. In addition, the Transaction will be subject to certain statutory conditions, such as regulatory approval in Turkey. The parties to the Acquisition Agreement will not consummate the Acquisition until the conditions are fulfilled, which may, potentially, take a number of months and, in exceptional circumstances, significantly longer. Should the parties to the Acquisition Agreement fail to obtain regulatory approval, certain subsidiaries of the Target might be sold or spun-off, which might lead to the loss of operational synergies and might adversely affect the Wittur Group’s financial position and results of operations. Accordingly,

the parties may not be able to undertake this transaction in a timely fashion, without remedies, or at all. Any such remedies may make the Acquisition less attractive. In addition, regulatory approval of the Acquisition in Turkey is, unlike regulatory approval in Germany, Austria, Finland, Brazil and China, not a condition precedent under the Acquisition Agreement. As a result, if regulatory approval in Turkey is not obtained and the consummation of the Acquisition is delayed or barred, the Sellers may claim damages from us and such claims may be successful. The realization of any risks related to uncertainties of the Acquisition could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

The Issuer does not currently control the Wittur Group and will not control the Wittur Group until completion of the Acquisition.

The Wittur Group is currently ultimately controlled by TriWay HoldCo AB, a majority of which is owned by the Triton Funds. The Issuer will not obtain control of the Wittur Group until completion of the Acquisition. TriWay HoldCo AB may not operate the business of the Wittur Group during the interim period from signing of the Acquisition Agreement until completion of the Acquisition in the same way that we would. Some information contained in this Offering Memorandum has been derived from public sources and, in the case of historical information relating to the Wittur Group, has been provided to us by TriWay HoldCo AB, the Target and the Target's subsidiaries, and the Issuer has relied on such information supplied to it in its preparation of this Offering Memorandum. Furthermore, the Transactions themselves have required, and will likely continue to require, substantial time and focus from management, which could adversely affect their ability to operate the business. Likewise, employees may be uncomfortable with the Transactions or feel otherwise affected by it, which could have an impact on work quality and retention.

In addition, prior to the Completion Date, the Wittur Group will not be subject to the covenants described in "Description of the Notes" to be included in the Indenture. As such, we cannot assure you that, prior to such date, the Wittur Group will not take any action that would otherwise have been prohibited by the Indenture had those covenants been applicable. Any of the risks associated with the Issuer's lack of control until the completion of the Acquisition could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and Guarantees.

If the conditions to the escrow are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes.

The gross proceeds from the Offering will be held in escrow accounts for the benefit of the holders of the Notes pending the satisfaction of certain conditions, some of which are outside of our control. Completion of the Acquisition is one of the conditions to the release of the proceeds from escrow. If the Acquisition is not consummated on or before September 30, 2015 or in the event of certain other events that trigger escrow termination, the Notes will be subject to a special mandatory redemption as described in "Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption" and you may not obtain the return you expect to receive on the Notes.

The escrow funds will be initially limited to the gross proceeds of the Offering and will not be sufficient to pay the special mandatory redemption price, which is equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of special mandatory redemption. In the event that the escrow funds are insufficient to pay the special mandatory redemption price, plus any such accrued and unpaid interest and additional amounts, Bain Capital will be required to make an equity contribution in an amount requirement to enable the Issuer to pay such accrued and unpaid interest and additional amounts, if any, owing to the holders of the Notes.

Your decision to invest in the Notes is made at the time of purchase. Changes in the business or financial condition of the Wittur Group, or the terms of the Acquisition or the financing thereof, between the closing of the Offering and the Completion Date, may have an impact on our creditworthiness, and you will not be able to rescind your decision to invest in the Notes as a result thereof.

If we do not satisfy the conditions precedent for utilization of the Senior Facilities, we may be required to seek alternative sources of financing to ensure sufficient liquidity reserves.

While we will enter into the Senior Facilities Agreement and material documents related thereto (including the Intercreditor Agreement) on or prior to the Issue Date, we may not satisfy the conditions precedent to utilization of the Senior Facilities made available under the Senior Facilities Agreement. If we do not meet the conditions precedent to utilization of the Senior Facilities, we will need to seek alternative sources of financing to ensure sufficient liquidity reserves. We may be unable to find such alternative financing, and even if we could obtain alternative financing, it might not be on terms that are

favorable or acceptable to us. Any alternative financing could be at higher interest rates and may require us to comply with more onerous covenants, restricting our business operations. The realization of any of these risks could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

The Acquisition will entitle our customers and certain other business partners of the Wittur Group to terminate their agreements as a result of change of control provisions.

The Acquisition will constitute a change of control under certain agreements entered into by the Target and its subsidiaries including agreements with customers, certain lessors, suppliers and a factoring bank. These counterparties will be entitled to terminate their agreements with us. Some of these counterparties may exercise their termination rights, which could have an adverse effect on our revenues and business following the Acquisition. In particular, our “share-of-wallet” agreements with MNCs will be subject to such termination rights. If any of these MNCs decide to exercise its termination rights, it would have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes. See “—Risks Related to the Industry in which We Operate—We are dependent on a small number of significant customers” and “Our Business—Material Agreements with Customers.”

Amendments made to the Acquisition Agreement may have adverse consequences for holders of the Notes.

The Acquisition is expected to be consummated in accordance with the terms of the Acquisition Agreement. See “The Transactions.” However, the Acquisition Agreement may be amended and the closing conditions may be waived at any time by the parties thereto, without the consent of holders of the Notes. Furthermore, any amendments made to the Acquisition Agreement may make the Acquisition less attractive. Any amendment made to the Acquisition Agreement may be materially adverse to holders of the Notes, which, in turn, could have a material adverse effect on our business, financial position, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

We may not be able to enforce claims relating to a breach of the representations and warranties that the Sellers have provided to us under the Acquisition Agreement.

In connection with the Acquisition, the Sellers have given certain customary representations and warranties in the Acquisition Agreement related to their shares, the Target and the Target’s business. We may not be able to enforce any claims against the Sellers relating to breaches of these representations and warranties. The Sellers’ liability under the Acquisition Agreement is very limited. Moreover, even if we are able to eventually recover any losses resulting from a breach of these representations and warranties, we may temporarily be required to bear these losses ourselves.

We may have liabilities that are not known to us.

There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into the Wittur Group in connection with the Acquisition. We may learn of additional information about the Wittur Group that adversely affects us, such as unknown or contingent liabilities and issues relating to compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition, results of operations and our ability to fulfill our obligations under the Notes and the Guarantees.

Risks Related to the Notes and Our Structure

Investors’ right to receive payment under the Guarantees is contractually subordinated to senior debt, including such Guarantor’s obligations under the Senior Facilities and certain hedging obligations.

The obligations of the Guarantors under their respective Guarantees will be contractually subordinated in right of payment to the prior payment in full in cash of all existing and future obligations in respect of senior debt of such Guarantor. This senior debt includes certain hedging obligations of such Guarantor and, in respect of a Guarantor that is a borrower under the Senior Facilities, such Guarantor’s obligations thereunder.

Although the Indenture contains restrictions on the Guarantor’s ability to incur additional debt, any additional debt incurred may be substantial and senior to the Guarantees. For a summary of the terms of, and subordination provisions relating to, the Notes and the Guarantees, see “Description of the Notes—Subordination on the Basis of the Intercreditor Agreement.”

Upon any payment or distribution to creditors of a Guarantor in respect of an insolvency event, the holders of senior debt of such Guarantor will be entitled to be paid in full from the assets of such Guarantor before any payment may be made pursuant to such Guarantee for the benefit of the holders of the Notes. Until the senior debt of such Guarantor is paid in full, any distribution to which holders of the Notes would be entitled but for the subordination provisions to be included in the Intercreditor Agreement shall instead be made to holders of senior debt of such Guarantor as their interests may appear. As a result, in the event of insolvency of a Guarantor, holders of senior debt of such Guarantor may recover more, ratably, than the holders of Notes, in respect of the Guarantor's Guarantee in respect thereof.

In addition, the subordination provisions in the Intercreditor Agreement relating to the Guarantees will provide:

- customary turnover provisions by the Trustee and the holders of the Notes for the benefit of the holders of senior debt of such Guarantor;
- that if a payment default on any senior debt of a Guarantor has occurred and is continuing, such Guarantor may not make any payment in respect of its Guarantee until such default is cured or waived;
- that if any other default occurs and is continuing on any designated senior indebtedness that permits the holders thereof to accelerate its maturity and the Trustee receives a written notice of such default, such Guarantor may not make any payment in respect of the Notes, or pursuant to its Guarantee, until the earlier of the waiver or cure of such default and 179 days after the date on which the applicable payment blockage notice is received; and
- that the holders of the Notes and the Trustee are prohibited, without the prior consent of the majority senior creditors, from taking any enforcement action in relation to such Guarantee, except in certain circumstances.

The Indenture will also provide that, except under very limited circumstances, only the Trustee will have standing to bring an enforcement action in respect of the Notes and the Guarantees. Moreover, the Intercreditor Agreement and the Indenture will restrict the rights of holders of the Notes to initiate insolvency proceedings or take legal actions against each of the Guarantors and by accepting any Note each such holder will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse under the Guarantees in the event of a default by the Issuer or a Guarantor.

The Notes will be secured only to the extent of the value of the Collateral that has been granted as security for the Notes, there may not be sufficient Collateral to pay all or any of the Notes and such Collateral may be reduced or diluted under certain circumstances.

The Notes will be secured by (i) on a first-priority basis, the Notes Collateral consisting of (A) the Escrow Charge, (B) a pledge of the shares of the Issuer and (C) a pledge of the bank accounts of the Issuer and (ii) on a second-priority basis pursuant to the terms of the Intercreditor Agreement, (A) a pledge of the shares of BidCo, (B) a security interest in respect of the Proceeds Loan, (C) a pledge of the bank accounts of BidCo and (D) the assignment of claims under the Acquisition Agreement (in each case, subject to the Agreed Security Principles). Most of our assets will not form part of the Collateral and thus not secure the Notes.

No appraisal of the value of the Collateral has been made in connection with the Transaction and the value of the Collateral in the event of an enforcement of the security interests created over the Collateral, or a liquidation of the entities holding the Collateral, is subject to fluctuations and will depend on market and economic conditions, the availability of buyers and other factors. Such factors include, among others, conditions in the capital equipment industry, the ability to sell collateral in an orderly sale, the condition of the economies in which the Collateral is located, general economic conditions, the availability of buyers and similar factors. In addition, the value of the Collateral may decline over time. By its nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. For example, the shares and other Collateral that are pledged or assigned or transferred for the benefit of the holders of the Notes may provide for only limited repayment of the Notes, in part because most of these shares or other assets may not be liquid and their value to other parties may be less than their value to us. Likewise, we cannot assure you that the Collateral will be saleable or, even if saleable, that there will not be substantial delays in the liquidation thereof. Furthermore, any shares pledged to secure the Notes and the Guarantees may have limited value in the event of a bankruptcy, insolvency or other similar proceedings because all of the obligations of the entity whose shares have been pledged must first be satisfied, potentially leaving little or no remaining assets in the pledged entity. As a result, the creditors secured by a pledge of the shares of these entities may not recover anything of value in the case of an enforcement sale. The value of the Collateral may not be sufficient for the proceeds from an enforcement of the security interests created over the Collateral to satisfy the Issuer's obligations with respect to the Notes. In addition, the Intercreditor Agreement will provide that, in the event of any distribution of the proceeds from the sale of certain Collateral, the lenders under the Senior Facilities will be entitled to receive from such

distribution payment in full in cash before the holders of the Notes will be entitled to receive any payment from such distribution.

Moreover, the value of the Collateral may be diluted. The Indenture will permit the granting of certain liens over the Collateral other than those in favor of the holders of the Notes. To the extent that holders of other secured indebtedness or third parties enjoy liens, including statutory liens, whether or not permitted by the Indenture or the security documents, such holders or third parties may have rights and remedies with respect to the Collateral that, if exercised, could reduce the proceeds available to satisfy our obligations under the Notes. Similarly, if we issue additional notes under the Indenture, holders of such additional notes would benefit from the same collateral as the holders of the Notes being offered hereby, thereby diluting your ability to benefit from the liens on the Collateral.

Your security interests over the Shared Collateral rank behind the security interests benefiting the lenders under the Senior Facilities and your rights to enforce your security over the Shared Collateral are limited.

The Shared Collateral is pledged (i) on a second-priority basis pursuant to the terms of the Intercreditor Agreement, to the Shared Security Agent for the benefit of the holders of the Notes and (ii) on a first-priority basis, to the holders of debt under the Senior Facilities and certain of the Issuer's and its subsidiaries' hedging obligations. Under the Intercreditor Agreement and the security documents, the proceeds of any sale of the Shared Collateral on enforcement will be applied, first, to repay all debt of the lenders under the Senior Facilities and certain hedging obligations. Consequently, you may not be able to recover on such Shared Collateral because the lenders under the Senior Facilities will have a prior claim on all proceeds realized from any enforcement of such collateral.

In addition, under the Intercreditor Agreement, the right of the holders of the Notes to enforce their security over the Shared Collateral is limited. See "Description of Certain Financing Arrangements—Intercreditor Agreement—Restrictions Relating to Midco Notes—Restrictions on Enforcement by Midco Finance Party."

The Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries.

Some, but not all, of the Issuer's subsidiaries will guarantee the Notes. As of and for the year ended December 31, 2013, the Guarantors (excluding BidCo) accounted for (i) gross assets of €73 million or 64% of the consolidated gross assets (in each case, excluding goodwill and certain other intangible assets resulting from the purchase price allocation of our acquisition by Triton in 2010 which cannot be allocated to individual subsidiaries), (ii) net revenue of €241 million or 50% of the consolidated net revenue, (iii) net assets of €114 million or -24,314% of consolidated net assets (calculated on the basis of consolidated net assets of €1.7 million) and (iv) EBITDA of €37 million or 60% of the consolidated EBITDA of the Group (in each case, excluding BidCo). Unless a subsidiary is a Guarantor, the Issuer's subsidiaries will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer or any Guarantor, as a direct or indirect shareholder.

Accordingly, in the event that any non-guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer (including the holders of the Notes) and the Guarantors will have no right to proceed against the assets of such non-guarantor subsidiary; and
- creditors of such non-guarantor subsidiary, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

In addition, the Indenture governing the Notes will, subject to some limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

As such, the Notes, each Guarantee the Proceeds Loan and each other intercompany proceeds loan will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-Guarantor subsidiaries.

The loans under our Senior Facilities Agreement will bear interest at floating rates that could rise significantly, increasing our interest cost and reducing our cash flow.

The loans under our Senior Facilities Agreement will bear interest at floating rates of interest per annum equal to LIBOR and/or EURIBOR (as applicable), as adjusted periodically, plus a spread. These interest rates could rise significantly in the future. Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent interest rates were to rise significantly, our interest expense would correspondingly increase, thus reducing cash flow.

The manner of calculating EURIBOR and LIBOR has recently been reviewed by European regulators and others. There can be no assurance that EURIBOR and LIBOR will continue to be calculated as they have been historically, or at all.

Holders of the Notes may not control certain decisions regarding the Collateral.

The Notes will be secured by the Shared Collateral which will also secure the obligations under our Senior Facilities, and certain hedging liabilities. In addition, under the terms of the Indenture, we will be permitted to incur significant additional *pari passu* indebtedness and other obligations that may be secured by the same Collateral.

The Intercreditor Agreement will provide that a common security agent, who will serve as the Shared Security Agent for the secured parties with respect to the Shared Collateral, will act only as provided for in the Intercreditor Agreement. The Shared Security Agent may refrain from enforcing the Collateral unless otherwise instructed by the Instructing Group. For the purposes of enforcement, “**Instructing Group**” means, in the context of our capital structure upon consummation of the Transactions, more than 66²/₃% by value of the total senior credit participations under the Senior Facilities and certain hedge counter-parties at that time (the “**Majority Senior Secured Creditors**”). The Majority Senior Secured Creditors have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the security documents at a time when it would be disadvantageous for the holders of the Notes to do so. See “Description of Certain Financing Arrangements—Intercreditor Agreement” and “Description of the Notes—Security.”

It may be difficult to realize the value of the Collateral securing the Notes and the Guarantees.

The Collateral and the Guarantees securing the Notes will be subject to any and all restrictions under applicable law and exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and accepted by other creditors that have the benefit of security interests in the Collateral securing the Notes from time to time, whether on or after the date the Notes are issued. The existence of any such restrictions, exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes, as well as the ability of the Security Agents to realize or foreclose on such Collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterization under the laws of certain jurisdictions.

The security interests of the Security Agents will be subject to practical problems generally associated with the realization of security interests in collateral. The Security Agents may also need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Agents will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agents may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

In addition, our business requires a variety of permits and licenses. The continued operation of the Guarantor’s properties that depend on the maintenance of such permits and licenses may be prohibited or restricted. Our business is subject to regulations and permitting requirements and may be adversely affected if we are unable to comply with existing regulations or requirements or if changes in applicable regulations or requirements occur. In the event of foreclosure, the grant of permits and licenses may be revoked, the transfer of such permits and licenses may be prohibited or may require us to incur significant cost and expense. Further, we cannot assure you that the applicable governmental authorities will consent to the transfer of all such permits. If the regulatory approvals required for such transfers are not obtained, are delayed or are economically prevented, the foreclosure may be delayed, a temporary or lasting shutdown of operations may result, and the value of the Guarantees may be significantly decreased.

You may not be able to recover any amounts under the Notes or the Guarantees due to the intercreditor payment waterfall.

Under the terms of the Intercreditor Agreement, the proceeds from enforcement of the Shared Collateral will be applied first to repay amounts due under the Senior Facilities (or any replacement facilities) and certain hedging obligations. Any remaining amounts will then be applied, *pari passu* and *pro rata*, to amounts due under the Notes and any *pari passu* additional indebtedness. See “Description of Certain Financing Arrangements—Intercreditor Agreement.” If you (or the Trustee on your behalf) receive any proceeds from enforcement of the Shared Collateral prior to the satisfaction with the Notes and the Guarantees, you (or the Trustee on your behalf) will be required to turn over such proceeds until claims under such other indebtedness are satisfied and until ratable claims are equally satisfied. Hence, you may recover less from the proceeds of an enforcement action than you otherwise would have. As a result of these and other provisions in the Intercreditor Agreement, you may not be able to recover any amounts under the Notes or the Guarantees in the event of a default on the Notes.

There are circumstances other than repayment or discharge of the Notes in full under which the Collateral securing the Notes and the Guarantees will be released automatically, without your consent or the consent of the Security Agents.

Under various circumstances, Collateral securing the Notes will be released automatically, including:

- in connection with any sale or other disposition of such property or assets constituting Collateral, if the sale or other disposition does not violate the “Asset Sale” provisions of the Indenture;
- in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and share capital, of such Guarantor;
- if the Issuer designates any restricted subsidiary to be an unrestricted subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets of such subsidiary;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided under “Description of the Notes—Defeasance” and “Description of the Notes—Satisfaction and Discharge;”
- in connection with an enforcement sale pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement; or
- in accordance with the “Amendment, supplement and waiver” provisions of the Indenture, as described in “Description of the Notes—Amendments and Waivers.”

In addition, under various circumstances, the Guarantee of a Guarantor will be released automatically, including:

- in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a person that is not (either before or after giving effect to such transaction) the Issuer or a restricted subsidiary of the issuer, if the sale or other disposition does not violate the “Asset Sale” provisions of the Indenture;
- in connection with any sale or other disposition of the capital stock of that Guarantor to a person that is not (either before or after giving effect to such transaction) the Issuer or a restricted subsidiary of the Issuer, if the sale or other disposition does not violate the “Asset Sale” provisions of the Indenture and the Guarantor ceases to be a Restricted Subsidiary (as defined in “Description of the Notes”) as a result of the sale or other disposition;
- if the Issuer designates any restricted subsidiary that is a Guarantor to be an unrestricted subsidiary in accordance with the applicable provisions of the Indenture;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided under “Description of the Notes—Defeasance” and “Description of the Notes—Satisfaction and Discharge;”
- in connection with an enforcement sale pursuant to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, or as otherwise provided for under the Intercreditor Agreement or any Additional Intercreditor Agreement;
- in accordance with the “Amendment and waivers” provisions of the Indenture; or
- in the case of any restricted subsidiary that after the Issue Date is required to guarantee the Notes pursuant to the covenant described under “Description of the Notes—Certain Covenants—Limitation on Indebtedness” upon the release or discharge of the guarantee of indebtedness by such restricted subsidiary which resulted in the

obligation to guarantee the Notes; provided that such restricted subsidiary does not guarantee any other indebtedness of the Issuer or any Guarantor.

In addition, the liens created by the security documents will be released (a) in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under “Description of the Notes—Certain Covenants—Impairment of Security Interest.” Furthermore, under German law a secured party is, upon request by the relevant security grantor, obligated to release security if the realizable value of the security is significantly higher than the value of the obligations secured by such security.

Each Guarantee and the security interests in the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.

The Guarantees and the Collateral may be subject to claims or could be limited or subordinated in favor of the relevant Guarantor’s or relevant security grantor’s existing and future creditors under applicable laws. In addition, enforcement of each Guarantee will be limited to the extent of the amount which can be guaranteed by a particular Guarantor without rendering the Guarantee voidable or otherwise ineffective under, or contrary to, applicable law and enforcement of each security interest in the Collateral will be limited to the extent of the amount which can be secured by a particular grantor of Collateral without rendering the security interest voidable or otherwise ineffective under, or contrary to, applicable law. For example, the Guarantees by our Italian subsidiaries, Wittur Italia Holding s.r.l. and Wittur S.p.A., are expected to be limited to €5.0 million and €1.0 million, respectively (based on a Completion Date of March 31, 2015). The limitation of the Italian Guarantees will be calculated as a percentage of the intercompany proceeds loans used to refinance existing indebtedness of our Italian subsidiaries and could be higher or lower, depending on the amount of outstanding local debt on the actual Completion Date. In addition, the Guarantee provided by Wittur Asansör San. V Tic. A.S., our subsidiary in Turkey, will be capped at €2.5 million due to local considerations. However, we cannot provide any assurances that holders of the Notes will be able to recover even these amounts under such Guarantees, as payment under each Guarantee is contractually subordinated to all the senior indebtedness of such Guarantor, including such Guarantor’s obligations under the Senior Facilities and certain hedging obligations. As of and for the year ended December 31, 2013: (i) Wittur Italia Holding s.r.l. accounted for no net revenue, net assets of €32 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -1,864% of consolidated net assets) and gross assets of €0.5 million (which represented 0.2% of our consolidated gross assets); (ii) Wittur S.p.A. accounted for net revenue of €38.1 million (which represented 7.9% of our consolidated net revenue), net assets of €2 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -3,057% of consolidated net assets) and gross assets of €43.3 million (which represented 16.0% of our consolidated gross assets); and (iii) Wittur Asansör San. V Tic. A.S. accounted for net revenue of €34.2 million (which represented 7.1% of our consolidated net revenue), net assets of €12 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -686% of consolidated net assets) and gross assets of €18.7 million (which represented 6.9% of our consolidated gross assets).

Enforcement of any of the Guarantees or the Collateral against any Guarantor and any grantor of Collateral will also be subject to certain defenses available to guarantors and grantors of security interests generally. These defenses include, primarily with respect to subsidiary Guarantors and subsidiary grantors of Collateral, those that relate to fraudulent conveyance or transfer, insolvency, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, capital maintenance, the statutory and fiduciary duties of the directors and officers of any Guarantor, thin capitalization and defenses affecting the rights of creditors generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and similar laws, a court could subordinate or void any guarantee or security interest provided by such Guarantor or security grantor if it found that:

- the Guarantee was incurred or the security interest granted with actual intent to hinder, delay or defraud creditors or shareholders of the respective guarantor or security grantor;
- the relevant Guarantor or security grantor did not receive fair consideration or reasonably equivalent value for the Guarantee or the security interest granted, and the relevant Guarantor or security grantor: (i) was insolvent or was rendered insolvent because of the Guarantee or security interest granted; (ii) was undercapitalized or became undercapitalized because of the Guarantee or security interest granted; or (iii) intended to incur, or believed that it would incur, debt beyond its ability to pay at maturity;
- the Guarantee or security interest granted was held to exceed the corporate objects of the relevant Guarantor or security grantor or was not in the best interests or for the benefit of the relevant guarantor or security grantor; or
- the amount payable or secured under the relevant Guarantee or the Collateral was in excess of the maximum amount permitted under applicable law.

The measure of insolvency for purposes of fraudulent conveyance and similar laws varies depending on the law applied. Generally, however, a Guarantor or security grantor would be considered insolvent if it could not pay its debts as they became due. In such circumstances, if a court voided such Guarantee or Collateral, or held it unenforceable, holders of the Notes and the Security Agents, as applicable, would cease to have any claim in respect of the relevant Guarantor or the relevant Collateral, would be creditors solely of the Issuer and any remaining Guarantors and would benefit only from any remaining Collateral. The holders of the Notes and the Security Agents may also be required to repay any amounts received with respect to such Guarantee or such Collateral.

The grant of Collateral or Guarantees may also be voidable by the grantor or Guarantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, among others, if the grantor or Guarantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor or Guarantor is commenced within a legally specified “clawback” period following the grant.

Further, the Guarantees and the Collateral may be subject to claims that they should be limited or subordinated under German, United States or other applicable law. The enforcement of the Guarantees and the Collateral will be limited to the extent that the granting of such Guarantees and the Collateral is not in the corporate interest of the relevant Guarantor or provider of security, would be in breach of capital maintenance or thin capitalization rules or any other general statutory laws or that the burden of such Guarantee or Collateral securing the Notes and the Guarantees exceed the benefit to the relevant Guarantor or provider of security. In particular, for the subsidiary Guarantors and providers of Collateral organized under German law, each of their respective Guarantee or Collateral will be contractually limited to the extent the granting of such Guarantee or enforcement of such Collateral would result in a breach of capital maintenance rules or other statutory laws or would cause the directors of such subsidiary Guarantor or provider of Collateral to contravene their duties to incur civil or criminal liability or to contravene any legal prohibition.

Accordingly, enforcement of any Guarantee and Collateral would be subject to certain defenses available to the grantors thereof generally or, in some cases, to limitations contained in the Indenture and/or the documents governing the Guarantees and the Collateral designed to ensure compliance with applicable legal requirements. As a result, the Issuer’s, the Guarantors’ and the security grantors’ liability under the Guarantees and the Collateral could be materially reduced or eliminated, depending upon the law applicable to it. In the event that any Guarantee or Collateral is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Guarantee or security obligations apply, the Notes would be effectively subordinated to all liabilities of the relevant Guarantor or security grantor, and if we cannot satisfy our obligations under the Notes, or any Guarantee or Collateral is found to be a preference, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full, at all, any amounts outstanding under the Notes. For further information, see “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.”

The Notes may be considered shareholder debt under German law, and may be subordinated to other debt of the Issuer.

Loans or similar debt extended to the Issuer or to a German Guarantor by a direct or indirect shareholder of such debtor are generally subordinated under German insolvency laws, if such shareholder holds equity interests in such debtor in excess of 10% of the total share capital. However, under certain circumstances, such debt may also be subordinated despite the shareholder holding 10% or less of such debtor’s share capital.

German law does not expressly exclude debt securities, such as the Notes, from the scope of equitable subordination and thus any holder of Notes who simultaneously (directly or indirectly) holds an equity interest of more than 10% in the Issuer or a Guarantor could be subject to equitable subordination under German insolvency laws. In addition, there is a risk that even third party creditors, if such creditors are affiliated with the debtor or its shareholders or could otherwise be regarded as “shareholder-like,” are treated like shareholders in that loans or other debt they granted to the debtor would be equitably subordinated under German insolvency laws. German law does not specify a test to determine whether any creditor is shareholder-like and thus the holders of the Notes may be considered shareholder-like and their claims under the Notes and the Guarantees may be equitably subordinated in an insolvency of the Issuer or a German Guarantor.

If a shareholder or person with a shareholder-like position transfers its shareholding and/or loan or similar lending (including the Notes) to a third party, such loan or similar lending could remain equitably subordinated for at least one year following such transfer. In the event that payment (principal or interest) on such a shareholder loan or similar lending has been made during the year prior to the petition for insolvency proceedings (or thereafter), such payment may be appealed and reversed under statutory avoidance provisions. Also, any transaction that involved the granting of collateral to secure a loan

or similar lending during the period of 10 years prior to the petition (or thereafter) may be set aside. See “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.”

The security interests in the Collateral will be granted to the Security Agents rather than directly to the holders of the Notes, and the ability of the Security Agents to enforce certain of the Collateral may be restricted by local law.

The security interests that will secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under the Guarantees will not be granted directly to the holders of the Notes but to the respective Security Agent, and thus the holders of the Notes will not have any independent power to enforce, or have recourse to, any of the security documents or to exercise any rights or powers arising under the security documents except through the relevant Security Agent as provided in the Intercreditor Agreement. By accepting a Note, you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse against us in the event of a default. See “Description of Certain Financing Arrangements—Intercreditor Agreement.”

In addition, the ability of the Security Agents to enforce the security interests is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the Collateral are taken. For example, the laws of certain jurisdictions may not allow for the appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in a security document will be validly secured.

In certain jurisdictions, including Germany, due to the laws and other jurisprudence governing the creation and perfection of security interests and the enforceability of such security interests, the Intercreditor Agreement will provide for the creation of “parallel debt” obligations in favor of the relevant Security Agent (“**Parallel Debt**”) mirroring the obligations of the Issuer and the Guarantors towards holders of the Notes under or in connection with the Indenture (“**Principal Obligations**”). All or part of the pledges and other security interests in such jurisdictions will be granted to the relevant Security Agent as security interests for the Parallel Debt and will not directly secure the Principal Obligations. Under the provisions of the Intercreditor Agreement, the Parallel Debt will be at all times in the same amount and payable at the same time as the Principal Obligations and any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. In respect of the security interests granted to secure the Parallel Debt, the holders of the Notes will not have direct security interests and will not be entitled to take enforcement actions in respect of such security interests except through the relevant Security Agent. Therefore, the holders of the Notes will bear the risk of insolvency or bankruptcy of the relevant Security Agent. In addition, the Parallel Debt construct has not been tested under law in certain of these jurisdictions and to the extent that the security interests in the Collateral created under the Parallel Debt construct are not validly granted, are unenforceable or are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of such security interests in the Collateral. See “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.”

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Applicable law requires that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if the Issuer is not able to take the actions necessary to perfect any of these liens on or prior to the Issue Date. Neither the Trustee nor the Security Agents for the Notes has any obligation to monitor the creation or perfection of any security interest or to take any steps or action to perfect any of the security interests in the Collateral. Such failure may result in such security interest not being created in such property or rights or the priority of such security interest in favor of the Notes against third parties being adversely affected.

The Issuer and the other security providers will have control over the Collateral, and the sale of particular assets could reduce the pool of assets securing the Notes.

The security documents allow the Issuer and the other security interest providers to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes. So long as no default or event of default under the Indenture would result therefrom, the Issuer and the other security interest providers may, among other things, without any release or consent by the Trustee or the Security Agents, conduct ordinary course activities with respect to the Collateral and make ordinary course cash payments, including repayments of indebtedness.

The granting of the Guarantees and security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening or avoidance periods for such security interests in accordance with the laws applicable in certain jurisdictions.

The granting of Guarantees and security interests to secure the Notes and the Guarantees may create hardening or avoidance periods for such Guarantees and security interests in certain jurisdictions. The granting of shared security interests to secure future permitted debt may restart or reopen such hardening or avoidance periods in particular, as the Indenture for the Notes permits the release and retaking of security granted in favor of the Notes in certain circumstances including in connection with the incurrence of future debt. The applicable hardening or avoidance period for these new security interests can run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening or avoidance period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. Please see “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.”

The same rights also apply following the issuance of the Notes in connection with the accession of further subsidiaries as additional Guarantors and the granting of security interests over their relevant assets and equity interests for the benefit of the holders of the Notes. Please see “Description of the Notes—Security.”

Investors may not be able to recover in civil proceedings for U.S. securities law violations.

The Issuer and the Guarantors and their respective subsidiaries are organized outside the United States, and our business is conducted entirely outside the United States. The directors and executive officers of the Issuer and the Guarantors are non-residents of the United States. Although the Issuer and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on the directors and executive officers of the Issuer and the Guarantors. In addition, as all of the assets of the Issuer and the Guarantors and their respective subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce against them judgments obtained in U.S. courts. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuer and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with Germany. For further information see “Service of Process and Enforcement of Civil Liabilities.”

Enforcing your rights as a holder of Notes under the Notes or the Guarantees or the security across multiple jurisdictions may prove difficult.

The Notes will be issued by the Issuer, which is incorporated under the laws of Germany, and will be guaranteed by entities organized under the laws of Austria, Germany, Italy, Spain, Sweden, Turkey and the United Kingdom. Assets which constitute the Collateral, and the entities whose capital stock constitutes the Collateral, are located in Germany and, in the event of insolvency, application to commence insolvency proceedings or similar events, proceedings could be initiated in Germany. The rights of the holders of the Notes with respect to the Notes, the Guarantees and the Collateral are likely to be subject to the insolvency and administrative laws of several jurisdictions, and there can be no assurance that you will be able to effectively enforce your rights in such complex multi-jurisdictional proceedings. In addition, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors’ rights. Further, the bankruptcy, insolvency, administration and other laws of the jurisdiction of organization of the Issuer and the Guarantors and security grantors may be materially different from, or in conflict with, one another, including creditors’ rights, priority of creditors and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction’s laws should apply and could adversely affect the ability to enforce the security and to realize any recovery under the Notes and the Guarantees. See also “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.”

Local insolvency laws may not be as favorable to you as insolvency laws of jurisdictions with which you may be familiar and may preclude holders of the Notes from recovering payments due on the Notes.

Both the Issuer and the providers of the Collateral are organized under the laws of Germany. The Guarantors are incorporated under the laws of Austria, Germany, Italy, Spain, Sweden, Turkey and the United Kingdom. Future subsidiaries

of the Issuer may be incorporated in other jurisdictions and may be subject to the insolvency laws of various jurisdictions. Consequently, in the event of a bankruptcy or insolvency of the Issuer or any of the Guarantors or providers of collateral, insolvency proceedings with respect to the Issuer, the Guarantors or providers of collateral would most likely be based on and governed by the insolvency laws of the jurisdiction under which the relevant entity has its registered office, to the extent that the center of the main interests (the “COMI”) of each company provided for under the Council Regulation (EC) No. 1346/2000 on insolvency proceedings (the “**EU Insolvency Regulation**”) (where applicable) is not located elsewhere. The insolvency laws of Austria, Germany, Italy, Spain, Sweden, Turkey and the United Kingdom and the other jurisdictions under which the Issuer, Guarantors and grantors of collateral are established may be less favorable to your interests as creditors than the bankruptcy laws of the United States of America or another jurisdiction with which you may be familiar, in particular with respect to priority of creditors, ability to obtain post-petition interest and the duration of the insolvency proceedings. The application of these laws, and any conflict between them, may limit your ability to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws. See also “Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations” for additional information on the insolvency laws of the European Union as well as Austria, Germany, Italy, Spain, Sweden, Turkey and the United Kingdom.

We may not be able to repurchase the Notes upon a change of control, and the occurrence of certain important corporate events may not constitute a change of control.

If a change of control (as defined in the Indenture) occurs, we will be required to make an offer to purchase all the outstanding Notes at a premium, plus any accrued and unpaid interest to the date of purchase. In such a situation, we may not have enough funds to pay for all of the Notes that are tendered under any such offer. In addition, our Senior Facilities Agreement may prohibit us from purchasing the Notes upon a change of control without first repaying the Senior Facilities in full. If a significant principal amount of Notes is tendered, we will likely have to obtain financing to pay for the tendered Notes; however, we may not be able to obtain such financing on acceptable terms, if at all. A change of control may also result in a mandatory prepayment under our Senior Facilities and agreements governing any future indebtedness and may result in the acceleration of such indebtedness.

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including reorganizations, restructurings, mergers or other similar transactions involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a change of control as defined in the Indenture.

There are significant restrictions on your ability to transfer or resell your Notes.

The Notes are being offered and sold pursuant to an exemption from registration under United States and applicable state securities laws. The Notes have not been registered under the U.S. Securities Act or any state securities laws, and we do not intend to register the Notes under the U.S. Securities Act or any state securities laws after the offering. Therefore, you may transfer or resell the Notes in the United States only in a transaction exempt from the registration requirements of the United States and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. The risk may be exacerbated by the absence of registration rights for the holders of the Notes.

The Notes may not become, or remain, listed on the Irish Stock Exchange.

Although the Issuer will, in the Indenture, agree to use its reasonable best efforts to have the Notes listed on the Official List of the Irish Stock Exchange and admitted to trading on its Global Exchange Market within a reasonable period after the Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become, or remain listed. If the Issuer cannot maintain the listing on the Official List of the Irish Stock Exchange and the admission to trading on the Global Exchange Market or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Irish Stock Exchange, provided that it will use reasonable best efforts to obtain and maintain the listing of the Notes on another stock exchange although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Irish Stock Exchange or another recognized listing exchange for comparable issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Official List of the Irish Stock Exchange or another listing exchange in accordance with the Indenture, may have a material adverse effect on a holder's ability to resell its Notes in the secondary market.

Your ability to transfer the Notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Notes.

The Notes are a new issue of securities for which there is currently no market. We do not intend to have the Notes listed on a national securities exchange (as defined in U.S. Securities Exchange Act of 1934) or to arrange for quotation on any automated dealer quotation systems. The Initial Purchasers have advised us that they intend to make a market in the Notes, as permitted by applicable laws and regulations; however, the Initial Purchasers are not obligated to make a market in the Notes and they may discontinue their market making activities at any time without notice. Therefore, we cannot assure you as to the development or liquidity of any trading market for the Notes. The liquidity of any market for the Notes will depend on a number of factors, including, but not limited to:

- the number of holders of Notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the Notes; and
- prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. We cannot assure you that the market, if any, for the Notes will be free from similar disruptions or that any such disruptions may not adversely affect the prices at which you may sell your Notes. Therefore, we cannot assure you that you will be able to sell your Notes at a particular time or price, if at all.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Certain covenants will be suspended if we receive investment grade ratings.

The Indenture will provide that, if at any time following the date of the Indenture, the Notes receive an investment grade rating (BBB- or better by Fitch, Baa3 or better by Moody's and BBB- or better by S&P) and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time as the Notes are no longer rated investment grade by either ratings agency, certain covenants will cease to be applicable to the Notes. See "Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status."

At any time when these covenants are suspended, we will be able to, among other things, incur additional indebtedness, pay cash dividends and redeem subordinated indebtedness without restriction, each of which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

The Notes will be held in book-entry form and therefore you must rely on the procedures of the relevant clearing system to exercise any rights and remedies.

The Notes will be issued in registered global form. The Regulation S Global Note and the Rule 144A Global Note will be deposited, on the Issue Date, with a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

Ownership of beneficial interests in the Global Notes (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. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. Owners of beneficial interests in the Global Notes will not be entitled to receive definitive

Notes in registered form, except under the limited circumstances described in “Book-Entry; Delivery and Form—Definitive Registered Notes.” So long as the Notes are held in global form, holders of Book-Entry Interests will not be considered the owners or “holders” of the Notes. The nominee of the common depositary for Euroclear and Clearstream will be considered the sole holder of the Global Notes. Accordingly, if you hold a Book-Entry Interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and on the procedures of the participant through which you hold your interest to exercise any rights and obligations of a holder of Notes under the Indenture governing the Notes.

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts, if any) will be made by the Issuer to the Paying Agents. The Paying Agents will, in turn, make such payments to the common depositary (or its nominee) for Euroclear and Clearstream. The common depositary or its nominee will in turn distribute such payments to participants in accordance with its procedures. After payment to the common depositary or its nominee for Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the holders of Book-Entry Interests.

Unlike the holders of the Notes themselves, holders of Book-Entry Interests will not have the direct right to act upon the Issuer’s solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you hold a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream, as applicable. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture governing the Notes, unless and until definitive registered Notes are issued in respect of all Book-Entry Interests, if you hold a Book-Entry Interest, you will be restricted to acting through Euroclear or Clearstream. The procedures to be implemented through Euroclear or Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

You may face currency exchange risks by investing in the Notes.

The Notes are denominated and payable in euro. If you measure your investment returns by reference to a currency other than euro, investment in such Notes entails currency exchange related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the euro against the currency by reference to which you measure your investment returns would cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure your investment returns. There may be tax consequences for you as a result of any currency exchange gains or losses resulting from your investment in the Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

The Notes may be issued with original issue discount for U.S. federal income tax purposes.

If the stated principal amount of the Notes exceeds their issue price (as determined for U.S. federal income tax purposes) by an amount greater than or equal to a statutorily defined *de minimis* amount, then the Notes will be considered to be issued with original issue discount (“OID”) for U.S. federal income tax purposes. If the Notes are issued with OID, in addition to the stated interest on the Notes, a U.S. holder (as defined in “Taxation—Certain United States Federal Income Tax Considerations”) will be required to include such OID in gross income (as ordinary income) as it accrues on a constant yield to maturity basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable and regardless of the U.S. holder’s method of accounting for U.S. federal income tax purposes. See “Taxation—Certain United States Federal Income Tax Considerations—Original Issue Discount.”

The interests of our shareholders may conflict with your interests as a holder of the Notes.

Bain Capital indirectly owns the majority of the shares of the indirect parent entity of the Issuer. As a result, our shareholders have and will continue to have, directly or indirectly, the power to affect our legal and capital structure as well as the ability to elect and change our management and to approve other changes to our operations and to control the outcome of matters requiring action by our shareholders. Our shareholders’ interests in certain circumstances may conflict with your interests as noteholders, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, the shareholders could vote to cause us to incur additional indebtedness. Our shareholders are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Our shareholders may also pursue acquisition opportunities that are complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, our shareholders have held, hold or may hold interests in

suppliers or customers of the Wittur Group. Our shareholders and their affiliates could also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to you as a holder of Notes.

We do not present stand-alone financial information for each of our subsidiaries that Guarantee the Notes and Audited Consolidated Financial Statements for the Issuer included in this offering memorandum may be of limited use in assessing the financial position of the Guarantor subsidiaries.

As of and for the year ended December 31, 2013, the Guarantors (excluding BidCo) accounted for (i) gross assets of €173 million or 64% of the consolidated gross assets (in each case, excluding goodwill and certain other intangible assets resulting from the purchase price allocation of our acquisition by Triton in 2010 which cannot be allocated to individual subsidiaries), (ii) net revenue of €241 million or 50% of the consolidated net revenue, (iii) net assets of €114 million or - 24,314% of consolidated net assets (calculated on the basis of consolidated net assets of €1.7 million) and (iv) EBITDA of €37 million or 60% of the consolidated EBITDA of the Group (in each case, excluding BidCo). Under such circumstances, the rules of the Irish Stock Exchange require us to include stand-alone financial information for each Guarantor in the listing particulars to be filed with the Irish Stock Exchange. We have applied for an exemption from this requirement with the Irish Stock Exchange, currently expect that such application will be granted and thus do not currently intend to present stand-alone financial information for our Guarantor subsidiaries.

Included elsewhere in this Offering Memorandum are only the Unaudited Interim Consolidated Financial Statements, 2013 Audited Consolidated Financial Statements and 2012 Audited Consolidated Financial Statements all of which are consolidated at the level of the Target and do not include standalone financial information for any subsidiary Guarantor. As the non-Guarantor subsidiaries represent in excess of 25% of our consolidated EBITDA and gross assets as of and in the year ended December 31, 2013, such consolidated financial statements may be of limited use in assessing the financial position of the Guarantors.

There may be differences between our financial position, results of operations and cash flows, subject to whether prepared in accordance with German GAAP, IFRS or U.S. GAAP.

Our Unaudited Interim Consolidated Financial Statements and 2013 Audited Consolidated Financial Statements included elsewhere in this Offering Memorandum have been prepared in accordance with IFRS, but our 2012 Audited Consolidated Financial Statements have been prepared on the basis of German GAAP. German GAAP differs in certain respects from IFRS. Both IFRS and German GAAP differ in certain material respects from U.S. GAAP. As a result, the results of operations and financial condition derived from the financial statements that are included in this Offering Memorandum may differ substantially from the results of operations and financial condition derived from financial statements prepared in accordance with U.S. GAAP. The Issuer has not prepared a reconciliation of its financial information to U.S. GAAP, or of its 2012 Audited Consolidated Financial Statements to IFRS, nor has the Issuer prepared a summary of significant accounting differences in the accounting and valuation methods of IFRS, German GAAP and U.S. GAAP, nor has the Issuer otherwise reviewed the impact the application of U.S. GAAP would have on its financial reporting. Because there are differences between German GAAP, IFRS and U.S. GAAP, if we had prepared our 2012 Audited Consolidated Financial Statements on the basis of IFRS instead of German GAAP, or all our financial statements in accordance with U.S. GAAP instead of other accounting standards, there could be substantial differences in our results of operations, cash flows and financial position, including levels of indebtedness. Accordingly, in making an investment decision, investors must rely on their own examination of our financial information.

BidCo, which will guarantee the Notes on the Issue Date, is a newly incorporated acquisition vehicle whose Guarantee is of limited value.

On the Issue Date the Notes will be guaranteed (on a senior subordinated basis) by BidCo which was acquired by Bain Capital as acquisition vehicle for the Transactions. BidCo has a fully-paid up share capital of €25,000 and no other material assets. As a result, the Guarantee provided by BidCo on the Issue Date is of limited value and you may not be able to recover any amounts under the Guarantees provided by BidCo in the event of a default on the Notes.

THE TRANSACTIONS

The Acquisition

On December 22, 2014, BidCo, an entity indirectly owned by Bain Capital and the direct, wholly-owned subsidiary of the Issuer, entered into the Acquisition Agreement with TriWay HoldCo AB, Way Equity GmbH & Co KG and Way Shareholder Loan I GmbH & Co KG to acquire all the issued and outstanding capital stock of the Target and certain shareholder loans (the “**Acquisition**”). The consummation of the Acquisition is subject to satisfaction of certain conditions, including regulatory approval in Germany, Austria, Finland, Brazil and China. In addition, the Transaction will be subject to certain statutory conditions, such as regulatory approval in Turkey. If regulatory approval is not obtained on or prior to, or if any injunction by a governmental authority of competent jurisdiction that restrains or prohibits the consummation of the Acquisition is in effect as of September 30, 2015 (or such later date as the parties to the Acquisition Agreement agree), the Acquisition Agreement may be terminated by the Target. As part of the Acquisition, Bain Capital intends to establish a management equity plan under which our senior management may hold ordinary shares of LuxCo. See “Certain Relationships and Related Party Transactions—Management Equity Plan.”

The Issuer, a *Gesellschaft mit beschränkter Haftung* incorporated and existing under the laws of Germany, is a wholly-owned subsidiary of HoldCo, a *Gesellschaft mit beschränkter Haftung* incorporated and existing under the laws of Germany. HoldCo, in turn, is a wholly-owned subsidiary of TopCo, a *Gesellschaft mit beschränkter Haftung* incorporated and existing under the laws of Germany. TopCo, in turn, is a wholly owned subsidiary of LuxCo, a *Société à responsabilité limitée* incorporated and existing under the laws of Luxembourg. Each of TopCo, HoldCo, the Issuer and BidCo were acquired by Bain Capital as acquisition vehicles for the Transactions. LuxCo was formed by Bain Capital as an acquisition vehicle for the Transactions.

The Financing

The Acquisition is expected to require €93.3 million of debt and equity financing, excluding transaction fees and expenses, but including the repayment of the net debt of the Target and its subsidiaries. The Acquisition will be financed in part through the issuance of the Notes in an aggregate principal amount of €225.0 million and a drawing of the New Term Loan B Facility in an amount of €95.0 million.

As of the Completion Date, the Revolving Credit Facility in an aggregate principal amount of €65.0 million will also be available. Currently, it is expected that the Revolving Credit Facility will not be drawn as of the Completion Date. See “Use of Proceeds.”

The proceeds from the financing described above will be used to:

- fund the consideration payable for the capital stock of the Target purchased in the Acquisition;
- repay all existing amounts outstanding under the Existing Senior Facilities Agreement;
- repay debt of certain subsidiaries of the Target; and
- pay the fees and expenses in connection with the Acquisition and the Financing, including estimated fees and expenses to be incurred in connection with the Offering.

Pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering of the Notes into the Escrow Account in the name of the Issuer. The Escrow Account will be controlled by, and pledged on a first-ranking basis in favor of, the Trustee on behalf of the holders of the Notes. The release of escrow proceeds is subject to the satisfaction of certain conditions, including the consummation of the Acquisition. If the Acquisition is not consummated on or prior to September 30, 2015, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be a price equal to 100% of the aggregate issue price of the Notes plus accrued and unpaid interest and additional amounts, if any, from the Issue Date to the date of special mandatory redemption. See “Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.”

We refer to the Acquisition and the Financing collectively as the “**Transactions**.” See “Use of Proceeds,” “Capitalization,” “Description of Certain Financing Arrangements,” and “Description of the Notes.”

USE OF PROCEEDS

We estimate that the gross proceeds from the Offering will be equivalent to €225.0 million. Pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the Offering into the Escrow Account for the benefit of the holders of the Notes. See “Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.” On or prior to the Completion Date, HoldCo will make the Equity Contribution in order to pay part of the consideration payable for all the capital stock of the Target.

The Issuer intends to use the proceeds from the Offering, together with the proceeds from the Equity Contribution and a drawing of the New Term Loan B Facility, to (i) fund the consideration payable for the capital stock of the Target and the Target’s outstanding obligations under certain shareholder loans, (ii) repay all amounts outstanding under the Existing Senior Facilities and other debt of certain subsidiaries of the Target and (iii) pay the estimated fees and expenses incurred in connection with the Transactions, including commitment, placement, financial advisory and other transaction costs and professional fees. See “The Transactions.”

In connection with the Transactions, the Issuer will enter into the Senior Facilities Agreement, which will also provide for a Revolving Credit Facility in the amount of €65.0 million to finance the ongoing working capital needs of the Group. The Revolving Credit Facility is not currently expected to be drawn as of the Completion Date.

The expected estimated sources and uses of the funds necessary to consummate the Transactions (including the Acquisition) are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including differences from our estimates of transaction costs and the actual Completion Date, and cash flow generated by the Target until the Completion Date. Any changes in these amounts may affect the amount of the Equity Contribution or the amount of cash on the balance sheet of the Target used to finance the Acquisition. For example, if the cash on the balance sheet of the Target as of the Completion Date is lower than expected, the Issuer will have to fund a higher amount for the repayment of the Existing Senior Facilities. Such additional funds would be provided by increasing the Equity Contribution.

Sources of Funds	in € million	Uses of Funds	in € million
New Term Loan B Facility	195.0	Consideration for the Acquisition ⁽²⁾	464.9
Notes offered hereby	225.0	Repayment of the net Existing Senior Facilities and other third party financial debt of the Target ⁽³⁾	128.4
Equity ⁽¹⁾	205.0	Transaction costs ⁽⁴⁾	31.7
Total Sources	625.0	Total Uses	625.0

- (1) Equity consists of the equity contribution made by HoldCo to the Issuer. See “Principal Shareholders—Preferred Equity Certificates of LuxCo, Shareholder Loan to TopCo and Deferred Consideration” for a description of the equity financing of HoldCo, TopCo and LuxCo.
- (2) Includes amounts contributed to the equity of BidCo and the Proceeds Loan, and constitutes the Purchase Price for the Acquisition. The Purchase Price for the Acquisition includes the share purchase price, repayment of the Target’s existing shareholder loan and interest accrued thereon (assuming a March 31, 2015 Completion Date) and certain other estimated charges under the Acquisition Agreement.
- (3) Represents the aggregate outstanding principal amount plus all accrued and unpaid interest as well as any late fees, prepayment fees and all other charges owed under each of the Existing Senior Facilities, and certain other indebtedness of the Target and its subsidiaries (assuming a March 31, 2015 Completion Date), less cash and cash equivalents of the Target of an estimated €43.7 million to be used in connection with the repayment thereof. To the extent more or less cash is available for use on the balance sheet of the Target on the Acquisition Closing Date, and subject to the lockbox mechanisms set forth in the Acquisition Agreement, the amount of equity used to finance the Acquisition may decrease or increase, subject to certain limitations on minimum equity specified in the Acquisition Agreement. In addition, as of September 30, 2014, we had €5.6 million of indebtedness outstanding under local lines of credit that we assume will be repaid in connection with the Transactions. See “Description of Certain Financing Arrangements—Local Credit Lines.” However, we may eventually choose not to repay some or all of these local lines of credit in connection with the Transaction. If we do not to repay these local lines of credit, the amount of our equity investment or the amount of cash on the balance sheet of the Target used to finance the Acquisition would decrease by the amount of such local lines not repaid.
- (4) Estimated fees and expenses associated with the Transactions, including commitment, placement and financial advisory fees, original issue discount, accrued interest for escrow and other transaction costs and professional fees. Other expenses may be payable by the Target.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and the consolidated capitalization as of September 30, 2014, on a historical basis, and as adjusted to give effect to the completion of the Offering and the application of the proceeds therefrom as described in “Use of Proceeds” as if they had occurred on September 30, 2014. The historical consolidated financial information has been derived from the Unaudited Interim Consolidated Financial Statements of the Target prepared on the basis of IFRS included elsewhere in this Offering Memorandum.

This table should be read in conjunction with “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Description of Certain Financing Arrangements” and the Consolidated Financial Statements and the accompanying notes included elsewhere in this Offering Memorandum. Except as set forth below, there have been no other material changes to our capitalization since September 30, 2014.

	As of September 30, 2014	
	Historical	As Adjusted
	<i>in € million</i>	
Cash and cash equivalents⁽¹⁾	36.2	—
Existing Senior Facilities ⁽²⁾	166.6	—
New Term Loan B Facility	—	195.0
Revolving Credit Facility ⁽³⁾	—	—
Local lines of credit ⁽⁴⁾	5.6	—
Finance leases ⁽⁵⁾	3.8	3.8
Senior secured financial debt	176.0	198.8
Notes offered hereby ⁽⁶⁾	—	225.0
Total financial debt	176.0	423.8
Shareholders’ funding ⁽⁷⁾	86.8	205.0
Total capitalization	262.8	628.8

- (1) As adjusted cash and cash equivalents reflects the use of cash as set forth in “Use of Proceeds,” without giving effect to any increase or decrease of cash from operations since September 30, 2014, but assuming that sufficient cash from operations was generated as contemplated under “Use of Proceeds.”
- (2) Includes current and non-current portions of liabilities outstanding under the Existing Senior Facilities Agreement.
- (3) As of the Completion Date, we expect the €65.0 million Revolving Credit Facility under the Senior Facility to remain undrawn.
- (4) Local lines of credit consist of certain local working capital and exports subsidy lines of credit for our subsidiaries in Argentina, Austria, India and Turkey, that we assume will be repaid in connection with the Transactions. As of September 30, 2014, we had approximately €5.6 million (equivalent) outstanding and an additional €5.4 million (equivalent) available under these local lines of credit. See “Description of Certain Financing Arrangements—Local Credit Lines.” However, we may eventually choose not to repay some or all of these local lines of credit. If we do not repay these local lines of credit, the amount of our equity investment or the amount of cash on the balance sheet of the Target used to finance the Acquisition would decrease by the amount of such local lines not repaid, and our indebtedness on an as adjusted basis would increase by a corresponding amount. If we repay these local lines of credit, we expect to be able to redraw them in the future.
- (5) Includes current and non-current portions of liabilities in respect of finance leases.
- (6) The aggregate principal amount of the Notes is stated gross of any capitalized issue costs.
- (7) The value shown in the historical column consists of certain shareholder loans granted to the Target by the Sellers which will be repaid in connection with the Transactions and the Sellers’ equity in the Wittur Group. The value shown in the as adjusted column consists of the Equity Contribution.

SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables present the Target's selected financial information and should be read in conjunction with the Audited Consolidated Financial Statements as of and for the years ended December 31, 2012 and 2013, and the Unaudited Interim Consolidated Financial Statements as of and for the nine months ended September 30, 2014, which are all reproduced elsewhere in this Offering Memorandum, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." See also "Presentation of Financial and Other Information." The selected financial information as of and for the nine months ended September 30, 2014 and 2013 has been derived from the Unaudited Interim Consolidated Financial Statements. The selected financial information as of and for the years ended December 2011, 2012 and 2013 provided below have been derived from the Audited Consolidated Financial Statements. The 2013 Audited Consolidated Financial Statements were prepared in accordance with IFRS as adopted by the EU and the 2012 Audited Consolidated Financial Statements were prepared on the basis of German GAAP. The Audited Consolidated Financial Statements were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC"). The Unaudited Interim Consolidated Financial Statements, which were prepared in accordance with IFRS applicable to interim financial reporting as adopted by the EU, have not been audited. The information below is not necessarily indicative of the results of future operations.

All historical financial information presented in this Offering Memorandum is that of the Target and its subsidiaries; accordingly, all references to "we," "us," "our" or the "Group" in respect of historical financial information in this Offering Memorandum are to the Target and its subsidiaries on a consolidated basis.

Selected Consolidated Income Statement Information in accordance with IFRS

	Year ended December 31,		Nine months ended September 30,	
	2012	2013	2013	2014
	in € million			
	(audited)	(audited)	(unaudited)	
Revenues	455.9	479.8	359.3	380.9
Cost of sales	(336.7)	(357.9)	(268.9)	(280.0)
Direct materials	(234.0)	(240.1)	(181.5)	(189.9)
Other costs of sales	(102.7)	(117.8)	(87.4)	(90.1)
Gross profit	119.2	121.9	90.4	100.8
Selling expenses	(22.3)	(19.7)	(14.8)	(13.8)
Research & development expenses	(5.7)	(5.8)	(4.4)	(4.7)
Administrative expenses	(64.5)	(59.3)	(42.4)	(41.3)
Other income	2.5	2.8	1.9	1.3
Other expenses	(2.6)	(1.7)	(1.4)	(1.7)
Earnings before interest and taxes (EBIT)	26.6	38.0	29.3	40.6
Finance expense	(21.6)	(21.4)	(16.1)	(13.1)
Finance income	0.5	0.8	0.3	1.1
Earnings before income taxes (EBT)	5.5	17.5	13.5	28.6
Income taxes	(5.1)	(9.3)	(7.9)	(11.5)
Net result for the period for continuing operations	0.4	8.2	5.6	17.1
Loss after taxes for Discontinued Operations	(0.4)	(0.6)	(0.6)	—
Net result for the period	(0.03)	7.6	5.0	17.1

Selected Consolidated Income Statement Information on the basis of German GAAP

	Year ended December 31,	
	2011 ^(*)	2012 ^(*)
	<i>in € million</i>	
	<i>(audited)</i>	<i>(audited)</i>
Sales.....	387.7	466.0 ^(**)
Increase or decrease in finished goods and work in process.....	(3.1)	(0.2)
Other operating income	10.0	11.2
Cost of materials		
Cost of raw materials	(210.9)	(250.4)
Personnel expense.....	(78.3)	(87.9)
Amortization and depreciation.....	(43.7)	(47.7)
Other operating expenses.....	(69.6)	(87.0)
Other interest and similar income	0.4	0.5
Write-down of long-term financial assets and current securities	(0.0)	(0.0)
Interest and similar expenses	(19.5)	(20.1)
Profit/loss on ordinary activities.....	(26.9)	(15.6)
Taxes on income	(3.4)	(6.6)
Other taxes	(1.1)	(2.3)
Consolidated net loss for the year.....	(31.4)	(24.5)
Share of minorities in the net loss for the year loss share attributable to other shareholders	(0.0)	(0.0)
Consolidated net loss for the year after minority shares.....	(31.4)	(24.5)
Loss carried forward	(1.9)	(33.3)
Consolidated accumulated deficit.....	(33.3)	(57.8)

(*) The financial information as of and for the year ended December 2011 and 2012 has been derived from the 2012 Audited Consolidated Financial Statements which were prepared on the basis of German GAAP. Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS.”

(**) The difference of €10.1 million in sales under German GAAP and revenue under IFRS for the year ended December 31, 2012, reflects the sale of the operations of Wittur Hydraulic Drives s.r.l., Bagnatica, Italy, in 2013, which was classified as discontinued operations for purposes of the 2013 Audited Consolidated Financial Statements and therefore was excluded from the presentation of revenues under IFRS, but not from the presentation of sales under German GAAP. For additional details, please see note 5.9 to the 2013 Audited Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Selected Consolidated Balance Sheet Information in accordance with IFRS

	As of December 31,		As of September 30,
	2012	2013	2014
	<i>in € million</i>		
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Assets			
Intangible assets.....	151.8	138.3	132.2
Property, plant and equipment	75.5	74.8	71.6
Investment properties.....	1.9	1.8	3.3
Other non-current financial assets	0.0	0.8	0.4
Other non-current receivables.....	0.1	—	0.1
Deferred tax assets	6.1	5.5	6.8
Non-current assets	235.3	221.1	214.4
Inventories	34.2	37.9	43.8
Trade and other receivables	77.9	85.2	98.2
Other current financial assets.....	0.4	0.4	1.5
Other current assets.....	14.3	12.6	10.8
Cash and cash equivalents	22.4	20.0	36.2
Current assets.....	149.1	156.2	190.5
Assets classified as held for sale.....	5.1	1.6	—
Total Assets	389.5	378.8	405.0
Equity and Liabilities			
Subscribed capital	0.0	0.0	0.0
Retained earnings.....	(24.8)	(24.9)	(17.2)
Net gain / loss for the year	(0.0)	7.6	17.1
Other components of equity.....	20.0	15.5	16.4
Reserves of disposal group classified as held for sale	(0.0)	—	—
Total equity	(4.9)	(1.7)	16.3
Non-current interest-bearing loans and borrowings.....	237.5	221.5	218.2
Provisions for pensions.....	9.1	8.4	9.4
Other non-current provisions	5.5	6.1	3.7
Other non-current financial liabilities	5.6	3.8	3.7
Deferred tax liabilities	15.2	9.5	8.1
Non-current liabilities.....	272.8	249.3	243.2
Current interest-bearing loans and borrowings	17.3	31.5	18.9
Trade and other payables	89.4	90.0	113.5
Provisions for pensions.....	0.5	0.4	0.3
Other current provisions	1.9	2.1	2.9
Other current financial liabilities	0.6	0.7	0.3
Income tax liabilities.....	7.6	6.5	9.5
Current liabilities.....	117.3	131.2	145.4
Liabilities associated with the assets classified as held for sale.....	4.3	—	—
Total Equity and Liabilities	389.5	378.8	405.0

Selected Consolidated Balance Sheet Information on the basis of German GAAP

As of December 31,

	2011 ^(*)	2012 ^(*)
	<i>in € million</i>	
	<i>(audited)</i>	<i>(audited)</i>
Intangible assets		
Internally developed industrial property rights and similar rights and assets	0.9	2.0
Acquired concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	72.2	54.9
Goodwill	91.7	68.6
Prepayments.....	0.0	0.0
Total intangible assets	164.8	125.6
Tangible assets		
Land, land rights and building including buildings on leasehold land.....	54.2	51.8
Technical equipment and machinery	13.6	13.1
Other equipment, factory and office equipment	7.2	7.1
Prepayments and construction in process	1.2	5.0
Total tangible assets.....	76.2	77.1
Financial assets		
Other long-term equity investments.....	0.0	0.0
Long-term securities	0.0	0.0
Other loans.....	0.0	0.0
Total financial assets.....	0.0	0.0
Total fixed assets	241.1	202.7
Inventories		
Raw materials and supplies.....	25.1	22.8
Work in process	5.8	3.6
Finished goods and merchandise	11.5	10.5
Prepayments.....	0.8	0.6
Total inventories	43.1	37.5
Receivables and other assets		
Trade receivables	67.9	80.7
Other assets.....	14.3	14.4
Total receivables and other assets	82.2	95.1
Securities	0.0	0.0
Cash on hand, bank balances and checks.....	20.6	22.4
Total current assets.....	145.9	155.1
Prepaid expenses.....	0.8	0.8
Deferred tax assets	5.1	8.3
Consolidated net loss not covered by equity.....	11.7	36.8
TOTAL ASSETS	404.4	403.6
Shareholders' equity		
Subscribed capital ^(*)	0.0	0.0
Capital reserves.....	22.0	22.0
Equity capital difference from currency translation.....	(1.0)	(1.6)
Consolidated accumulated deficit.....	(33.3)	(57.8)
Compensating item for minority shares	0.6	0.6
Consolidated deficit not covered by equity.....	11.7	36.8

As of December 31,

	2011 ^(*)	2012 ^(*)
	<i>in € million</i>	
	<i>(audited)</i>	<i>(audited)</i>
Total shareholders' equity	0.0	0.0
Provisions		
Provisions for pensions and similar obligations	1.3	1.2
Tax provisions	6.6	4.5
Other provisions.....	23.4	30.0
Total provisions.....	31.2	35.7
Liabilities		
Liabilities to banks.....	156.5	138.1
Prepayments received on account of orders.....	4.2	4.3
Trade payables	61.7	63.6
Other liabilities	125.1	140.3
Total liabilities.....	347.5	346.3
Deferred income	0.0	0.0
Deferred tax liabilities	25.7	21.5
TOTAL EQUITY AND LIABILITIES	404.4	403.6

(*) The financial information as of and for the year ended December 2011 and 2012 has been derived from the 2012 Audited Consolidated Financial Statements which were prepared on the basis of German GAAP. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS."

(†) As of each of the dates presented the fully-paid up share capital of the Target was equal to €25,000.

Selected Cash Flow Statement Information in Accordance with IFRS

	Year ended December 31,		Nine months ended September 30,	
	2012	2013	2013	2014
	<i>in € million</i>			
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	
Operating activities				
Profit (loss) after Tax.....	(0.0)	7.6	5.0	17.1
Depreciation, Amortization and Impairment	24.8	23.5	17.6	14.2
Taxes.....	5.1	8.2	6.8	11.5
Interest	21.1	21.0	16.3	12.0
Loss on sale of discontinued operations	—	0.3	0.3	—
Gain/loss on sale of fixed assets	(0.9)	(0.2)	(0.1)	(0.0)
Losses from disposal of fixed assets	0.1	0.2	0.2	0.0
Cash generated from operations (excluding working capital changes).....	50.2	60.7	46.0	54.8
Changes in working capital.....	(0.8)	(14.1)	(1.5)	6.5
Net movement in provisions, pension obligations and other liabilities	3.8	0.3	(1.0)	(1.7)
Net movement in other assets	(1.1)	0.1	1.0	0.5
Interest received.....	0.5	0.3	0.2	0.2
Income taxes paid	(14.1)	(12.6)	(8.0)	(11.9)

	Year ended December 31,		Nine months ended September 30,	
	2012	2013	2013	2014
	<i>in € million</i>			
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	
Net cash flow from operating activities.....	38.5	34.6	36.8	48.3
Investing activities				
Purchase of property, plant & equipment	(8.3)	(10.6)	(4.2)	(3.0)
Purchase of intangible assets	(1.5)	(2.3)	(1.4)	(2.4)
Disposal of assets	0.5	0.7	0.6	1.7
Proceeds from disposal of Group company	—	0.9	0.9	—
Net cash flow used in investing activities	(9.3)	(11.3)	(4.2)	(3.7)
Net cash flow before financing activities.....	29.2	23.3	32.6	44.7
Financing activities				
Repayment of shareholder loan	—	(70.0)	—	(2.5)
Proceeds from borrowings	—	73.4	0.0	—
Repayment of borrowings.....	(18.6)	(16.1)	(11.4)	(20.0)
Payment of refinancing fees	—	(3.3)	(1.2)	—
Interest paid	(7.9)	(9.1)	(5.8)	(6.7)
Net cash flow used in financing activities.....	(26.4)	(25.2)	(18.3)	(29.2)
Net increase/(decrease) in cash.....	2.8	(1.9)	14.3	15.5
Effects currency translation	(1.0)	(0.5)	(0.3)	0.7
Cash and cash equivalents at beginning of period	20.6	22.4	22.4	20.0
Cash and cash equivalents at the end of period	22.4	20.0	36.3	36.2

Selected Cash Flow Statement Information on the basis of German GAAP

	Year ended December 31,	
	2011 ^(*)	2012 ^(*)
	<i>in € million</i>	
	<i>(audited)</i>	<i>(audited)</i>
Net income/loss for the year (before extraordinary events/transactions).....	(31.4)	(24.5)
Depreciation of/write-ups on fixed assets.....	43.7	47.7
Increase/decrease in provisions.....	(4.2)	4.5
Income/loss from the disposal of fixed assets.....	0.0	(0.2)
Increase/decrease in inventories, trade receivables and other assets that are not allocable to investing or financing activities	(7.0)	(10.6)
Increase/decrease in trade payables and other liabilities that are not allocable to investing or financing activities	7.7	13.0
Cash flow from operating activities.....	8.9	30.0
Payments received from the disposal of tangible assets and intangible assets.....	0.2	0.5
Payments made for investments in tangible assets and intangible assets.....	(9.1)	(9.7)
Payments made to acquire financial investments	0.0	(0.0)
Cash flow from investing activities.....	(8.9)	(9.3)
Payments received from additions to equity capital	0.0	0.0
Payments made to shareholders	0.0	0.0
Payments received from taking out (financial) loans.....	8.6	0.0
Payments made for the repayment of (financial) loans vis-à-vis direct and indirect shareholders	(181.1)	0.0
Payments made for the repayment of bonds and (financial) loans	(8.6)	(18.0)
Cash flow from financing activities	(181.1)	(18.0)
Net increase/decrease in cash and cash equivalents.....	(181.1)	2.8
Exchange rate and valuation-based changes in cash and equivalents	(0.8)	(0.5)
Cash and cash equivalents at the beginning of the year.....	201.3	19.5
Cash and cash equivalents at the end of the year.....	19.5	21.7
Structure of cash and cash equivalents at the end of the year		
Marketable securities	0.0	0.0
Cash	20.6	22.4
Bank liabilities due on demand.....	(1.1)	(0.7)
Cash and cash equivalents	19.5	21.7

(*) The financial information as of and for the year ended December 2011 and 2012 has been derived from the 2012 Audited Consolidated Financial Statements which were prepared on the basis of German GAAP. Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS.”

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

The following discussion and analysis of financial condition and results of operations are based on the Unaudited Interim Consolidated Financial Statements of the Group as of and for the nine months ended September 30, 2014 and the Audited Consolidated Financial Statements of the Group as of and for the years ended December 31, 2012 and 2013 which are all reproduced elsewhere in this Offering Memorandum, as well as on the accounting records of the Target and on the internal management accounts of the Target. The 2013 Audited Consolidated Financial Statements were prepared in accordance with IFRS and the 2012 Audited Consolidated Financial Statements were prepared on the basis of German GAAP. Our Audited Consolidated Financial Statements as of and for the years ended December 31, 2012 and 2013 were audited by PwC. The Unaudited Interim Consolidated Financial Statements, which were prepared in accordance with IFRS applicable to interim financial reporting as adopted by the EU, have not been audited. These interim results are not necessarily indicative of results to be expected for the full year.

Some of the statements contained below relate to future revenues, costs, capital expenditures, acquisitions and financial condition and include forward-looking statements. Because such statements involve inherent uncertainties, actual results may differ materially from the results expressed in or implied by such forward-looking statements. A discussion of such uncertainties can be found in "Forward-Looking Statements." In addition, investing in the Notes involves risks. Such risks are discussed in "Risk Factors." See also "Presentation of Financial and Other Information."

Overview

We are the world's leading independent elevator components manufacturer. The elevator components industry is characterized by long-term growth and resilience during economic downturns due to a number of favorable factors. Demand for elevators has grown significantly faster than GDP due to a number of favorable global trends, such as population growth, urbanization, taller buildings, aging populations, increased wealth and increased regulation and safety awareness. As a manufacturer of elevator components operating independently from elevator installers, we also benefit from the trend of elevator installers increasingly seeking to outsource the manufacture of components, which has increased the rate of growth for elevator components manufacturers above the growth in demand for elevators. Our position as the leading independent elevator components manufacturer has enabled us to capitalize on these growth trends, as evidenced by our strong long-term revenue growth and EBITDA margins in excess of 10% on average since 2004.

We are a global manufacturer of elevator components with a strong footprint across multiple regions. We divide our operations into three geographical regions which include Europe, Asia and the Rest of the World. Our Europe region includes our operations in Africa and represents our core market, accounting for 48.6% of our revenue in the year ended December 31, 2013, with upside potential as Southern European economies recover. Our Asia region provides the growth engine for our business, with 37.4% of our revenue, driven by increased urbanization and other favorable trends in China, and with the potential to grow spare parts sales in China as the market matures. Our Rest of the World region primarily includes Eurasia, Turkey, the Middle East and Latin America and represented 13.9% of our revenue, with the potential for significant future growth.

Our product offering features a large range of elevator components for new elevator manufacturing and sourcing, for spare parts and for modernization and upgrades. Our components span from sophisticated mechatronic components for elevator cabin and landing doors (including the associated opening mechanisms) to other critical components such as gearless drives, slings, safety gears and cars. We also offer complete elevators, which we primarily sell to independent elevator installers ("**Independents**"). Sales of doors and door components accounted for 69% of our revenue in the year ended December 31, 2013. Doors and door components are required at each floor of a building, so as the average height of new buildings increases, the demand for elevator doors and door components also increases at a faster rate than demand for other components. Doors and door components range from relatively standardized, high-volume production doors to highly customized, special-order doors—we offer 19 models of landing doors and 15 models of elevator car doors. Having produced approximately 1.2 million doors and door components in the year ended December 31, 2013, we believe we are the leading elevator door and door components supplier in a highly fragmented elevator components market.

We manufacture components for both the original equipment market and the aftermarket. We estimate that the original equipment market makes up a larger percentage of our business in developing countries, such as China, while the aftermarket makes up approximately 50% of our sales in a mature market such as Europe. Aftermarket sales range from routine provision of spare parts through the lifetime of an elevator, to components for modernization and upgrade of an elevator, to complete replacement of an elevator. In developing markets such as China, we expect aftermarket components sales to strongly increase as the life cycle of newly-installed elevators progresses.

Our key customers are global, multinational corporation elevator installers (“MNCs”), such as western-based MNCs Kone, Otis, Schindler and ThyssenKrupp Elevator (“**Western MNCs**”) and Asian-based MNCs Fujitec, Hitachi, Hyundai, Mitsubishi Electric and Toshiba (“**Asian MNCs**”), as well as Independents, which are typically active in a limited geographic market. In the year ended December 31, 2013, Western MNCs accounted for approximately 68% of our revenue, Independents for approximately 32% of our revenue and Asian MNCs for less than 1% of our revenue. We have deeply-ingrained, mutually-dependent relationships with a number of our key customers, and benefit from multi-year, guaranteed “share-of-wallet” contracts with a number of our key customers, allowing us to share in the growth of our customers’ business.

In the twelve months ended September 30, 2014, we generated revenue of €501.4 million and Historic Adjusted EBITDA of €72.7 million. As of September 30, 2014, we had a work force of 3,206 employees and conducted business in more than 50 countries.

Trends

A number of global trends affect the dynamics of the elevator components industry, including population growth and urbanization, increasing wealth levels, increased safety regulation and environmental awareness, and increased outsourcing.

Population growth, urbanization and increasing wealth levels as drivers for new installations

We expect new installations of elevators, particularly in urban areas, to continue to be the main driver of the elevator components market. Demand for new installations of elevators is primarily influenced by continued population growth, as well as an increase in the global urbanization rate. Urban populations surpassed rural populations in 2010 for the first time in history. While overall population growth in emerging markets significantly outpaces population growth in Europe and North America, we believe that the pace at which urbanization takes place in key emerging markets, such as China and India, is not substantially higher than the urbanization rates of more developed countries. We believe this suggests that the growth of the urban population in these emerging markets will continue in the future. For example, a Global consulting firm has established that China’s urban population will increase from 50% in 2011 to 70% in 2030. Growing population and increasing urbanization have historically led to an increase in construction activity, which historically, has also benefited the elevator components industry.

Rising levels of wealth and GDP per capita also drive demand for elevators. We believe that urban residential floor space per capita is closely correlated to urban GDP per capita, and a gap still exists between developed economies in Europe (such as Italy with urban residential space of 45 square meters per capita) and emerging market economies, such as China (with urban residential space of 24-26 square meters per capita). As GDP per capita increases in emerging markets, demand for increased floor space per capita also increases, leading to a further increase in construction activity in urban areas. This increased demand for floor space per capita as well as the increasing density of urban regions, particularly in Asia, is expected to lead to taller buildings, which, in turn, is expected to lead to an increase in demand for new elevator installations in excess of construction activity.

Increasing safety regulation, energy efficiency and environmental awareness as drivers for modernization and maintenance

Increased regulation and changing safety norms, as well as consciousness for energy efficiency and environmental protection, have historically supported elevator modernization and maintenance, and we expect these trends will continue to drive demand for elevator components to modernize and support the existing global installed elevator base. For example, we expect the implementation of EU Directive EN 81-20/50, which will overhaul the existing regulatory regime in Europe and introduce heightened safety requirements for elevators, to lead to an increase in demand for modernization to comply with the new regulations.

We also expect demand for elevator maintenance to continue to be supported by an existing, mature installed elevator base in Europe, as well as maturing installed elevator bases in China and India in the near future. See also “—Key Factors Affecting Results of Operations and Financial Condition—Demand for elevator modernization and maintenance.”

Rising energy costs, environmental awareness, as well as regulatory requirements to reduce the carbon footprint of new and modernized construction projects, are expected to increase the demand for energy efficient elevators equipped with, for example, gearless drive ranges (which also reduce backlash, vibration and noise) and high suspension loads. Continuation of these trends would further drive modernization of the installed elevator base.

Increased outsourcing

The outsourcing of the production of elevator components by global MNCs and Independents to suppliers is an ongoing trend which has historically driven demand for elevator parts. We expect this trend to continue in the future. A number of factors drives outsourcing by elevator producers, including (i) the ability of the elevator producer to focus on core activities, such as the elevator installation and maintenance business without having to attend to potential production issues; (ii) increased flexibility of the elevator producer in terms of production capacity and locations, as well as increased speed of penetration of new markets; (iii) the ability to free up cash by avoiding capital expenditures for new production facilities; (iv) lack of economies of scale and in-house production capacities of a large number of elevator producers; and (v) the ability of MNCs to access innovation capabilities and best-in-class processes through outsourcing.

Generally, Western MNCs have outsourced a high portion of their components, a trend that we expect to continue as a result of increasing standardization of platforms. Outsourcing allows Western MNCs to reduce the complexity and cost of their own product offering. In contrast, Asian MNCs have historically been more reluctant to outsource production on a large scale; however, we expect Asian MNCs to outsource business in target growth markets outside their traditional home markets (such growth markets including India, South East Asia and, potentially, China) in the future to, for example, preserve cash for footprint expansion, and maintain flexibility in terms of production capacity and location. Independents have historically outsourced the largest portion of component modules due to their lack of scale and in-house production capabilities, and we expect leading Independents to continue to require support from suppliers, such as us that are able to provide them with tailored solutions and comply with increasingly stringent local regulations.

Key Factors Affecting Results of Operations and Financial Condition

Factors affecting our results of operations and financial condition include the following:

Global economic conditions and economic and political conditions in certain regions

We offer our customers a large range of elevator components for elevator installation and servicing. We also offer complete elevators. Customer demand for elevator components is primarily driven by new elevator installations, both in newly constructed buildings and existing structures, as well as the need for modernization and maintenance of the installed base. These factors are affected by general global economic conditions and the economic and political conditions in the regions in which we operate our business.

Demand for new elevator installations in any geographic market, particularly for new construction, is largely driven by the activity in the construction industry in that market. The construction industry is generally cyclical in nature, and its performance has historically demonstrated a strong correlation with GDP growth and unemployment levels. It is also sensitive to factors such as demographics, inflation, interest rates and the cost of financing, including mortgage financing, as well as other macroeconomic factors. Political instability or changes in fiscal or other government policies may also affect the construction industry. In addition, the construction industry is also subject to customer preferences that are specific to each of the countries in which we operate.

Elevator modernization and maintenance have historically been less cyclical in nature than the construction industry in general, and the level of cyclicity is primarily driven by the size and age of the installed base of a particular region, as well as by regulation and energy efficiency requirements in such region. Nevertheless, as large-scale, non-essential maintenance projects may require significant levels of capital investments, and as our business depends on our customers' willingness to commit funds to these projects, prolonged periods of economic uncertainty or political instability may lead to a decline in modernization and maintenance activity and adversely affect our revenue.

Demand for elevator modernization and maintenance

We sell elevator components for use in both new elevator installations and for modernizations, upgrades and maintenance spare parts. The share of our business constituting modernizations, upgrades and maintenance spare parts compared to new elevator installations varies by region, depending on the age of the installed base of elevators and the pace of new installation. For example, we estimate that modernization, upgrades and maintenance spare parts constitute approximately 50% of our sales in a mature market such as Europe, but currently represent only 10% of our sales in emerging markets, such as China. Elevator modernization and maintenance is also driven by increased safety regulation as well as increased energy efficiency standards.

While the installed elevator base in Europe is relatively old, with approximately 60% of installed elevators older than 10 years, and thus unlikely to further age on an average basis, only 10% of installed elevators in China and 20% of installed elevators in India are older than 10 years. As a result, a Global consulting firm expects a significant ageing of installed elevator bases in China and India in the near future to lead to a strong increase in modernization activity in these countries. We believe this factor will provide for increased visibility and resilience in the sales of elevator components.

Furthermore, in 2014, the European Union adopted EU Directive EN 81 20/50, which represents a major overhaul of the currently applicable safety regulations for elevators and which introduces, among other things, higher standards for door pressure testing, a new door pendulum shock test and new rules for door retaining devices. Historically, non-European Union countries have adopted European regulations, and a number of key emerging markets, such as China, are expected to adopt EU EN 81 20/50 in the near future. We expect that this regulatory overhaul will drive elevator modernization as MNCs and other manufacturers of elevators will be required to comply with EU EN 81 20/15 from 2017.

Elevator modernization and maintenance is also driven by an increasing regulatory focus on energy efficiency and environmental protection. For example, EU Directive 2002/91/EC on Energy Performance of Buildings aims to decrease energy consumption in buildings by 20% by 2020 and directs European Union member states to introduce energy efficiency targets for newly constructed and renovated buildings. Kone estimates that elevators currently account for approximately 8% of total energy consumption in single and multi-dwelling units and in non-industrial properties. Modernized elevators recover the energy that is released when the elevator is used, allowing for energy savings of 20%-35%.

We believe that we are well-positioned to capture future modernization and maintenance opportunities resulting from these factors, particularly in China and India where we are one of few companies with long-standing modernization and maintenance experience as a result of our operations in Europe.

Steel prices and our ability to pass on cost increases to our customers

Direct material costs (the accounting term used in our accounts to represent raw material costs) constitute a large portion of our production costs, and fluctuations in the price of our raw materials affect our results of operations. In the year ended December 31, 2013, direct material costs accounted for €40.1 million, or 67.1% of our cost of sales. The primary raw materials used in our production processes are metal sheets and coils, carbon steel and stainless steel, but we also purchase other steel products such as steel rolled profiles. Steel products are our most important raw material and we estimate that steel products accounted for approximately one-third of our raw material costs in the year ended December 31, 2013. As a result, the market price of steel impacts our results of operations. Other raw materials used in our business include aluminium and titanium, and exhibit similar market dynamics as those exhibited by the market for steel.

Generally, the price for steel correlates to general economic conditions. For example, steel prices peaked in 2008, subsequently declined as a result of the global economic downturn in 2009 and 2010, and increased sharply in the wake of economic recovery in 2011. Future spikes in the price for steel or other raw materials could significantly increase our cost of sales.

We currently do not hedge against fluctuations in steel prices, but our management has adopted new policies in 2012 pursuant to which we manage these costs. We estimate that approximately 60% by value of the steel contained in our products is sold based on current spot prices. For these purchases, the steel price component is assessed individually for each order, and increases in market prices for steel can be passed through to our customers without significant lead time. The remaining approximately 40% by value of steel content in our product is sold pursuant to contracts with two of our key MNC customers which provide for pass-through mechanisms and reflect the fact that these customers themselves purchase large quantities of steel. One pass-through mechanism, which applies to the majority of our steel content sold to these two customers, fixes the steel price we can charge at the relevant customer's average steel purchasing price during the preceding six months. This fixed price remains binding for six months, after which it is reset pursuant to the same mechanism. As a result, any increases in the average steel price are passed through to these two MNCs with a six month delay. The other pass-through mechanism, which we carry out in Europe with one of our MNC customers, provides for a certain percentage representing an assumed fixed percentage of the steel make-up of our products and allows us to pass-through 90% of any price increases during a six month review period.

However, steel prices might rise in the period between when we negotiate the price for a project and the time we purchase steel for that project. In addition, since approximately 40% by value of our steel content is sold pursuant to the pass-through mechanisms described above, we are exposed to changes in steel prices for up to six months until the fixed steel price we charge our customers can be readjusted. The positive effects of such readjustments may not occur in the periods in which the additional expenses have been incurred, but only in later periods. In that event, the price increases will not have a

compensating effect for the periods in which the costs increased. We try to manage these risks by anticipating both our steel requirements and movements in the market price for steel in advance. Under some of our contracts, our customers have undertaken to share their order intake and production forecasts with us and have guaranteed us a minimum “share-of-wallet” with them. We believe this improves our visibility on future steel requirements in the short and medium term and thus the accuracy of our forecasts.

While we believe we have generally been able to pass through increased raw material prices to our customers in the past three years, we cannot guarantee that we will continue to be able to do so. This could affect our results of operations for the period in which we are unable to pass through price increases. See “Risk Factors—Risks Related to Our Business—We are exposed to fluctuations in prices of raw materials.”

Expansion of operational footprint

We operate a significant part of our business in the mature markets of Europe, which accounted for 48.6% of our revenue in the year ended December 31, 2013. Sales in mature markets are typically driven by demand for modernization and maintenance of the installed elevator base, as well as spare parts, which in turn are influenced by changes in the regulatory framework, safety requirements and the focus on energy efficient and environmentally friendly products. We also operate a significant part of our business in emerging markets (particularly, China, India, Eurasia and Latin America) and our Asia and Rest of the World regions accounted for 37.4% and 13.9% of our revenue for the year ended December 31, 2013, respectively. Sales in emerging markets have historically been driven by strong demand for new installations of elevators, particularly in China, which accounted for approximately 55% of global new elevator installations in 2014, and India, which accounted for approximately 5% of all new elevator installations in 2013.

We have expanded our global footprint, in particular in emerging markets, significantly over the three years ended December 31, 2013 and such expansion has affected our results of operations, including our capital expenditures and cost base. We have been early entrants into a number of emerging markets with local production, such as Turkey (1993), China (1995), Argentina and Brazil (both 2000), Slovakia (2009) and India (2010). The expansion of our operational footprint and the development of business in a new market affects our results of operations in a number of ways. First, the period during which we enter a new market is usually characterized by increased capital expenditures necessary to establish an operational footprint in that market. Second, while our operations in a new market are still in the start-up phase, these operations usually contribute negative EBITDA to our consolidated results, mainly as a result of a lack in generated revenue to offset costs, such as costs related to marketing, establishing a sales force or general legal and administrative expenses. However, once we have solidified our operations in an emerging market and fully established a local presence and local workforce, our operations usually benefit from a lower cost base compared to our more mature markets. For example, we are currently evaluating the relocation of some of our Austrian production capabilities to our facilities in India to take advantage of the lower cost base and proximity to growth markets for our business.

Operational improvement measures and supply chain optimization

Our results of operations are affected by operational improvement measures that we undertake, and between 2010 and 2013 we successfully developed, implemented and executed various restructuring and improvement measures to reduce fixed costs and increase operational efficiency. The focus of these measures was mainly on the transfer of production to lower cost locations and headcount reductions in the manufacturing area. For example, as part of these measures, we closed our plant in Madrid, Spain and moved our production capacity and business operations to our plant in Zaragoza, Spain. Additionally, we sold our plant in Bergamo, Italy, which resulted in a strategic headcount reduction of 62 full-time equivalent employees during 2013. Furthermore, our shift of production facilities and capabilities to lower-cost countries has reduced our labor costs. In connection with these restructuring and operational improvement measures, we incurred expenses of €3.0 million and €8.9 million in the years ended December 31, 2013 and 2012, respectively. In contrast, we estimate that we realized synergies and cost savings of €9.5 million during the year ended December 31, 2013 as a result of these measures.

To optimize our supply chain and further increase overall product quality and safety, we appointed a global supply chain manager in 2012 who is responsible for implementing and monitoring our global purchasing and logistics strategy as well as supplier quality development. Additionally, in 2012, we created a centralized global procurement platform and consolidated our supplier base, focusing on larger, global suppliers and reducing the number of local suppliers. As a result, we have been able to realize substantial procurement cost savings and increase the transparency of our cost structure, and we estimate that our supply chain optimization measures reduced our cost base by 3.6% in the year ended December 31, 2013, compared to the year ended December 31, 2012. Furthermore, as we increased the overall monitoring of our suppliers, we believe we have also been able to further improve the overall quality and safety of our products.

Innovation and investments

In order to support our leading positions in our markets and maintain our technological advantage, we are required to continually develop new products and improve existing products. Our R&D activities primarily focus on optimizing the quality and complementary nature of our existing product portfolio maintaining compliance with our industry's strict regulatory and safety requirements and ensuring continued acceptance of our products by our customers. Although the pace of innovation in the elevator components industry is generally slower than it is in other high-tech industries, we also focus a significant portion of our R&D capabilities on developing new products and materials and adding innovative functions and applications to our existing product range. As of December 31, 2013, we employed more than 220 FTEs in research, development and engineering capacities at seven R&D centers throughout the world. In the year ended December 31, 2013, we incurred research and development costs (including capitalized portions) of €7.6 million, or 1.6% of revenues, compared to €6.8 million, or 1.5% of revenues, in the year ended December 31, 2012.

To expand our business operations in new markets, such as China, and to acquire property plant and equipment, we incurred capital expenditures of €12.9 million, or 2.7% of revenue, and €9.7 million, or 2.1% of revenue, in the years ended December 31, 2013 and 2012, respectively. In both 2013 and 2012, capital expenditures mainly reflect the expansion of our operations in China. We expect to incur capital expenditures of €11.5 million in the year ending December 31, 2015. See also “—Liquidity and Capital Resources—Capital Expenditures.”

Foreign currency exchange rates

Our reported results of operation and financial condition are affected by exchange rate fluctuation and we are exposed to both transactional and translational risk due to these fluctuations.

Transactional risk arises when our subsidiaries execute transactions in a currency other than their functional currency. We currently operate production facilities in ten countries, and sell our products into approximately 100 countries. As a result, we generate a significant portion of our sales and incur a significant portion of our expenses in currencies other than euro, our reporting currency. The primary currencies in which we generated revenues in twelve months ended September 30, 2014 were the euro, the Chinese renminbi and the U.S. dollar, and we expect the portion of our sales and costs denominated in renminbi to increase as we continue to expand our Chinese operations. Where we are unable to match sales received in foreign currencies with costs paid in the same currency, our results of operations are affected by currency exchange rate fluctuations. For example, a stronger euro will increase the cost of euro-denominated supplies for our non-euro businesses and conversely decrease the cost of non-euro supplies for our euro businesses. A 5% increase/(decrease) of the euro against the Chinese renminbi or the Turkish lira in 2013 would have increased/(decreased) our earnings before tax for the year ended December 31, 2013 by €95,000/(€95,000) and €583,000/(€583,000), respectively. Our subsidiaries generally execute their sales and incur most of their materials costs in the same currency.

We present our consolidated financial statements in euro. As a result, we must translate the assets, liabilities, revenue and expenses of all of our operations with a functional currency other than euro into euro at then-applicable exchange rates. Consequently, increases or decreases in the value of these currencies against the euro may affect the value of our assets, liabilities, revenue and expenses with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency, which creates translation risk. These translations could significantly affect the comparability of our results between financial periods and result in significant changes to the carrying value of our assets, liabilities and stockholders' equity. We record the effects of these translations in our income statement as other income or other expenses.

See also “—Qualitative Disclosure on Market Risk—Foreign Exchange Risk.”

Customer concentration

Our business depends on, and is strongly aligned with the businesses of, our four largest customers. We generate approximately two-thirds of our revenues, with one of these four customers accounting for a significant proportion of those revenues and another one of these four customers also representing a significant and growing portion of our revenues. We are a trusted supplier to our largest customers, who include Kone, Schindler, Otis and ThyssenKrupp Elevator. Our long-standing relationships with each of these customers have allowed us to better understand these customers' needs and priorities, thereby enabling us to cater to their requirements, from conception, design and development to manufacturing and distribution of components to offering comprehensive after-sale services and technical support. We also grow our business in line with our largest MNC customers and expand our operations into geographies into which they expand to better serve them. Our success has historically mirrored those of our largest customers.

Our industry is marked by a relatively small number of large customers, and we expect this high concentration of customers to continue for the foreseeable future. The high level of customer concentration in our industry entails a high degree of dependence on our key customers. If we were to lose any of our key customers, we may be unable to find an alternative customer of similar size, or otherwise compensate for such loss, in a timely manner, or at all. Additionally, our business has historically benefited from the growth of our customers' businesses, and for this reason we depend on the performance of our customers' business and their ability to continue growing their business and outsourcing to us. In light of the maturity of the European elevator components market, our ability to win contracts with new customers in the European market is impacted by whether we succeed in taking market share from our competitors in Europe. Additionally, customers in our industry face time and cost-related barriers to selecting new suppliers for their elevators, as changing suppliers requires new homologation of such components and the review and adjustment of all maintenance manuals. However, these cost-related barriers also partly insulate us against the risk of losing any of our key customers, as any of our customers would incur significant switching costs if it decided to terminate our business relationship and source its components from one of our competitors. In addition, we have long-standing relationships with each of these key customers, which we have maintained over the past 15 to 30 years. These long-standing relationships have allowed us to better understand our customers' needs and priorities, thereby enabling us to cater to our customers from conception, design and development to manufacturing and distribution of components to offering comprehensive after-sale services and technical support. Another factor mitigating the risk of losing any of our MNCs as customers is that MNCs put substantial efforts into long-term product standardization in order to simplify and reduce complexity in the maintenance and breakdown service process. For these reasons, elevator installers prefer to remain with selected components and suppliers. Doing so reduces failure rates and maintenance cost, improves productivity and minimizes safety risks. For a description of our contracts with our four key customers see "Our Business—Material Agreements with Customers."

Our geographic regions

We divide our operations into three regions, which include Europe, Asia and the Rest of the World. These regions describe the geographic region in which we manufacture our products, but do not necessarily correspond to their end-market.

The following table provides a breakdown by revenue, for the nine months ended September 30, 2014 and 2013, and for the years ended December 31, 2011, 2012 and 2013.

	Year ended December 31,									Nine months ended September 30,					
	2011			2012			2013			2013			2014		
				<i>(unaudited)</i>									<i>(unaudited)</i>		
	Europe	Asia	Rest of the World	Europe	Asia	Rest of the World	Europe	Asia	Rest of the World	Europe	Asia	Rest of the World	Europe	Asia	Rest of the World
	<i>(in € millions)</i>														
Revenue	224.8	106.8	56.1	234.0	159.8	62.1	233.4	179.5	66.5	175.8	135.6	47.5	175.4	154.6	50.8
(*)															

(*) Revenue by region for the year ended December 31, 2011 has been derived from the 2012 Audited Consolidated Financial Statements, which were prepared on the basis of German GAAP, but have been regrouped to match our current revenue split and therefore deviate from our 2012 Audited Financial Statements in which revenues by region do not include sales deductions and were grouped differently. Other periods presented were prepared on the basis of IFRS.

Europe

Our Europe region represents our core market and comprises our European operations, including operations in Germany, Austria, Spain, Italy and Greece, as well as our operations in Africa. Additionally, our Europe region includes our headquarters and certain holding company costs. In the year ended December 31, 2013, we generated revenue of €233.4 million, or 48.6% of our revenues in our Europe region.

Historically, revenue growth in our Europe region has been supported by a mature installed base, which drives modernization and maintenance, as well as demand for innovative elevator components designed to further increase elevator

safety and energy efficiency. We have also expanded our operations in Africa in recent years through direct sales (primarily from Spain) and a new trading unit.

In the year ended December 31, 2013, we generated 62% of our revenue in our Europe region through sales to our MNC customers and the remainder through sales to Independents. In the year ended December 31, 2013, sales of elevator doors and door components accounted for 51% of our revenue, followed by slings, drives and electronics, which accounted for 14%, 6% and 6%, respectively.

Generally speaking, our operations in our Europe region benefit from high margins, primarily due to high gross profit margins, which are partially offset by a higher cost base as a result of, for example, high marketing costs.

Asia

Our Asia region has been the growth engine for our business and primarily comprises our operations in China, India, and Korea. In the year ended December 31, 2013, we generated revenue of €179.5 million, or 37.4% of our revenues, in our Asia region. This constituted an increase of €19.6 million, or 12.3%, compared to 2012. China accounted for 93% of our Asia revenue in the year ended December 31, 2013 and 93% of our Asia revenue in the year 2012.

Revenue growth in our Asia region is primarily the result of new elevator installations, which are driven by increased population growth, urbanization and increasing demand for higher square footage per capita, especially in China. Additionally, our business has benefited from our close cooperation with market-leading Western MNCs and their expansion in Asia, particularly in China.

In the year ended December 31, 2013, we generated 92% of our revenue in our Asia region through sales to our MNC customers. We generated the remainder of our Asia revenue through sales to Independents. In the year ended December 31, 2013, sales of elevator doors and door components accounted for 93% of our revenue for Asia, followed by slings, drives and electronics.

Generally speaking, our operations in the Asia region are characterized by margins roughly comparable to our operations in our Europe region.

Rest of the World

Our Rest of the World region mainly comprises our operations in Latin America (particularly, Brazil) and Eurasia and accounted for €66.9 million, or 13.9%, of our revenues in the year ended December 31, 2013.

Revenue growth in our Rest of the World region is both the result of new elevator installations, particularly in Latin America, which accounted for 8% of estimated global elevator market value in 2013, and demand for modernization and maintenance, particularly in Russia, which is driven by an ageing installed base.

In the year ended December 31, 2013, we generated 21% of our revenue in our Rest of the World region through sales to our MNC customers. We generated the remaining 79% of our Rest of the World revenue through sales to Independents. In the year ended December 31, 2013, sales of elevator doors and door components accounted for 22% of our revenue, followed by slings, drives and electronics.

Generally speaking, our operations in the Rest of the World region are characterized by margins roughly comparable to our operations in our Europe region and Asia region.

Explanation of Key Line Items

The following section provides a description of our key IFRS financial statement line items:

Revenues

Revenue is primarily generated from the manufacture and provision of components, drives and systems for the elevator industry. This includes elevator components, such as automatic elevator doors, cabins, safety components, drives, elevator frames and complete elevators, used both in new installations and modernizations. These components are integrated into elevator systems for public elevators, cargo elevators and also in shipping.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Cost of sales

Cost of sales includes direct and indirect production costs attributable to the production process and relating to the products sold, including costs of materials, labor, freight, packaging and other costs. We exclude from cost of sales personnel costs for employees in research and development, selling and distribution and general and administration functions and instead record these costs in research and development costs, selling expenses and general administration costs, respectively. Cost of sales also includes income and costs resulting from changes in warranty provisions.

Selling expenses

Selling expenses primarily consists of salaries, wages and incidental costs for sales and marketing personnel, costs related to trade fairs, travel expenses related to our sales and marketing operations and other marketing costs.

Research and development expenses

Research and development expenses primarily consists of personnel-related costs and other costs directly linked to research and development throughout our business. We capitalize research and development costs related to product or process enhancements if the completion of the product or process is technically and economically feasible, the developed product or process is marketable, the expenditures can be measured reliably, and if we have adequate resources available to complete the development of the project or process. We recognize all other costs related to product or process development as an expense. We report capitalized development expenditures for completed projects at cost less cumulative amortization and impairment losses. We test capitalized development costs for intangible assets not yet available for use for impairment once a year.

Administrative expenses

Administrative expenses consists of compensation and associated expenses for administrative functions such as finance, legal, information technology, human resource and general management costs, audit fees, bank fees, tax and legal consultancy costs and costs of bad debt allowances and bad debt write offs, as well as depreciation and amortization of tangible and intangible assets.

Other income

Other income primarily includes gains related to foreign currency transactions, rental income from leased property, grants and government subsidies received.

Other expenses

Other expenses primarily includes losses related to foreign currency transactions, and non-corporate taxes expensed.

Finance income

Finance income includes interest income on receivables, cash investments and marketable securities, gains on fair value adjustments of financial instruments and other interest income.

Finance expenses

Finance expenses includes interest expenses on loans and borrowings, amortization of capitalized transaction costs, interest cost from discounting of defined benefit obligations, losses on fair value adjustments of financial instruments and other interest expenses.

Income taxes

Income tax expense includes current and deferred corporate income taxes and withholding taxes on dividend payments.

Discontinued operations

Discontinued operations related to the sale of Wittur Hydraulic Drives based in Bagnatica, Italy, in 2013 and includes losses for the year and loss on disposal of the subsidiary including all related disposal costs.

Results of Operations

The following table provides an overview of our results of operations for the years ended December 31, 2012 and 2013, as well as the nine months ended September 30, 2013 and 2014 as reported pursuant to IFRS.

	Year ended December 31,		Nine months ended September 30,	
	2012	2013	2013	2014
	<i>in € million</i>			
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenues	455.9	479.8	359.3	380.9
Cost of sales	(336.7)	(357.9)	(268.9)	(280.0)
Gross profit	119.2	121.9	90.4	100.8
Selling expenses	(22.3)	(19.7)	(14.8)	(13.8)
Research & development expenses	(5.7)	(5.8)	(4.4)	(4.7)
Administrative expenses	(64.5)	(59.3)	(42.4)	(41.3)
Other income	2.5	2.8	1.9	1.3
Other expenses	(2.6)	(1.7)	(1.4)	(1.7)
Earnings before interest and taxes (EBIT)	26.6	38.0	29.3	40.6
Finance expense	(21.6)	(21.4)	(16.1)	(13.1)
Finance income	0.5	0.8	0.3	1.1
Earnings before income taxes (EBT)	5.5	17.5	13.5	28.6
Income taxes	(5.1)	(9.3)	(7.9)	(11.5)
Net result for the period for continuing operations	0.4	8.2	5.6	17.1
Loss after taxes for Discontinued Operations	(0.4)	(0.6)	(0.6)	—
Net result for the period	(0.03)	7.6	5.0	17.1

Nine Months Ended September 30, 2013 Compared to the Nine Months Ended September 30, 2014

The following table provides an overview of our results of operations for the nine months ended September 30, 2013 and 2014:

	Nine months ended September 30,		
	2013	2014	Change in %
	<i>in € million</i>		
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenues	359.3	380.9	6.0
Cost of sales	(268.9)	(280.0)	4.1

	Nine months ended September 30,		
	2013	2014	Change in %
	<i>in € million</i>		
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Gross profit	90.4	100.8	11.5
Selling expenses.....	(14.8)	(13.8)	6.8
Research & development expenses.....	(4.4)	(4.7)	7.3
Administrative expenses.....	(42.4)	(41.3)	2.6
Other income	1.9	1.3	30.2
Other expenses.....	(1.4)	(1.7)	25.5
Earnings before interest and taxes	29.3	40.6	38.6
Finance expense.....	(16.1)	(13.1)	19.0
Finance income.....	0.3	1.1	257.5
Earnings before income taxes	13.5	28.6	112.5
Income taxes	(7.9)	(11.5)	46.0
Net result for the period for continuing operations	5.6	17.1	206.1
Loss after taxes for Discontinued Operations	(0.6)	—	—
Net result for the period	5.0	17.1	243.4

Revenues

Our revenues increased by €21.6 million, or 6.0%, from €359.3 million in the nine months ended September 30, 2013, to €380.9 million in the nine months ended September 30, 2014. This increase was primarily due to a stable revenue generation in Europe, double-digit growth in Asia and new installations and modernization projects by international customers and MNCs in the Rest of World region.

Revenues by region

	Nine months ended September 30,			
	2013		2014	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
	<i>(in € million)</i>	<i>% of revenue</i>	<i>(in € million)</i>	<i>% of revenue</i>
Europe.....	175.8	48.9	175.4	46.1
Asia.....	135.6	37.8	154.6	40.6
Rest of the World.....	47.9	13.3	50.8	13.3
Revenue.....	359.3	100.0	380.9	100.0

Europe

Revenue in our Europe region decreased by €0.3 million, or 0.1%, to €175.4 million in the nine months ended September 30, 2014, from €175.8 million in the nine months ended September 30, 2013. This slight decrease in revenue was primarily the result of stable demand for elevator components and spare parts for modernization and maintenance projects of the installed elevator base (including a 4% increase in MNC sales by our Austria business in the nine months ended September 30, 2014) in an overall difficult macroeconomic environment, especially in the markets in Spain, Italy and Greece.

In the nine months ended September 30, 2014, sales to MNCs accounted for 61.4%, of our revenue for Europe, an increase of 0.5 percentage points from 2013, and sales to Independents contributed 38.6%, compared to 39.1% in 2013.

Asia

Revenue in our Asia region increased by €19.0 million, or 13.9%, to €154.6 million in the nine months ended September 30, 2014, from €135.6 million in the nine months ended September 30, 2013. This increase in revenue was primarily the result of an increase in new elevator installations, which outpaced overall GDP growth and the growth in the construction industry, particularly in China. In the nine months ended September 30, 2014, sales to MNCs accounted for 92.7% of our revenue for Asia, a decrease of 0.2 percentage points from 2013, and sales to Independents contributed 7.3%, compared to 7.1% in 2013.

Rest of World

Revenue in our Rest of the World region increased by €3.0 million, or 6.2%, to €50.8 million in the nine months ended September 30, 2014, from €47.9 million in the nine months ended September 30, 2013. This increase in revenue was primarily the result of an increase in revenue from key emerging markets in this region, including Brazil, driven by new installations and modernization projects by both Independents and MNCs. In the nine months ended September 30, 2014, sales to MNCs accounted for 22.8% of our revenue, an increase of 1.7 percentage points from 2013, and sales to Independents contributed 77.2%, compared to 78.9% in 2013.

Cost of Sales

Cost of sales increased by €1.2 million, or 4.1%, from €268.9 million in the nine months ended September 30, 2013 to €280.0 million in the nine months ended September 30, 2014. This increase in cost of sales was primarily due to sales growth, primarily in Asia, and was partially offset by purchasing savings, effects of our operational improvement measures and reduced cost of warranty claims. Cost of direct materials amounted to €189.9 million, or 67.8%, of our overall cost of sales in the nine months ended September 30, 2014, an increase of €3.4 million, or 4.6%, compared to 2013. This increase in direct material costs, consumables and merchandise was primarily the result of increased sales volumes. Prices for our key raw materials, steel, aluminium and titanium remained relatively stable. Other cost of sales, including certain labor costs and costs for freight and packaging, increased during the nine months ended September 30, 2014 compared to the same period in 2013, primarily due to sales growth. Our purchasing activities realized cost saving as a result of our supply chain optimization. Our operational improvement measures included the closure of our Madrid plant and the transfer of its operations to our Zaragoza plant, the transfer of productions from higher cost countries to lower cost countries, and strategic headcount reductions.

Gross Profit

Gross profit increased by €10.4 million, or 11.5%, from €90.4 million in the nine months ended September 30, 2013, to €100.8 million in the nine months ended September 30, 2014. This increase in gross profit was primarily due to the sales growth, offset by our purchasing savings, effects of our operational improvement measures and reduced cost of warranty claims.

Selling Expenses

Selling expenses decreased by €1.0 million, or 6.8%, from €14.8 million in the nine months ended September 30, 2013, to €13.8 million in the nine months ended September 30, 2014. This decrease in selling expenses was primarily due to expenses related to the biennial Interlift fairs that occurred in the nine months ended September 30, 2013, but not in the nine months ended September 30, 2014.

Research & Development Expenses

Research & Development expenses increased by €0.3 million, or 7.3%, from €4.4 million in the nine months ended September 30, 2013, to €4.7 million in the nine months ended September 30, 2014. This increase in research and development expenses was primarily due to increased R&D activities in 2014 as compared to 2013, which was linked to the R&D function becoming more strategically aligned with the business after its reorganization in 2013, and which resulted in an increase of our R&D employee base by eleven full-time employees. Since these eleven employees were neither hired at the beginning of the period, nor all at the same time, the increase in Research & Development expenses in the nine months ended September 30, 2014 is not reflective of the impact on our Research & Development expenses for the year ended

December 31, 2014. As a result, the increase in research and development expenses in 2014 mainly reflects salaries, wages and related expenses.

Administrative Expenses

Administrative expenses decreased by €1.1 million, or 2.6%, from €42.4 million in the nine months ended September 30, 2013, to €41.3 million in the nine months ended September 30, 2014. This decrease in administrative expenses was primarily due to the reduced depreciation of purchase price allocation assets, partially offset by increased labor costs as a result of an increase in the number of our full-time equivalent employees in 2014, allowances for bad debt relating to trade and increased IT consultancy costs.

Other Income

Other income decreased by €0.6 million, or 30.2%, from €1.9 million in the nine months ended September 30, 2013, to €1.3 million in the nine months ended September 30, 2014. This decrease in other income was primarily due to decrease in exchange gains on foreign currency transactions as a result of a weaker euro in 2014 compared to 2013.

Other Expenses

Other expenses increased by €0.4 million, or 25.5%, from €1.4 million in the nine months ended September 30, 2013, to €1.7 million in the nine months ended September 30, 2014. This increase in other expenses was primarily due to an increase in other taxes which related to education tax and city construction tax in China.

Finance Expense

Finance expense decreased by €3.1 million, or 19.0%, from €16.1 million in the nine months ended September 30, 2013 to €13.1 million in the nine months ended September 30, 2014. This decrease in finance expense was primarily due to a decrease in shareholder loan interest expense as a result of our loan repayment in the fourth quarter of the year ended December 31, 2013.

Finance Income

Finance income increased by €0.8 million, or 257.5%, from €0.3 million in the nine months ended September 30, 2013, to €1.1 million in the nine months ended September 30, 2014. This increase was primarily due to the fair value adjustment on our foreign exchange hedges in 2014.

Income Taxes

Income taxes increased by €3.6 million, or 46.0%, from €7.9 million in the nine months ended September 30, 2013, to €11.5 million in the nine months ended September 30, 2014. This increase was primarily due to increased taxable income as a result of the factors described above.

Loss after Taxes for Discontinued Operations

In the nine months ended September 30, 2013 there was a loss after taxes for discontinued operations of €0.6 million which resulted from the sale of Wittur Hydraulic Drives, based in Bagnatica, Italy, during that year. There are no such results relevant for the nine months ended September 30, 2014.

Net Result for the Period

Net result for the period increased by €12.1 million, or 243.4%, from €5.0 million in the nine months ended September 30, 2013, to €17.1 million in the nine months ended September 30, 2014. This increase was primarily a result of the factors described above.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2013

The following table provides an overview of our results of operations for the year ended December 31, 2012 and 2013:

	Year ended December 31,		
	2012	2013	Change in%
	<i>in € million</i>		
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Revenues	455.9	479.8	5.2
Cost of sales	(336.7)	(357.9)	6.3
Gross profit	119.2	121.9	2.3
Selling expenses	(22.3)	(19.7)	11.4
Research & development expenses	(5.7)	(5.8)	1.3
Administrative expenses	(64.5)	(59.3)	8.0
Other income	2.5	2.8	12.2
Other expenses	(2.6)	(1.7)	32.9
Earnings before interest and taxes	26.6	38.0	43.0
Finance expense	(21.6)	(21.4)	0.9
Finance income	0.5	0.8	79.1
Earnings before income taxes	5.5	17.5	N/A
Income taxes	(5.1)	(9.3)	81.7
Net result for the period for continuing operations	0.4	8.2	N/A
Loss after taxes for Discontinued Operations	(0.4)	(0.6)	45.6
Net result for the period	(0.03)	7.6	N/A

Revenues

Revenues increased by €23.8 million, or 5.2%, from €455.9 million in the year ended December 31, 2012, to €479.8 million in the year ended December 31, 2013. This increase in revenues was primarily driven by increased sales to our Western MNC customers Kone, Otis and Schindler in China and Turkey, mainly as a result of new installations.

Revenues by region

	Year ended December 31,			
	2012		2013	
	<i>(in € million)</i>		<i>(in € million)</i>	
	<i>% of revenue</i>		<i>% of revenue</i>	
Europe	234.0	51.3	233.4	48.6
Asia	159.8	35.1	179.5	37.4
Rest of the World	62.1	13.6	66.9	13.9
Revenue⁽¹⁾	455.9	100.0	479.8	100.0

(1) Revenue for the years ended December 31, 2012 and 2013 has been derived from our Audited Consolidated Financial Statements and is audited financial information. For the years ended December 31, 2012 and 2013, revenues by region include sales deductions and thus deviate from our 2013 Audited Financial Statements in which revenues by region for these years do not include sales deductions.

Europe

Revenue in our Europe region decreased slightly by €0.6 million, or 0.3%, to €233.4 million in the year ended December 31, 2013, from €234.0 million in the year ended December 31, 2012. This slight decrease in revenue was primarily the result of stable demand for elevator components and spare parts for modernization and maintenance projects of the installed elevator base in an overall difficult macroeconomic environment, especially in our markets in Italy, Spain and

Greece. In year ended December 31, 2013, sales to MNCs accounted for 61.8% of our revenue for Europe, an increase of 3.8 percentage points from 2012, and sales to Independents contributed 38.2%, compared to 42.0% in 2012.

Asia

Revenue in our Asia region increased by €19.7 million, or 12.3%, to €79.5 million in the year ended December 31, 2013, from €59.8 million in the year ended December 31, 2012. This increase in revenue was primarily the result of an increase in new elevator installations which outpaced overall GDP growth and the growth in the construction industry, particularly in China. In the year ended December 31, 2013, sales to MNCs accounted for 92.3% of our revenue in Asia, and Independents contributed 7.7%.

Rest of World

Revenue in our Rest of the World region increased by €4.8 million, or 7.8%, to €66.9 million in the year ended December 31, 2013, from €62.1 million in the year ended December 31, 2012. This increase in revenue was primarily the result of an increase in revenue from key emerging markets in this region, including Brazil, driven by new installations and modernization projects by both Independents and MNCs. In the year ended December 31, 2013, sales to MNCs accounted for 21.5% of our revenue in our Rest of the World region, an increase of 2.1 percentage points from 2012, and sales to Independents contributed 78.5% compared to 76.4% in 2012.

Cost of Sales

Cost of sales increased by €1.2 million, or 6.3%, to €357.9 million in the year ended December 31, 2013 from €356.7 million in the year ended December 31, 2012.

This increase in cost of sales was primarily due to new plant start-up costs in China, the reallocation of costs for order management and logistics functions from selling expenses to cost of sales and the reallocation of packaging costs from selling expenses to cost of sales based on improved functionality of the accounting systems in 2013. Cost of sales also increased as a result of sales growth, primarily in Asia, which was partially offset by purchasing savings as a result of the optimization of our supply chain. Cost of direct materials amounted to €240.1 million, or 67%, of our overall cost of sales in the year ended December 31, 2013, an increase of €6.1 million, or 3%, compared to 2012. This increase in direct material costs, consumables and merchandise was primarily the result of increased sales volumes, partially offset by a decrease in the prices for our key raw materials, steel, aluminium and titanium. Other cost of sales, including certain labor costs and costs for packaging, increased during the year ended December 31, 2013, compared to the same period in 2012, primarily due to sales growth, while costs for freight decreased.

Gross Profit

Gross profit increased by €2.7 million, or 2.3%, to €21.9 million in the year ended December 31, 2013, from €19.2 million in the year ended December 31, 2012. This increase in gross profit was primarily due to sales growth, as well as due to reduced costs resulting from our operational improvement measures, realization of additional cost savings related to our purchasing activities as a result of our supply chain optimization and lower cost relating to warranty claims.

Selling Expenses

Selling expenses decreased by €2.5 million, or 11.4%, to €19.7 million in the year ended December 31, 2013, from €22.3 million in the year ended December 31, 2012. This decrease was primarily due to a reallocation of costs for order management and logistics functions from selling expenses to cost of sales and the reallocation of packaging costs from selling expenses to cost of sales based on improved functionality of the accounting systems in 2013.

Research & Development Expenses

Research & Development expenses remained relatively constant at €5.8 million in the year ended December 31, 2013, compared to €5.7 million in the year ended December 31, 2012. Research and development expenses in the year ended December 31, 2013 primarily related to product development and testing.

Administrative Expenses

Administrative expenses decreased by €1.1 million, or 8.0%, to €9.3 million in the year ended December 31, 2013, from €4.5 million in the year ended December 31, 2012. This decrease in administrative expenses was primarily due to reduced costs for restructuring and one-off improvement projects.

Other Income

Other income increased by €0.3 million, or 12.2%, to €2.8 million in the year ended December 31, 2013, from €2.5 million in the year ended December 31, 2012. This increase was primarily due to significant gains on foreign currency exchange in 2013, partially offset by a reduction in tax credits received in Argentina in 2013 compared to 2012.

Other Expenses

Other expenses decreased by €0.9 million, or 32.9%, to €1.7 million in the year ended December 31, 2013, from €2.6 million in the year ended December 31, 2012. This decrease was primarily due to foreign currency exchange losses in 2012 compared to foreign currency gains in 2013, as well as a reduction in taxes related to the charging of some taxes directly to the cost of sales.

Finance Expense

Finance expense remained relatively constant at €1.4 million in the year ended December 31, 2013, compared to €1.6 million in the year ended December 31, 2012. Finance expenses in 2013 consisted of shareholder loan interest expense of €1.5 million, interest on borrowings of €7.2 million and amortization of transaction costs of €1.6 million related to the financing put in place in connection with our Existing Senior Facilities.

Finance Income

Finance income increased by €0.4 million, or 79.1%, to €0.8 million in the year ended December 31, 2013, from €0.5 million in the year ended December 31, 2012. This increase was primarily due to the fair value adjustment for interest derivatives.

Income Taxes

Income taxes increased by €4.2 million, or 81.7%, to €9.3 million in the year ended December 31, 2013, from €5.1 million in the year ended December 31, 2012. This increase was primarily due to reduced deferred tax credits relating to purchase price allocation depreciation and taxes incurred on our Hong Kong acquisition in 2013. Our effective tax rate decreased in the year ended December 31, 2013, due to the capitalization of deferred tax assets on loss carry-forwards in 2013.

Loss after Taxes for Discontinued Operations

Loss after taxes for discontinued operations increased by €0.2 million, or 45.6%, to €0.6 million in the year ended December 31, 2013, from €0.4 million in the year ended December 31, 2012. This increase was primarily due to the sale of Wittur Hydraulic Drives in Italy during 2013.

Net Result for the Period

Net result for the period increased by €7.6 million to a profit of €7.6 million in the year ended December 31, 2013 from a loss of €0.03 million in the year ended December 31, 2012. This increase was primarily as a result of the factors described above.

Comparison of the Year Ended December 31, 2011 with the Year Ended December 31, 2012

The following table shows an overview of our results of operations presented on the basis of German GAAP for the years ended December 31, 2011 and 2012 and the year-to-year changes in these revenue contributions:

	Year ended December 31,		
	2011 ^(*)	2012 ^(*)	Change in%
	in € million		
	(audited)	(audited)	(unaudited)
Sales.....	387.7	466.0 ^(#)	20.2
Decrease in finished goods and work in progress.....	(3.1)	(0.2)	93.8
Other operating income	10.0	11.2	11.9
Cost of materials	210.9	250.4	18.7
Personnel expense.....	78.3	87.9	12.5
Amortization and depreciation.....	(43.7)	(47.8)	9.2
Other operating expenses.....	(69.6)	(87.0)	25.0
Other interest and similar income	0.4	0.5	5.1
Interest and similar expenses	(19.5)	(20.1)	3.0
Profit/loss on ordinary activities	(26.9)	(15.6)	42.1
Taxes on income	(3.4)	(6.6)	94.0
Other taxes.....	(1.1)	(2.3)	110.7
Consolidated net loss for the year.....	(31.4)	(24.5)	22.1
Share of minorities in the net loss for the year loss share attributable to other shareholders ^(†)	(0.0)	(0.0)	21.3

(*) The financial information as of and for the year ended December 2011 and 2012 has been derived from the 2012 Audited Consolidated Financial Statements which were prepared on the basis of German GAAP. Please see “Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Differences between German GAAP and IFRS.”

(#) The difference of €10.1 million in sales under German GAAP and revenue under IFRS for the year ended December 31, 2012, reflects the sale of the operations of Wittur Hydraulic Drives GmbH in 2013, which was classified as discontinued operations for purposes of the 2013 Audited Consolidated Financial Statements and therefore was excluded from the presentation of revenues under IFRS, but not from the presentation of sales under German GAAP. For additional details, please see note 5.9 to the 2013 Audited Consolidated Financial Statements included elsewhere in this Offering Memorandum.

(†) Represents amounts that round to less than €0.1 million in each of the periods presented.

Sales

Sales increased by €78.3 million, or 20.2%, to €466.0 million in the year ended December 31, 2012, from €387.7 million in the year ended December 31, 2011. This increase was primarily due to growth in the new installation market in Europe.

Revenues by region

	Year ended December 31,			
	2011		2012	
	(in € million)		(in € million)	
	% of revenue		% of revenue	
Europe.....	224.8	58.0	244.1	52.4
Asia.....	106.8	27.5	159.8	34.3
Rest of the World.....	56.1	14.5	62.1	13.3
Revenue⁽¹⁾	387.7	100.0	466.0	100.0

(1) Revenue for the years ended December 31, 2011 and 2012 has been derived from our 2012 Audited Consolidated Financial Statements, which were prepared on the basis of German GAAP and have been regrouped to match our current revenue split. For the year ended December 31, 2012, revenues by region include sales deductions and thus deviate from our 2013 Audited Financial Statements in which revenues by region for this year do not include sales deductions and had been grouped differently.

Europe

Revenue in our Europe region increased by €19.3 million, or 8.6%, from €224.8 million in the year ended December 31, 2011, to €244.1 million in the year ended December 31, 2012. This increase was primarily the result of increased sales to MNCs in Austria and increased sales to Independents in Sweden for elevator maintenance and modernization components, which were partially offset by lower sales to Independents in Spain due to market conditions.

Asia

Revenue in our Asia region increased by €53.0 million, or 49.6%, from €106.8 million in year ended December 31, 2011, to €159.8 million in the year ended December 31, 2012. This increase was as a result of substantial growth in sales to MNCs in Asia (primarily in China) in respect of new elevator installations. In the year ended December 31, 2012, sales to MNCs accounted for 92.3% of our revenue in Asia, and Independents contributed 7.7% of our revenue in the region.

Rest of World

Revenue in our Rest of the World region increased by €6.0 million, or 10.7%, to €62.1 million in year ended December 31, 2012, from €56.1 million in the year ended December 31, 2011. This increase in revenue was primarily the result of an increase in revenue from emerging markets in this region, including in particular Argentina and Brazil, and was driven by new installations and modernisation projects carried out by both Independents and MNCs. In the year ended December 31, 2012, sales to MNCs accounted for 23.6% of our revenue in our Rest of the world region, compared to 22.5% in 2011, and sales to Independents contributed 76.4% compared to 77.5% in 2011.

Decrease in finished goods and work in progress

Finished goods and work in progress charge decreased by €2.9 million in the year ended December 31, 2012, compared to a decrease of €3.1 million in the year ended December 31, 2011. This decrease in 2012 was primarily due to one-off depreciation of purchase price allocation on the fair value uplift on inventory that was included for 2011 but not in 2012.

Other operating income

Other operating income increased by €1.2 million, or 11.9%, to €1.2 million in the year ended December 31, 2012, from €0.0 million in the year ended December 31, 2011. This increase was primarily due to increased income from capitalized development costs, waste disposal and release of provisions from prior periods.

Cost of materials

Cost of materials increased by €39.5 million, or 18.7%, to €250.4 million in the year ended December 31, 2012, from €210.9 million in the year ended December 31, 2011. This increase was primarily due to increased sales volume in all regions, but primarily in Asia. However, materials as a percentage of sales decreased from 54.4% to 53.7% due to efficiency savings and reduced cost of raw materials, with the most pronounced effect in China. In China, cost of materials as a percentage of sales decreased from 71.2% to 65.4%.

Personnel expense

Personnel expense increased, by €9.7 million, or 12.4%, to €87.9 million in the year ended December 31, 2012, from €78.3 million in the year ended December 31, 2011. This increase was primarily due to increased sales volume and inflationary pay rises. However, personnel expense as a percentage of sales decreased from 20.2% in 2011 to 18.9% in 2012.

Amortization and depreciation

Amortization and depreciation increased, by €4.0 million, or 9.2%, to €47.8 million in the year ended December 31, 2012, from €43.7 million in the year ended December 31, 2011. This increase was primarily due to the higher amortization of purchase price allocation for the fair value uplift on intangibles in 2012.

Other operating expenses

Other operating expenses increased by €17.4 million, or 25.0%, to €87.0 million in the year ended December 31, 2012, from €69.6 million in the year ended December 31, 2011. This increase was primarily due to increased freight and packaging as well as production materials, expenses and building and occupancy costs. In addition, we experienced an increase in

temporary production personnel, a warranty provision increase (including a change in estimate) and increased normalized consultancy and project-based costs.

Other and similar income

Other and similar income increased marginally by €0.1 million, or 5.1%, to €0.5 million in the year ended December 31, 2012, from €0.4 million in the year ended December 31, 2011.

Interest and similar expenses

Interest and similar expenses increased by €0.6 million, or 3.0%, to €20.1 million in the year ended December 31, 2012, from €19.5 million in the year ended December 31, 2011. This increase was primarily due to our payment in kind interest expense on our shareholder loan.

Loss on ordinary activities

Loss on ordinary activities decreased by €1.3 million, or 42.1%, to a loss of €5.6 million in the year ended December 31, 2012, from a loss of €6.9 million in the year ended December 31, 2011. This decrease was due to the factors described above.

Taxes on income

Taxes on income increased by €3.2 million, or 94.0%, to €6.6 million in the year ended December 31, 2012, from €3.4 million in the year ended December 31, 2011. This increase was primarily due to an increase in taxable income.

Other taxes

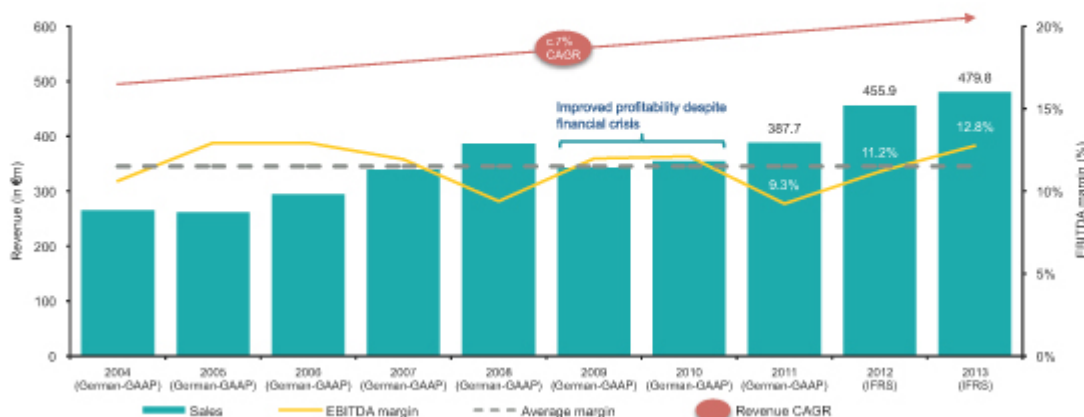
Other taxes increased by €1.2 million, or 110.7%, to €2.3 million in the year ended December 31, 2012, from €1.1 million in the year ended December 31, 2011. This increase was primarily due to a one off value added tax (“VAT”) audit impact in Germany for non-recoverable VAT in the year ended December 31, 2012.

Consolidated net loss for the year

Consolidated net loss for the year decreased by €6.9 million, or 22.1%, to €24.5 million in the year ended December 31, 2012, from €31.4 million in the year ended December 31, 2011. This decrease was due to the factors described above.

Qualitative Discussion of Sales in the Periods from 2004 to 2010

Our financial statements for the periods from 2004 to 2010 have been prepared on the basis of German GAAP. Our sales increased each year since the year ended December 31, 2004, until the year ended December 31, 2008. In the years ended December 31, 2009 and 2010, our sales were lower than in the year ended December 31, 2008. Our EBITDA margin has exceeded 10% on average since 2004 due to strict cost management. Despite the decrease in sales in the years 2009 and 2010, our EBITDA margin in the year ended December 31, 2009 exceeded the value in the prior year, and our EBITDA margin for the year ended December 31, 2010 was approximately equal to the value for 2008. The following table presents our results for the period from 2004 to 2013:



Liquidity and Capital Resources

Overview

Our principal source of liquidity on an ongoing basis has been, and prior to Completion Date is expected to be, our cashflows from operations. Following the Completion Date, our principal source of liquidity is expected to be our cashflows from operations, as well as drawings under our Revolving Credit Facility. We will use the proceeds from the Offering of the Notes together with the proceeds of the New Term Loan B Facility and the Equity Contribution to fund the consideration payable for the shares of the Target, repay all amounts outstanding under the Existing Senior Facilities Agreement and certain other debt of the Target's subsidiaries and pay the estimated fees and expenses incurred in connection with the Transactions. See "Use of Proceeds,"

Our ability to generate sufficient cash for our ongoing operations depends on our operating performance, which in turn depends to some extent on general economic, financial, industry, regulatory and other factors, many of which are beyond our control, as well as other factors discussed in "Risk Factors." We believe that, based on our current level of operations as reflected in our results of operations for the year ended December 31, 2013, our cash flows from operating activities, cash on hand and the availability of borrowings under our Revolving Credit Facility will be sufficient to fund our operations, capital expenditures and debt service for at least the next 12 months.

Until the Completion Date, we will have access to funds under our Existing Senior Facilities. Following the Completion Date, we will have access to funds under our Senior Facilities. The availability of the Senior Facilities, including the Revolving Credit Facility, will be subject to certain conditions. We anticipate that we will be highly leveraged for the foreseeable future, and under certain circumstances, obligated to comply with a financial maintenance covenant. Our high level of debt may have important negative consequences for you. See "Risk Factors." There are also limitations on our ability to obtain additional debt or equity financing. See "Description of the Notes—Certain Covenants—Limitation on Indebtedness" and "Description of Certain Financing Arrangements—Senior Facilities." In addition, any additional indebtedness that we do incur could reduce the amount of our cash flow available to make payments on our then existing indebtedness, including under the Notes offered hereby, and increase our leverage.

Cash Pooling Arrangements

We implemented a zero-balancing cash pool for our subsidiaries located in the euro zone in June 2011. The master account holder is Wittur Holding GmbH, and all Wittur Group members located in the euro zone are connected via their local banks to the cash pool. Local positive bank balances are transferred automatically to Wittur Holding GmbH at the end of a German bank working day and bank balances at local banks are automatically balanced by Wittur Holding GmbH at the end of a German bank working day. As needed, we also have other credit lines, including, following consummation of the Transactions, under the Revolving Credit Facility, available for utilization.

Entrustment Loan Arrangements in China

Chinese regulations currently severely restrict intercompany lending between subsidiaries within a group, which in turn limits our ability to extract the cash generated by our Chinese operations. Currently, the only authorized means of intercompany borrowing is by way of an entrustment loan using an international bank as entrustment facilitator. In 2013, the Target, as borrower, entered into an entrustment loan agreement with Wittur China, as lender, and Commerzbank Shanghai, as entrustment facilitator, pursuant to which several tranches of loans up to an aggregate of RMB 150.0 million can be drawn. Under the entrustment loan agreement, Wittur China makes a payment to Commerzbank Shanghai which in turn transfers the funds received to the Target's RMB-denominated account with Commerzbank Frankfurt, where the funds are translated into euro. Commerzbank Shanghai does not assume any loan risk but collects certain handling charges and the entrustment loan bears interest at a fixed rate of 4.2%, which is set by the People's Bank of China. Pursuant to the entrustment loan agreement, the Target can repay outstanding loans at any time, and we constantly monitor the liquidity requirements of Wittur China and respond to any liquidity shortfalls through repayments of outstanding entrustment loans. The entrustment loan arrangement is currently scheduled to expire in 2018. As of September 30, 2014, €12.8 million had been drawn under the entrustment loan.

Working Capital

We define working capital as the sum of inventories, trade receivables and other current assets, less trade payables and other current liabilities. The following table provides an overview of our working capital as of December 31, 2012, 2013 and September 30, 2014:

	As of December 31,		As of September 30,
	2012	2013	2014
	(in € million)		
	(audited)	(audited)	(unaudited)
Inventories.....	34.2	37.9	43.8
Trade and other receivables	77.9	85.2	98.2
Trade payables	(62.4)	(63.0)	(81.8)
Other current assets.....	14.3	12.6	10.8
Other current liabilities	(27.0)	(26.9)	(31.8)
Working capital⁽¹⁾.....	37.0	45.8	39.2

(1) Working capital is a Non-GAAP financial measure and, as such, has not been audited for any of the periods presented.

Our effective management of working capital levels, particularly through sharing best practices among different jurisdictions, and the large proportion of our revenues derived globally operating MNCs, has allowed us to maintain our working capital requirements below 10% of our revenues since 2012. In 2012 and 2013, we undertook a policy of active working capital management which included delaying payments of receivables and early payment of payables and so distorts the working capital changes in 2012 and 2013.

Analysis of Cash Flows

The following table sets forth consolidated cash flow data for the years ended December 31, 2012 and 2013 and for the nine months ended September 30, 2013 and 2014:

	Year ended December 31,		Nine Months ended September 30,	
	2012	2013	2013	2014
	<i>(in € million)</i>			
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating activities				
Profit (loss) after Tax	(0.0)	7.6	5.0	17.1
Depreciation, Amortization and Impairment	24.8	23.5	17.6	14.2
Taxes.....	5.1	8.2	6.8	11.5
Interest	21.1	21.0	16.3	12.0
Loss on sale of discontinued operations	—	0.3	0.3	—
Gain/loss on sale of fixed assets	(0.9)	(0.2)	(0.1)	(0.0)
Losses from disposal of fixed assets	0.1	0.2	0.2	0.0
Cash generated from operations (excluding working capital changes)	50.2	60.7	46.0	54.8
Changes in working capital.....	(0.8)	(14.1)	(1.5)	6.5
Net movement in provisions, pension obligations and other liabilities.....	3.8	0.3	(1.0)	(1.7)
Net movement in other assets	(1.1)	0.1	1.0	0.5
Interest received.....	0.5	0.3	0.2	0.2
Income taxes paid	(14.1)	(12.6)	(8.0)	(11.9)
Net cash flow from operating activities	38.5	34.6	36.8	48.3
Investing activities				
Purchase of property, plant & equipment	(8.3)	(10.6)	(4.2)	(3.0)
Purchase of intangible assets	(1.5)	(2.3)	(1.5)	(2.4)
Disposal of assets.....	0.5	0.7	0.6	1.7
Proceeds from disposal of Group company	—	0.9	0.9	—
Net cash flow used in investing activities	(9.3)	(11.3)	(4.2)	(3.7)
Net cash flow before financing activities	29.2	23.3	32.6	44.7
Financing activities				
Repayment of shareholder loan	—	(70.0)	—	(2.5)
Proceeds from borrowings	—	73.4	0.0	—
Repayment of borrowings.....	(18.6)	(16.1)	(11.4)	(20.0)
Payment of refinancing fees	—	(3.3)	(1.2)	—
Interest paid	(7.9)	(9.1)	(5.8)	(6.7)
Net cash flow used in financing activities	(26.4)	(25.2)	(18.3)	(29.2)
Net increase / (decrease) in cash	2.8	(1.9)	14.3	15.5
Effects currency translation	(1.0)	(0.5)	(0.3)	0.7
Cash & Cash equivalents at beginning of period	20.6	22.4	22.4	20.0
Cash & cash equivalents at end of period.....	22.4	20.0	36.3	36.2

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2014

Cash generated from operations (excluding working capital changes)

Cash generated from operations (excluding working capital changes) increased by €8.8 million, or 19.1%, to €54.8 million in the nine months September 30, 2014, from €46.0 million in the nine months ended September 30, 2013. This increase was primarily due to increased earnings before tax and reduced interest expense and depreciation charges.

Net cash flow from operating activities

Net cash flow from operating activities increased by €1.5 million, or 31.4%, to €48.3 million in the nine months ended September 30, 2014, from €46.8 million in the nine months ended September 30, 2013. The increase was primarily due to lower working capital requirements as a result of seasonal fluctuations in supplier payments at the end of the third quarter due to a holiday in China, partially offset by higher income taxes paid.

Net cash flow used in investing activities

Net cash flow used in investing activities decreased by €0.5 million, or 12.0%, to €3.7 million in the nine months ended September 30, 2014, from €4.2 million in the nine months ended September 30, 2013. This decrease was primarily due to the completion of our plant in Slovakia, which had increased purchase of property, plant & equipment in the nine months ended September 30, 2013.

In the nine months ended September 30, 2014, we incurred capital expenditures of €5.3 million, of which we incurred €4.3 million in our Europe region, €0.6 million in our Asia region and €0.4 million in our Rest of the World region, mainly related to investments in property, plant, and equipment as well as intangibles. In the nine months ended September 30, 2013, we incurred capital expenditures of €5.7 million, of which we incurred €2.4 million in our Europe region, €2.5 million in our Asia region and €0.7 million in our Rest of the World region. Capital expenditure in Asia in 2013 mainly results from our investments in our new plant in China in connection with our expansion in the Chinese market.

Net cash flow used in financing activities

Net cash flow used in financing activities increased by €10.8 million, or 59.1%, to €29.2 million in the nine months ended September 30, 2014, from €18.3 million in the nine months ended September 30, 2013. This increase was primarily due to the repayment of our ancillary bank facility in January 2014.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2013

Cash generated from operations (excluding working capital changes)

Cash generated from operations (excluding working capital changes) increased by €10.5 million, or 20.9%, to €60.7 million in the year ended December 31, 2013, from €50.2 million in the year ended December 31, 2012. This increase was primarily due to increased earnings before tax. These increased earnings before tax were a result of increased gross profit from higher sales volumes, improved operational efficiency and purchasing savings and reduced administrative expenses, primarily due to reduced costs for restructuring and one-off improvement projects.

Net cash flow from operating activities

Net cash flow from operating activities decreased by €3.9 million, or 10.1%, to €34.6 million in the year ended December 31, 2013, from €38.5 million in the year ended December 31, 2012. The decrease was mainly due to increased working capital requirements as a result of delayed cash receipts from customers, as well as the early payment of supplier invoices in December 2013.

Net cash flow used in investing activities

Net cash flow used in investing activities increased by €2.1 million, or 22.2%, to €11.3 million in the year ended December 31, 2013, from €9.3 million in the year ended December 31, 2012. This decrease was primarily due to the expansion of our plant in China which opened in the second quarter 2013.

Net cash flow used in financing activities

Net cash flow used in financing activities decreased by €1.2 million, or 4.7%, to €25.2 million in the year ended December 31, 2013, from €26.4 million in the year ended December 31, 2012. This decrease was primarily due to the drawdown of our ancillary bank facility in December 2013, which we used as a cash bridge while we were awaiting the currency conversion of borrowings under our China entrustment loan from Chinese renminbi to euro, partially offset by the cost of refinancing fees associated with the implementation of a new term loan C under our Existing Senior Facilities, which we used to partially repay outstanding shareholder loans.

Cash Flows the Years Ended December 31, 2011 and 2012

The following table shows the cash flow statement on the basis of German GAAP for the years ended December 31, 2011 and 2012 and the year-to-year changes in these cash flows:

	Year ended December 31,	
	2011 ^(*)	2012 ^(*)
	in € million	
	(audited)	(audited)
Net income/loss for the year (before extraordinary events/transactions)	(31.4)	(24.5)
Depreciation of/write-ups on fixed assets	43.7	47.7
Increase/decrease in provisions	(4.2)	4.5
Income/loss from the disposal of fixed assets	0.0	(0.2)
Increase/decrease in inventories, trade receivables and other assets that are not allocable to investing or financing activities	(7.0)	(10.6)
Increase/decrease in trade payables and other liabilities that are not allowable to investing or financing activities	7.7	13.0
Cash flow from operating activities	8.9	30.0
Payments received from the disposal of tangible assets and intangible assets	0.2	0.5
Payments made for investments in tangible assets and intangible assets	(9.1)	(9.7)
Payments made to acquire financial investments	0.0	(0.0)
Cash flow from investing activities	(8.9)	(9.3)
Payments received from taking out (financial) loans	8.6	0.0
Payments made for the repayment of (financial) loans vis-à-vis direct and indirect shareholders	(181.1)	0.0
Payments made for the repayment of bonds and (financial) loans	(8.6)	(18.0)
Cash flow from financing activities	(181.1)	(18.0)
Net increase/decrease in cash and cash equivalents	(181.1)	2.8
Exchange rate and valuation-based changes in cash and equivalents	(0.8)	(0.5)
Cash and cash equivalents at the beginning of the year	201.3	19.5
Cash and cash equivalents at the end of the year	19.5	21.7
Structure of cash and cash equivalents at the end of the year		
Marketable securities	0.0	0.0
Cash	20.6	22.4
Bank liabilities due on demand	(1.1)	(0.7)
Cash and cash equivalents	19.5	21.7

(*) The financial information as of and for the year ended December 2011 and 2012 has been derived from the 2012 Audited Consolidated Financial Statements which were prepared on the basis of German GAAP. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Differences between German GAAP and IFRS."

Cash flow from operating activities

Cash flow from operating activities increased by €21.1 million, or 237.8%, to €30.0 million in the year ended December 31, 2012, from €8.9 million in the year ended December 31, 2011. This increase was primarily due to reduced losses before tax as detailed in the discussion of our results of operations in the year ended December 31, 2012 above.

Cash flow from investing activities

Cash flow from investing activities increased by €0.4 million, or 4.6%, to €9.3 million in the year ended December 31, 2012, from €8.9 million in the year ended December 31, 2011. This increase was primarily due to capital expenditures in China for the commencement of construction of the new production plant. In year ended December 31, 2011, there was capital expenditures for our India plant but the overall value was less in 2011. Nonetheless, capital expenditures for maintenance and replacement has remained fairly stable each year.

Cash flow used in financing activities

Cash flow used in financing activities decreased by €163.1 million, or 90.1%, to a cash outflow of €18.0 million in the year ended December 31, 2012, from a cash outflow of €181.1 million in the year ended December 31, 2011. This increase was primarily due to a temporary cash bridge in December 2010 upon our acquisition by the new shareholder, which was repaid towards the beginning of the year ended December 31, 2011 after finalizing the Senior Facility Agreement.

Capital Expenditures

To support our business strategy and development plans and to further expand our business operations in new markets, such as China, we regularly incur capital expenditures. In the years ended December 31, 2012 and 2013, we incurred capital expenditures of €0.7 million, or 2.1% of revenue, and €12.9 million, or 2.7% of revenue, respectively.

The following table presents our capital expenditures by period. Expansion capital expenditures mainly relate to entering and establishing production facilities and a sales force in new markets, expanding production of our existing facilities and entering into production of new products. Maintenance capital expenditures mainly relate to maintaining our existing operations and replacing existing property, plant & equipment.

	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2011	2012	2013	2013	2014	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(in € million)					
Expansion capital expenditures..	5.8	5.0	7.5	3.9	3.0	6.6
Maintenance capital expenditures	3.3	4.7	5.4	1.8	2.3	5.9
Capital expenditures	9.1	9.7	12.9	5.7	5.3	12.6

We incurred €5.3 million of capital expenditures in the nine months ended September 30, 2014, of which €2.3 million were maintenance capital expenditures. We expect capital expenditures for the year ended December 31, 2014 to amount to approximately €12.5 million, approximately €8.0 million of which was expansion capital expenditure (primarily related to capital expenditure for our plant in Slovakia) and approximately €4.5 million of which was maintenance capital expenditure. Typically, our maintenance capital expenditures are concentrated at the end of a given year.

For the year ending December 31, 2015, our management expects to incur capital expenditures in the amount of €1.5 million. Major projects in the year ending December 31, 2015 include investments in emerging economies, such as China, Brazil, India and Turkey, to further expand our business operation in these fast-growing markets. Furthermore, we anticipate capital expenditures in future periods to amount to approximately 2% of revenue, which we believe will be sufficient to support the ongoing growth of our business.

Contractual Obligations and Contingent Liabilities

The following contractual obligations and principal payments identify what we would have been obligated to make as of September 30, 2014 after giving effect to the Transactions.

	Payments due by period (unaudited)			
	Total	Less than 1 year	1–5 years	More than 5 years
(in €million)				
New Term Loan B Facility	195.0	—	—	195.0
Notes offered hereby	225.0	—	—	225.0
Finance leases	3.8	0.2	1.0	2.6

	Payments due by period (unaudited)			
	Total	Less than 1 year	1–5 years	More than 5 years
(in €million)				
Total	423.8	0.2	1.0	422.6

The information presented in the table above reflects our estimates of the contractual maturities of our obligations. These maturities may differ significantly from the actual maturity of these obligations. The table above also mainly reflects those agreements and obligations that are customary and necessary in light of the activities in which we engage. We believe that our cash generated from operating activities and amounts available under our Revolving Credit Facility will be sufficient to satisfy present working capital requirements.

Off-Balance Sheet Arrangements

Our off-balance sheet commitments include operating leases relating to buildings, machinery and vehicles. Operating leases as of September 30, 2014 increased compared to December 31, 2013, primarily as a result of our execution of a 15-year operating lease relating to a new plant in Brazil. The following table provides an overview of our scheduled minimum operating lease payments as of December 31, 2012 and 2013 and September 30, 2014:

	As of December 31,		As of September 30,
	2012	2013	2014
	(in € million)		
	(audited)	(audited)	(unaudited)
Future minimum lease payments			
Due within 1 year	2.0	2.2	3.6
Due between 1 and 5 years	3.1	3.1	5.6
Due late than 5 years	—	0.0	4.2
Total	5.1	5.3	13.4

Pension Obligations

We offer various types of retirement benefits to certain of our employees worldwide, either directly or by contributing to independently administered funds. In particular, we have defined benefit pension plans in Austria and Italy. As of September 30, 2014, we had retirement and benefit obligations and obligations relating to indemnities for the termination of employment contracts in accordance with applicable local law (mainly Italian and Austrian law) in an amount of €2.4 million and €7.3 million, respectively.

We have historically funded payments required to be made under these pension plans with cash flow from operating activities, and we anticipate continuing doing so going forward.

Qualitative Disclosure on Market Risk

We are exposed to a number of financial risks arising from the ordinary course of business, such as credit risks, foreign exchange risk and interest rate risks. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of the following types of risk: foreign currency exchange rate risk; and interest rate risk. Financial instruments exposed to market risk include interest-bearing loans and derivative financial instruments.

Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Foreign currency exposures of individual affiliates are managed and optimized against the functional

currency of the respective entity. Foreign currency risks exist for us as we undertake sales and purchases in different currency. We analyse the underlying risks and implement procedures we deem adequate to mitigate such risks.

We are exposed to foreign currency risks due to our operating activities. Although our subsidiaries mainly operate in their individual functional currency, some of our subsidiaries are exposed to foreign currency risk based on planned payments in a currency other than their functional currency. The euro, the Chinese renminbi and the Turkish lira are the only currencies material to us.

We do not at present engage in any currency hedging to mitigate foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk of fair values or cash flows being negatively affected by changes in interest rates. We are exposed to interest rate risks from loans with variable interest rates, which, following the Transactions, will primarily consist of variable interest rate loans under the Senior Facilities.

Critical Accounting Policies

When applying our accounting policies, management must make assumptions and estimates concerning the future that affect the carrying amounts of assets and liabilities at the statement of financial position date, the disclosure of contingencies that existed at the balance sheet date and the amounts of net sales and expenses recognized during the accounting period. Such assumptions and estimates are based on factors such as historical experience, the observance of trends in the industries in which we operate and information available from our customers and other outside sources.

Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes could differ from those assumptions and estimates. An analysis of the key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of our assets and liabilities in the next financial year is presented below.

General Provisions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The assumptions and estimates principally relate to the consolidation of business combinations, the assessment of the recoverability of the carrying amount of intangible assets (in particular goodwill), the group-wide determination of useful lives of material assets, taxation and the recognition of deferred tax assets and the measurement and recognition of provisions for pensions and other provisions. Assumptions and estimates are based on premises derived from knowledge at the time.

Within the scope of business combinations, general estimates are also made when determining the fair values of the assets acquired. In principle fair value is determined based on the prognosis of future cash flow.

Economic Useful Lives of Property, Plant and Equipment and Intangible Assets

The applied economic lives of non-current assets are based on estimates of the management. We review the estimated economic useful lives of property, plant and equipment and intangible assets at the end of every financial year.

Taxation

The Target and its subsidiaries are subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the respective authorities. While the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provisions required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned.

Estimates and Assumptions

The key assumptions concerning the future economic situation and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Non-Financial Assets

We assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable.

Deferred Tax Assets

Management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Fair Value of Financial Instruments

We measure financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 7 Additional disclosures on financial instruments to the 2013 Audited Consolidated Financial Statements.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair values of the derivatives are presented in the balance sheet on a gross basis.

Pension and Other Post-Employment Benefits

The carrying amount of defined benefit pensions plans and other post-employment benefits are based on actuarial valuations. The actuarial valuations involved making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

Other Provisions

Such provisions are recognized when it is considered probable that economical, legal, ecological and decommissioning obligations will result in future outflows of economic benefits, when the costs can be estimated reliably and the measures in question are not expected to result in future inflows of economic benefits. The estimate of future costs is subject to many uncertainties, including legal uncertainties based on the applicable laws and regulations and with uncertainties regarding to the actual conditions in the different countries and operating locations. In particular, estimates of costs are based on earlier experiences in similar cases, the conclusions of expert opinions commissioned by us, current costs and new developments that have a bearing on the costs. Any changes to these estimates could have an impact on our future results.

Differences between German GAAP and IFRS

Our 2012 Audited Consolidated Financial Statements have been prepared in accordance with German GAAP, whereas our 2013 Audited Consolidated Financial Statements and our Unaudited Interim Consolidated Financial Statements have been prepared in accordance with IFRS which differs in certain respects from German GAAP. The following paragraphs summarize certain significant differences between German GAAP and IFRS as of December 31, 2012.

The organizations that promulgate IFRS have ongoing projects that could have significant impact on future comparisons of German GAAP and IFRS. This description is not intended to provide a comprehensive listing of all such

differences specifically related to us or the business in which we operate. We have not attempted to identify all disclosure, presentations or classification differences that would affect the manner in which transactions and events are presented in the Audited Consolidated Financial Statements or the notes thereto, included elsewhere in this offering memorandum.

Our consolidated financial statements for the year ended December 31, 2011 were prepared on the basis of German GAAP and not in accordance with IFRS. In addition, our 2012 Audited Financial Statements have been prepared on the basis of German GAAP and not in accordance with IFRS, even though our 2013 Audited Financial Statements include a reconciliation from German GAAP to IFRS for the year ended December 31, 2012. Accordingly, we cannot assure you that the differences described below would, in fact, be the accounting principles creating the greatest material differences between our Audited Consolidated Financial Statements prepared under German GAAP and under IFRS. In addition, we cannot estimate the net effect that applying IFRS would have on our results of operations or our financial position, or any part of them, in any of the presentations of financial information in this offering memorandum. The effect of such differences may be material and, in particular, total shareholders' equity (capital debit) and net income prepared on the basis of IFRS may be materially different due to these differences. For example, our sales for the year ended December 31, 2012 presented on the basis of German GAAP are approximately €0.1 million higher than our revenue for the same period when presented in accordance with IFRS; this reflects the sale of the operations of Wittur Hydraulic Drives GmbH in 2013, which was classified as discontinued operations for purposes of the 2013 Audited Consolidated Financial Statements and therefore was excluded from the presentation of revenues under IFRS, but not from the presentation of sales under German GAAP. For additional details, please see note 5.9 to the 2013 Audited Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Financial Statement Presentation

Under IFRS, the presentation of the balance sheet is based on a current/non-current distinction of assets and liabilities. IFRS requires the presentation of assets and liabilities in order of liquidity only when a liquidity presentation provides information that is reliable and is more relevant than a current/non-current presentation. Under German GAAP, the presentation of the balance sheet is based on liquidity of the assets and liabilities. In addition, the regulations concerning the presentation of financial statements under IFRS could lead to different disclosures in the balance sheet and the income statements compared to German GAAP.

The disclosures required in the explanatory notes to the financial statements are more extensive under IFRS than under German GAAP.

Business Combinations

Under German GAAP and IFRS, the acquisition method of accounting is applied. Similar to IFRS, German GAAP requires the recognition of the assets acquired and liabilities assumed on the basis of the fair value at the time of acquisition. Similar to IFRS, German GAAP requires recognizing goodwill from a business combination at the amount by which the purchase price for the acquisition exceeds the fair value of the net assets acquired at the date of the acquisition. However, prior to the adoption of the German Accounting Modernization Act (*Bilanzrechtsmodernisierungsgesetz*) in 2010, German GAAP allowed the application of the book value method and this method was used to account for the acquisition of the Group in 2007. Therefore, the complete difference between the acquisition costs and the proportionate equity share acquired was recognized as goodwill in the German GAAP consolidated financial statements of the Group. As a result, no fair value adjustments regarding the assets acquired and liabilities assumed were recognized and the resulting goodwill recognized under German GAAP differs from the goodwill which would have been recognized under IFRS.

Under IFRS, transaction costs related to the acquisition are immediately recognized as an expense. Under German GAAP certain costs directly attributable to the acquisition can be capitalized as goodwill along with the purchase price.

Impairment of Assets

Under IFRS, an impairment loss is recognized if the recoverable amount of an asset is less than its carrying amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless either the asset's fair value less costs of disposal is higher than its carrying amount; or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

Under German GAAP, an impairment loss for long-lived assets must only be recorded if a permanent impairment in value is anticipated. An impairment loss is recognized under German GAAP if the fair value less cost to sell is permanently expected to be lower than the carrying amount of an asset. The concept of cash generating units is not applicable under German GAAP, and impairment loss is determined on an item-by-item basis.

Amortization, depreciation and impairment on intangible and tangible assets

Under IFRS and German GAAP, amortization and depreciation are based on the useful life of the asset. However, under German GAAP all intangible and tangible assets are subject to amortization and depreciation, whereas under IFRS intangible assets with an indefinite useful life, including goodwill, are not amortized but are only subject to an impairment test which is at least performed on an annual basis. We amortize goodwill in our German GAAP financial statements mainly over a period of five years.

Leasing

Under IFRS, a lease has to be classified either as an operating lease or as a finance lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of leased assets. Title may or may not eventually be transferred. For a finance lease, the lessee recognizes an asset and a liability at an amount equal to the lower of the fair value of leased property and the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognized as an asset. Operating leases are recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Under German GAAP, accounting for leases is primarily due to certain decrees of the Federal Ministry of Finance, to determine whether capitalization at the lessee level is required. These rules differ from IFRS rules in several respects. Some leases specified as operating lease under German GAAP may qualify as a finance lease under IFRS.

Provision for Pensions

Under German GAAP and IFRS, post-employment benefits are classified either as defined contributions or defined benefit plans. Under IFRS it is required to use the projected unit credit method to determine the present value of the entity's defined benefit obligation, whereas under German GAAP the use of the projected unit credit method is only one of the permissible actuarial valuation methods. We use the tax driven entry age normal method as the actuarial method to calculate our pension liabilities.

A major difference between German GAAP and IFRS is the discount rate used to discount post-employment benefit obligations. Under IFRS the discount rate is determined by reference to market yields of high quality corporate bonds at the end of the reporting period. Under German GAAP the determination of the discount is determined on the average market yields for the past seven years.

Under German GAAP, all changes in the pension liability are recognized in the income statement, whereas under IFRS certain changes in the pension liability are recognized in the other comprehensive income.

The amount which has to be accounted for as a liability from a defined benefit plan equals of the cash value of the defined benefit pension obligation, less the fair value of the plan assets which exist for the direct fulfillment of the obligation.

Provisions and Contingencies

Under IFRS, provisions are recognized if an enterprise has a present obligation as a result of a past event, it is probable (meaning, more likely than not) that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Under German GAAP, the criteria for the recognition of provisions and contingencies are less detailed and prescriptive than under IFRS. Provisions must be carried at the amount required to settle the obligation based on sound business judgment in accordance with the principle of a prudent businessman. Under German GAAP the discount rate is determined on the average market yields for the past seven years, whereas the discount rate according to IFRS reflects current market assessments of the time value of money and the risks specific to the liability.

Derivative Financial Instruments and Hedging

Under IFRS, derivative financial instruments (for example interest rate swaps) are recorded in the consolidated statements of financial position at fair value (mark-to-market) on the acquisition date. Changes in the fair value of derivatives are recorded each period in earnings or as separate component of equity, depending on whether a derivative is designated as a part of a hedge transaction and the type of the hedge transaction.

Under German GAAP, there is no distinction in the accounting treatment between fair value hedges, cash flow hedges and hedges of a net investment in a foreign operation. If a derivative financial instrument and its related underlying instrument are designated as a hedge for a particular risk exposure (“**Valuation Unit**”), and the hedge is considered to be effective, the changes of the fair value of the hedging instrument and the hedged item are netted in the income statement line of the hedged items. Therefore, the effective portion of the hedged item and the hedging instrument remains unrecognized. However, under German GAAP a provision for anticipated contract losses is recognized for the portion of the negative market values of the interest rate swaps exceeding the underlying transactions as well as for the ineffective portion of the Valuation Units. Unrealized gains are not recognized under German GAAP.

If the liabilities to banks relate to floating rate interest-bearing loans, respective swaps are entered into to fix the interest rates. If the requirements are met, hedging instruments and hedged items are combined to form a Valuation Unit and are accounted for using the net hedge presentation method. In accordance with the net hedge presentation method, the effective portion of the hedged item and the hedging instrument remains unrecognized as long as the hedge is effective. The hedge effectiveness is determined by means of the dollar-offset-method. A provision for anticipated contract losses is recognized for the portion of the negative market values of the interest rate swaps exceeding the hedged item as well as for the ineffective portion of the Valuation Units. Unrealized gains for the hedging instruments and the hedged items are not recognized.

Prepaid Expenses for Bank Loans

Under German GAAP, prepaid expenses in connection with a bank loan are included in prepaid expenses on the assets side of the balance sheet and amortized by systematic annual charges over the full time of the liability. Under IFRS, transaction costs that are directly attributable to the originated bank loan are amortized through profit or loss over the term of the loan using the effective interest method.

INDUSTRY AND MARKET DATA

Certain information regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants, is based on our internal estimates and analyses and based in part on third-party sources (including two global consulting firms, and due diligence reports prepared in connection with the Acquisition. Some of those reports were commissioned by the Sellers or Target, and as such may not be fully independent views on the industry or the market. We believe that these industry publications, surveys, studies and websites are reliable. However, we cannot assure you of the accuracy and completeness of such information and we have not independently verified such industry and market data. Our estimates and the assumptions underlying our estimates may not be accurate or correctly reflect our position in the industry. None of our internal surveys or information has been verified by any independent sources. Neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this information. All the information set forth below relating to the operations, financial results and market share of our competitors has been obtained from publicly available information or research. Neither we nor the Initial Purchasers have independently verified this information and cannot guarantee its accuracy.

Unless specifically detailed otherwise in this “Industry and Market Data” section, the relevant figures and percentages as well as the tables and graphics below have been provided and prepared by a Global consulting firm, which based its analysis from information we provided to it, or information which was otherwise publicly available (including information contained in our customers’ investors presentations).

Elevator and Elevator Components Market

Elevator and elevator components market structure

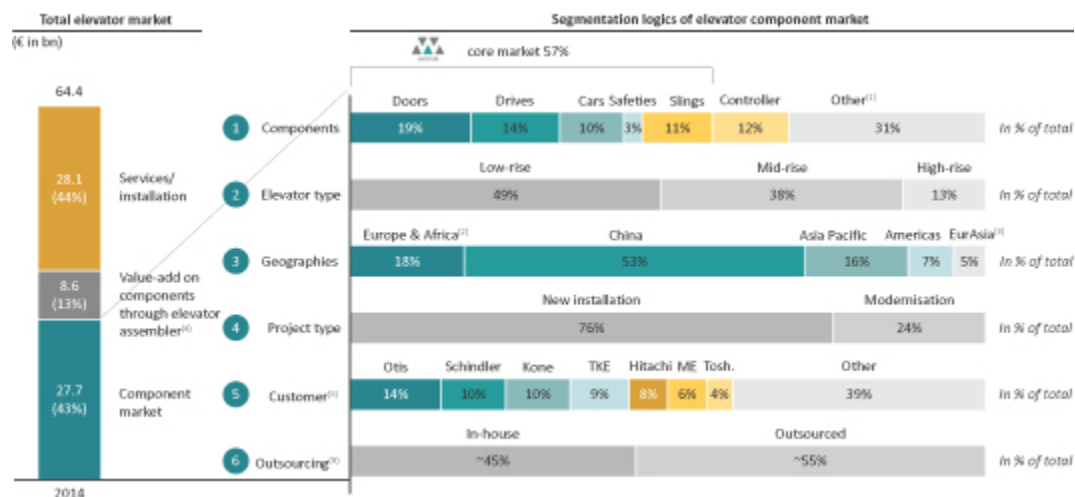
The global elevator market is estimated to be worth approximately €64 billion in 2014. The elevator market can be broken down into three major sub-segments: components (43% of the market); value added on components by elevator installer (13%); and installation, maintenance and modernization services (44%) (*source: Global consulting firm*). According to a Global consulting firm, demand for elevator units grew more quickly than construction demand and real GDP from 1996 to 2012: during this period the World real GDP grew at a CAGR of 3.0%; and the World construction demand at a CAGR of 4.3%, whereas the world unit (real) elevator demand grew at a CAGR of 9.5%. Elevators as such have been growing in excess of GDP over many decades, with penetration increasing. Elevator growth has been more gradual in more mature regions (sales in those regions are driven by demand for modernization and maintenance of the installed elevator base), and more rapid in emerging markets (driven by strong demand for new installations of elevators).

Elevators are a key part of the functionality of a building. However, they represent only a small portion of the total building construction costs. The core business of elevator companies is the development, installation and servicing of elevators, as well as the production of some of the components. A significant portion of component manufacturing is outsourced by elevator companies to independent suppliers, such as Wittur.

We estimate that as of December 31, 2014, approximately 55% of the total components market for doors and drives was outsourced to suppliers, as opposed to 45% produced in-house by MNCs. Our industry has exhibited a trend towards outsourcing in the past, which is expected to continue in the future, driven by MNCs and others focusing on the installation and service business.

Our addressable market is estimated to amount to €8.68 billion in 2014 (as calculated by comparing the €27.7 billion total components market, with our core products covering a product spectrum that represented 57% at an outsourcing share of 55%) (*source: Global consulting firm*).

The following chart sets forth the structure and segmentation of the elevator market.



(1) Includes: shaft equipment, suspension devices and other.

(2) Excludes Turkey and Russia.

(3) Turkey, Russia and Saudi Arabia—remaining countries in Middle East and Eastern Europe included in Europe due to data availability.

(4) E.g., labor cost for development, certification, planning, customization, assembly, and SG&A.

(5) 2012 elevator market share.

(6) Based on data for Big 4 MNCs for doors and drives—Independents not included.

(Source: Global consulting firm).

The elevator components market can be segmented by a number of different perspectives.

Components. The largest share of revenues in terms of products in 2014 was estimated to be represented by landing/car doors (19%), followed by drives and control/electronics systems, with 14% and 12%, respectively. Slings, cars and safeties are estimated to account for 11%, 10% and 3%, respectively, of revenues, while the remaining 31% of revenues mainly includes car frames, counterweight frames, shaft equipment, suspensions and others (*Source: Global consulting firm*).

Elevator type. Low rise elevators were estimated to represent close to half of the total market (49%) in 2014, while mid-rise elevators are estimated at 38% and high-rise elevators at 13% of the total market, respectively. High-rise elevators represent the most value added in terms of technology and are expected to experience the strongest growth in the coming years on the back of demographic changes affecting building engineering (*Source: Global consulting firm*).

Geography . As of September 30, 2014, China was the largest market for elevator components, with an estimated share of 53% of total revenues. The size of the Chinese market is primarily driven by strong volume expansion on the back of ongoing urbanization, increasing floor space per capita driven by higher GDP per capita, increasing population density and thus more vertical construction in urban areas. The second largest market for elevator components is Europe and Africa with an estimated share of 18% of total revenues (although still having the largest installed base as of today) followed by Asia Pacific excluding China (estimated at 16%), Americas (estimated at 7%) and Eurasia (estimated at 5%) (*Source: Global consulting firm*).

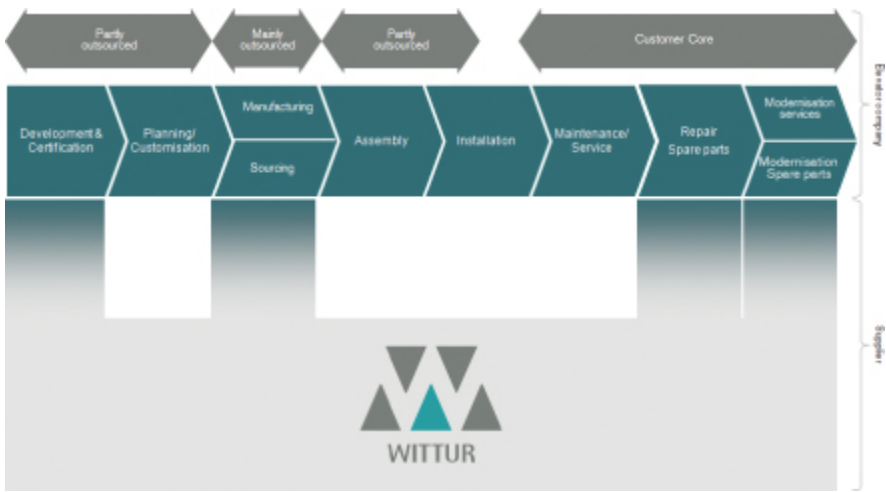
Project type. New installations comprise most of the total components market, with an estimated total share of 76% in 2014, mainly due to rapid construction growth in China. Modernization is estimated at 24% of the total components market and is mainly sustained by a sizeable aging installed base in traditional economies (*i.e.*, Europe), but in the future increasingly also by China (*Source: Global consulting firm*).

Customers. Western MNCs were estimated to account for approximately 43% of the market in 2012, Asian MNCs for around an estimated 18% while the remaining approximately 39% is estimated for Independents (*Source: Global consulting firm*).

Outsourcing. In 2014, the four largest MNCs are estimated to have outsourced the production of 55% of components of doors and drives by value, with the remainder being produced internally (*Source: Global consulting firm*). The outsourcing market has grown over time.

Our Positioning in the Elevator Value Chain

The following chart sets out our positioning in the elevator value chain.



(Source: Global consulting firm).

Our involvement in all areas of the value chain, from development to manufacturing and delivery of components, modules and complete elevators, gives us a strong position in the elevator components value chain. We offer customization of our products, which, combined with delivery of products which comply with local laws and regulations in all regions in which we operate, is a relevant aspect for both MNCs and Independents in order to choose a supplier for their elevator components.

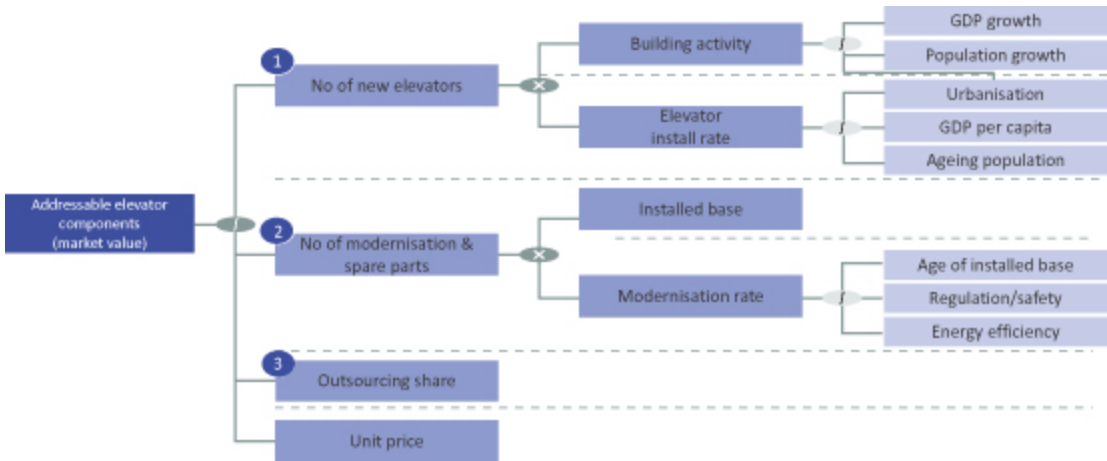
Although we are not active in the area of installation and service, we supply products to some of our customers that focus in such area, by providing them modernization solutions and spare parts.

Suppliers play a critical role in supporting MNCs by maintaining high quality and safety standards. This is due to the fact that MNCs are responsible for elevator performance and service, and thus have to rely on the quality of the components of their end products they get from their suppliers. As a consequence, MNCs closely inspect the quality of products coming from their suppliers. Quality and regulatory standards must be adhered to and all used components and complete elevators must be certified, which makes changing suppliers difficult.

Elevator Components Market Development and Growth Drivers

Structural factors influencing future growth of the elevator components market

The below chart details the different key factors influencing the future growth of the elevator components market.

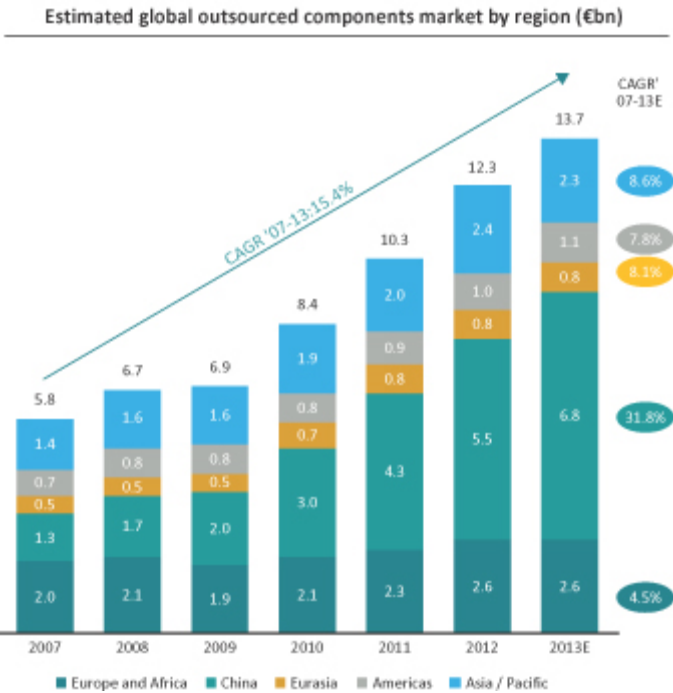


(Source: Global consulting firm).

Demand for elevators and elevator components is essentially driven by new installations as well as the evolution of the installed base, the former driving demand for new equipment, the latter driving the demand for spare parts and upgrades and modernization solutions. Demand for new installations and modernizations and spare parts is mainly driven by a number of key trends: population growth; aging populations; growing GDP per capita; urbanization; growing floor space per capita; growing; and aging of the installed base and growing demand for regulation and safety. In addition, demand for elevator components is also favorably affected by outsourcing decisions by MNCs.

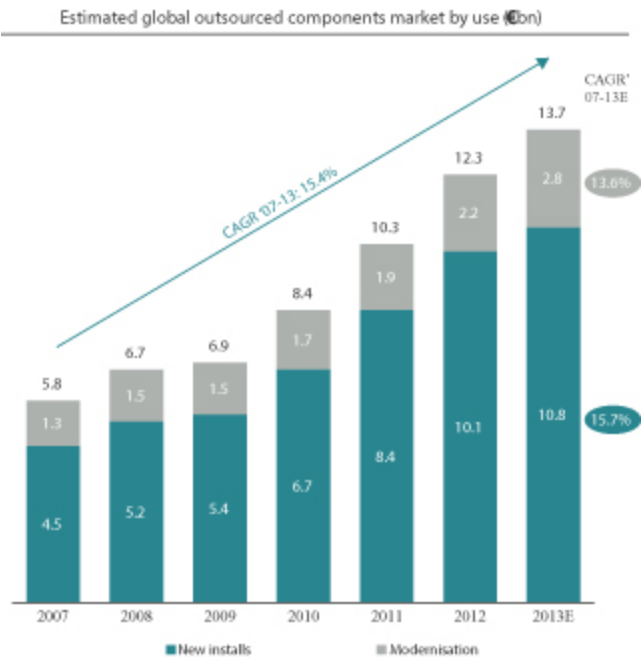
Global outsourced components market growth

Growth in the demand for outsourced components was estimated to be 15.4% from 2007 to 2013, mainly due to China, as the region grew significantly compared to the other regions on the same period by a CAGR of 31.8%, as shown in the below chart.



(Source: Global consulting firm).

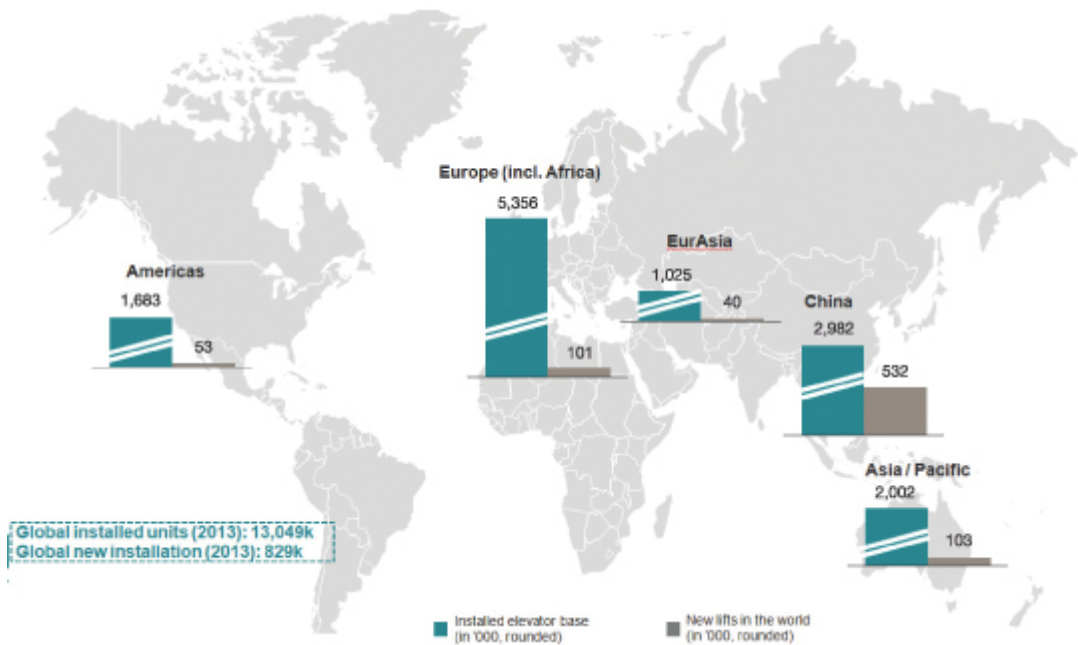
The below table highlights the growth of the global outsourced components market, splitting it by use (modernization or new installations), with an estimated CAGR of 15.4% for the period 2007 to 2013.



(Source: Global consulting firm).

We expect demand for outsourced components to continue to grow. Emerging markets growth (in particular in China) has to date been mainly driven by new installations. In the future, an aging installed base and increasing regulatory requirements are expected to lead to increasing growth of modernization revenues. Demand in the Europe and Africa region is also expected to grow, and the modernization segment in Europe and Africa is estimated to account for 35% of the total outsourced components market in this region in 2013 (*source: Global consulting firm*).

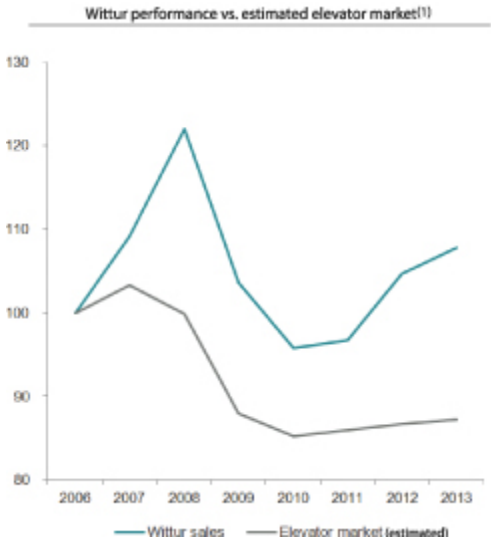
The map below sets out the differences by region in the global elevator market in 2013, comparing estimated installed base units and new installation. Europe is the core of the modernization market, while China is the core of the new installation market.



(Source: Global consulting firm).

European components market

The European market for outsourced elevator components has been relatively stable in recent years, given that the region is already a mature market (source: Global consulting firm). Despite this, we have consistently achieved a higher growth ahead of the market in Europe, as shown in the table below.



(1) Wittur market weighted.
(Source: Global consulting firm)

Our strategy for Europe includes continuing our relationship with MNCs and to sharing new opportunities with them. We work closely with our key account MNC customers, and are in constant contact with them to increase our business with them and benefit from upcoming outsourcing decisions. We are also increasing our focus on new opportunities with Independents, through a significant investment in the size and training of our sales force. Finally, we are also relocating some of our standard doors production to certain low cost locations such as Krupina in Slovakia, in order to increase profitability independently of market growth.

Asian components market

In recent years, the demand for elevators in Asia, and particularly in China, has strongly grown and has done so above construction demand, due to rising penetration in the market. There are four different key drivers of this growth of the Chinese elevator demand: (i) urbanization, which to date has progressed in line with other large-scale urbanization trends (e.g., Japan, Korea and Russia); (ii) increasing urban residential floor space per capita, which shows a strong correlation with rising GDP across many countries globally; (iii) an increasing elevator density in new construction in China, although overall elevator density currently still low if compared with more mature markets (it accounts roughly for half the level of Italy); and (iv) the importance of the aftermarket and modernization to come, driven by the Chinese installed base of elevators growth over the last decade (source: Global consulting firm).

The demand in the Chinese market for outsourced elevator components to date is mostly driven by new installations. Among the individual growth drivers, the continuous urbanization trend driving demand for high-rise buildings in cities is the single largest factor, followed by overall building growth, which is, however, projected to slow down slightly compared to historical levels. Given an increasing, and aging, installed base and enhanced regulatory requirements, we expect modernization demand for outsourced elevator components to increase significantly, albeit starting from a comparatively low base. Finally, the existing trend towards outsourcing is expected to continue and expand, accompanied by minor anticipated unit value reductions (source: Global consulting firm).

China—Short-term real estate outlook

The following table shows the historic development of Chinese housing inventory based on months to clear, juxtaposed against elevator growth in years in which inventory is destocking, as it did in the second half of 2014. This data shows that

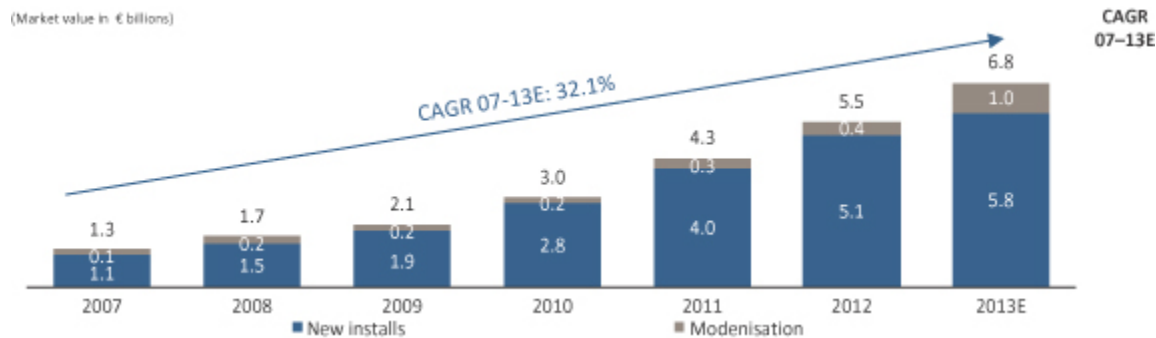
Chinese housing inventory increased during 2013 and the first half of 2014, but that such increase did not exceed previous peaks in the recent past and has already corrected significantly.



Source: Global consulting firm; E-House
Note: Inventory defined as available for sale housing stock / average demand (sold) across 35 tier 1, 2 and 3 cities in China.

As a developing market, components demand in China has mainly been driven by new installations, as shown in the below table.

China outsourced components market by use (estimated)



(Source: Gobaal consulting firm)

The below table shows the year-on-year growth of our sales in Asia, a market which we entered early and therefore benefited substantially from the growth of the components industry.



(Source: Wittur; Global consulting firm)

The next chart shows the development of the Chinese order book of Kone, one of our major MNC customers. We believe that MNCs generally receive orders up to twelve months in advance.



(Source: Kone's Interim Report for January-September 2014, published October 21, 2014).

Our MNC customers believe they are well-positioned to keep growing at rates in excess of Chinese elevator market growth, despite showing clear signs of slow-down in the Chinese new housing market. Our MNC customers believe that government actions in the region should provide for more stable development in the future (*Source: MNCs investor presentations, October 21, 2014*).

RoW components market

The Rest of the World region can be sub-divided into two geographies, for which we have differentiated strategies.

Eurasia. We currently have one plant in Turkey, where we produce doors, cars and complete elevators, with a total of 181 local employees working in production. Our strategy to grow further in the region will be based on a significant sales force investment and on introducing a lower cost product to reach a wider customer base, with a focus on high volume sales through MNCs.

Latin America. We currently have one plant in Argentina and another one in Brazil, where we produce doors, cars and complete elevators, with a total of 195 local employees working in production. We have benefited from solid market growth, and are currently building a new plant in Brazil to enhance our product offering and profitability.

Trends Supporting Demand for New Elevators and Modernization and Spare Parts

New installations

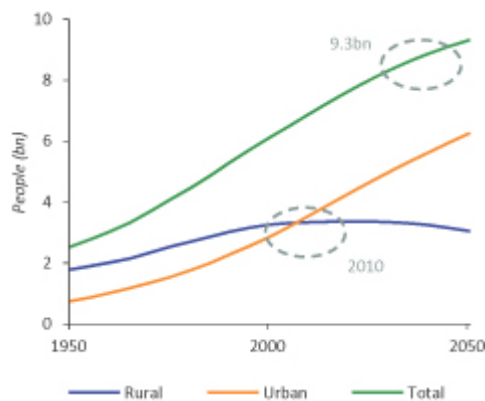
New installations of elevators are expected to continue to be the main driver of demand in the elevator components market in the future (*source: Global consulting firm*).

The underlying trends supporting this growth are overall population growth, continued urbanization, increased floor space per capita driven by growing GDP and aging of the population. According to the World Bank, 60% of new urban consumers will be located in 440 emerging market cities by 2025 (*source: McKinsey Global Institute, Urban World: Cities and the rise of the consuming class, June 2012*).

The growth of the global population is anticipated to further continue with the global population expected to reach 9.3 billion by 2050 (*source: World Bank*). The population in China is forecast to grow by 200 million until 2017 (*source: World Bank*). This overall increase in population is supported by urbanization, which is relatively independent of changes in the macroeconomic climate. China's urbanization rate in 2013 was more than 50% which is equal to the urbanization rates of South Korea in the 1980s and Japan during the 1950s and 1960s (*source: China National Human Development Report 2013*). South Korea's and Japan's urbanization rate in 2013 stood at 82% and 92%, respectively (*source: World Bank*).

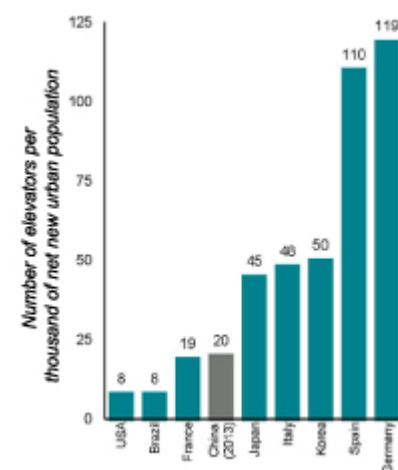
In 2010, urban population for the first time in history surpassed rural population, and is expected to significantly increase in the future (*source: World Bank*). Higher urbanization should drive demand for high rise buildings, which boosts demand for elevators and their respective components.

Population growth and urbanization



(Source: World Bank).

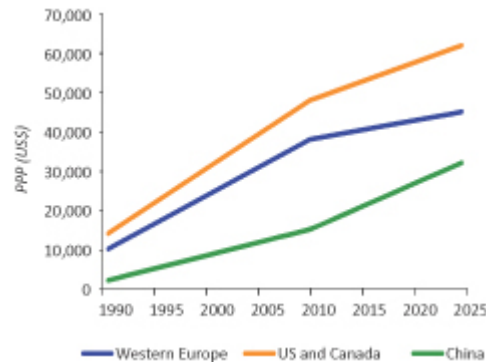
Number of new elevators and urbanization



(Source: World Bank, global industry consulting firm).

In addition to the long term trend of urbanization, people in our key markets are expected to gain wealth and income, expressed through increasing GDP per capita (both in Western Europe and China), driving increasing floor space per capita and therefore demand for new elevators. Life expectancy is also expected to lengthen significantly (*source: World Bank*).

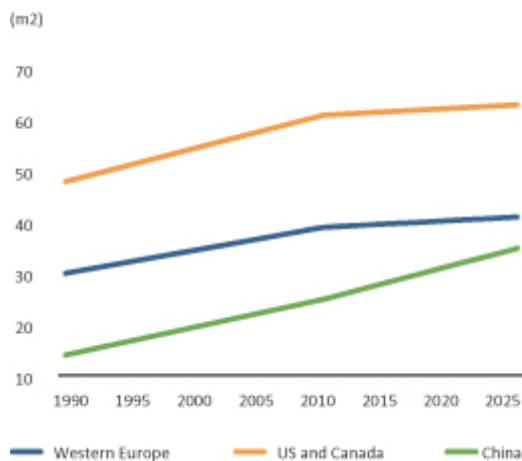
GDP per capita



(Source: World Bank).

Expanding wealth and increasing incomes are expected to correlate with increasing demand for larger residential floor space per capita. Such increasing floor space demand is mostly accompanied by an expectation for elevators to be included in such building projects, as a convenience and prestige factor. Aging populations, particularly in urban regions, also imply rising demand for elevator installations either as part of modernization measures to make buildings more “elder friendly”, as well as by new installations for dedicated building projects targeting the 65 and over population.

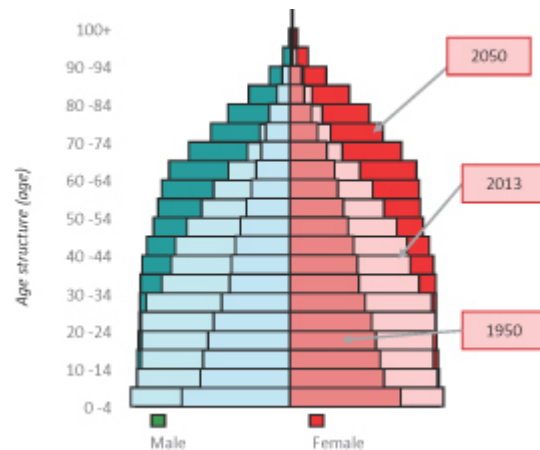
Increasing urban residential floor space per capita⁽¹⁾



(1) Cities are expected to need to build floor space equivalent to 85% of today's building stock—an area the size of Austria.

(Source: World Bank).

Ageing population



(Source: World Bank).

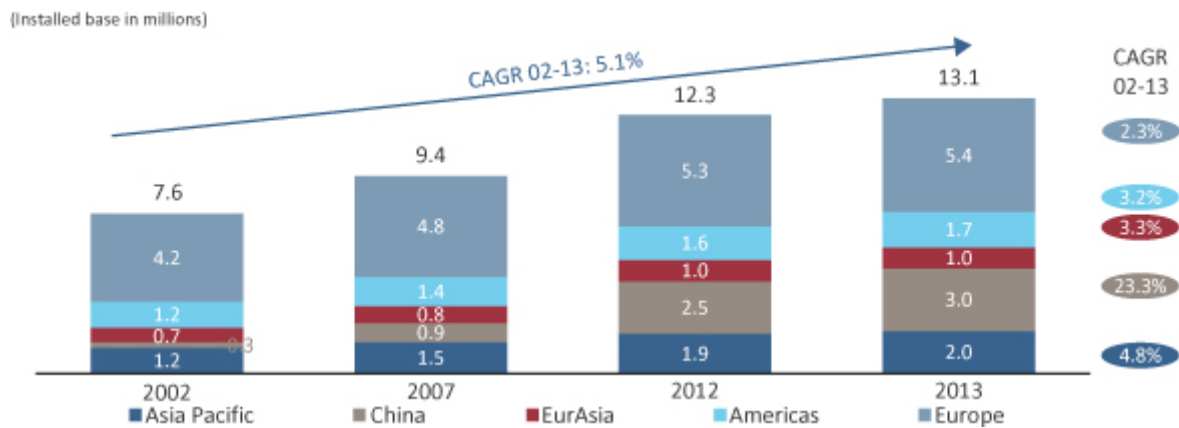
Growth in construction activity should also correlate with increasing elevator demand. Growth in China is envisaged to continue, albeit at lower rates than in the past. On the other hand, a recovery of construction activity in mature markets, including Europe, is expected (*source: Global consulting firm*).

Modernization

Modernization of elevators is a second key driver of the elevator market, which is expected to benefit from further increases in the installed base. On the back of an increasingly aging installed base, demanding regulation and safety standards and energy efficiency requirements (*source: Global consulting firm*).

The table below details the evolution of the elevators installed based from 2002 to 2013, with an estimated CAGR of 5.1%, and showing a regional split.

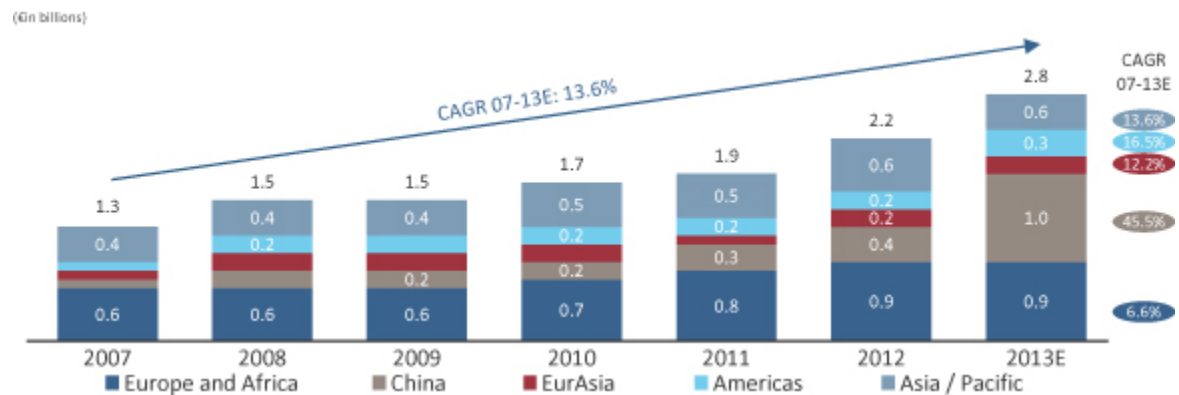
Elevators installed base (estimated)



(Source: Global consulting firm).

The table below shows the continued growth of the modernization of elevators, which has experienced an estimated CAGR of 13.6% from 2007 to 2013, which certain regions such as China growing above the global trend, with a CAGR of 45.5%.

Market value of modernization segment (estimated)



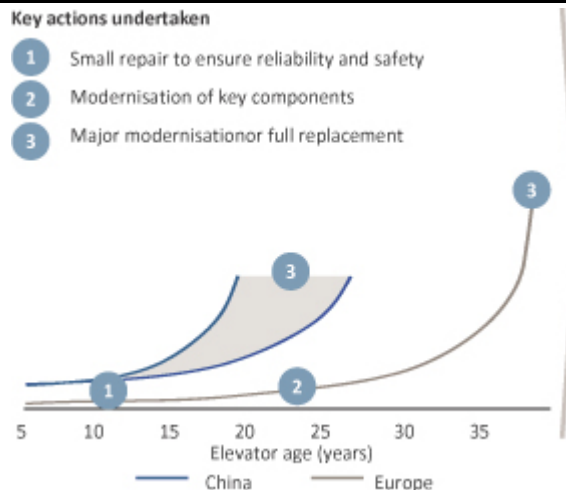
(Source: Global consulting firm).

This continuous growth and the increasing share of elevators older than ten years provides for substantially growing demand in the modernization market. The large and mature installed base of elevators in Europe provides a stable anchor and persisting modernization demand.

Modernization / replacement potential

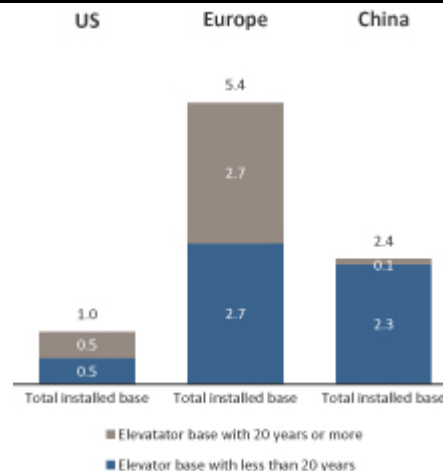
Age of installed elevators in selected regions

Modernization / replacement potential



(Source: Company information).

Age of installed elevators in selected regions



(Source: KONE investor presentation. Based on 2012 installed fleet).

Mature markets, such as Europe, are characterized by an installed base with a lifecycle of up to 40 years. In Europe, mostly elevators within the high performance segment are installed. Installed elevators require smaller repairs and modernization over time to ensure such exceptionally long life cycles. Whenever such measures are required, Wittur will typically be the supplier of choice for spare parts of components Wittur has supplied when the elevator has been installed in the first instance. In comparison, the average life cycle of Chinese elevators is lower, resulting in a faster demand for major modernizations or already a full replacement compared to Europe.

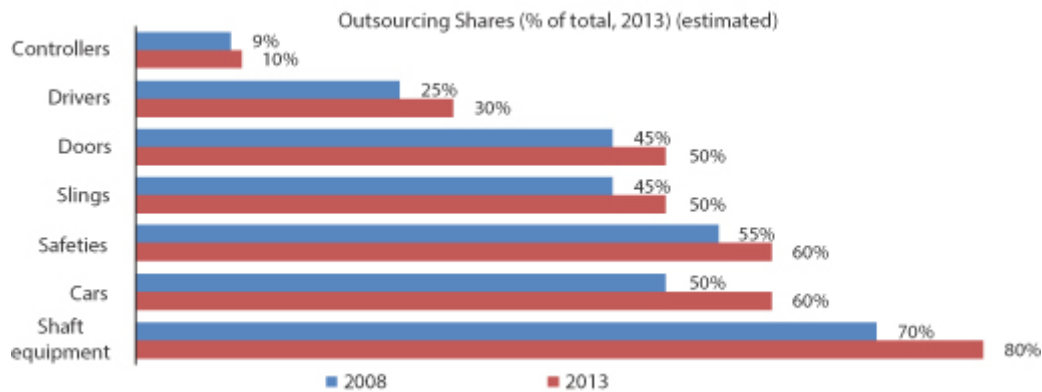
Currently, the installed base in Europe and the United States are both equally split between elevators younger than 20 years and those with a life span already exceeding 20 years. The installed base in China consists almost solely of elevators and components younger than 20 years. As this installed base continues to age, further modernization demand should develop. In addition, whereas the installed base in Europe is expected to grow fairly slowly, the installed base in China is expected to more than double in coming years (*source: Global consulting firm*). This expanding base further increases the potential for further modernization demand.

Higher regulation and changing safety norms are a key driver of modernization demand. The most relevant norm in Europe, the EN81-1/2, has been implemented in the 1980s, but is going to be replaced by the new EN 81-20/50, which was introduced in July 2014, and is being implemented subject to a transition period through July 2017. As has been the case in the past, other countries and regions are expected to follow this newly introduced norm in the upcoming and change respective norms subsequently. These changes are expected to trigger substantial future demand for modernization globally.

Resulting from the aforementioned number of individual growth drivers, modernization and spare parts evolution is expected to grow and the respective market to increase in size faster than in the past. The modernization rate is expected to further boost demand for components on the back of an increasingly aging installed base, demanding regulation and safety standards and energy efficiency requirements.

Outsourcing

Outsourcing of components by elevator producers to suppliers is an ongoing trend which has been affecting the sector in the past and is expected to continue in the future. Below is a table showing the estimated historical development of outsourcing from 2008 to 2013, split by elevator component.



(Source: Global consulting firm).

Key reasons driving outsourcing by elevator producers include:

- *Focus on core activities*: dedicate to core installation and maintenance business without dealing with potential production issues;
- *Gain flexibility and speed*: provides flexibility in terms of production capacity and locations as well as increases speed of penetration of new markets;
- *Reduce asset intensity*: enables cash to be freed up by avoiding capital expenditures for new production facilities;
- *Realize cost savings*: component suppliers can provide cost effective solutions due to higher economies of scale achievable;
- *Higher margins*: allows the installers to focus on the higher margin elevator installation and service business; and
- *Pooling of innovation and process capabilities*: consolidation of industry capacity supports outsourcing and allows installers to access innovation capabilities and best-in-class processes.

According to certain expert interviews carried out by a global consulting firm, different elevator companies have adopted different outsourcing strategies, mainly due to (i) different strategic approaches as it relates to their core business, (ii) differences in their historic/existing production footprint and (iii) different strategies for and focus on new emerging markets:

- Western MNCs generally have the highest proportion of outsourced components among MNCs and are showing the strongest upward trend further sustained by increasing standardization of platforms, which enables them to reduce complexity and cost of their own product offering. The outsourcing rates among the 'Big 4' participants remain similar to date, though Kone has outsourced the most over time (*source: Expert interviews, Global consulting firm*).
- Asian MNCs have historically been more reluctant to significantly outsource production and are not expected to drastically change this strategy in the near future. However, Asian MNCs are expected to outsource some business in markets they are targeting outside their traditional home markets (*e.g., India, South East Asia and potentially China*) (*source: Expert interviews, Global consulting firm*).
- Independents tend to outsource the largest portion of component modules, mainly due to lack of scale and in-house production capabilities. Outsourcing is expected to continue, in particular on the back of the increasing complexity of products and more restrictive standards and norms. Going forward, leading Independents are expected to require further support by strong suppliers, which are able to provide them with tailored solutions complying with increasingly stringent local regulations (*source: Expert interviews, Global consulting firm*).

The elevator components industry lags behind the automotive industry in terms of share of components outsourced, but has historically followed a similar trend. The automotive industry has experienced significant value-add migration to

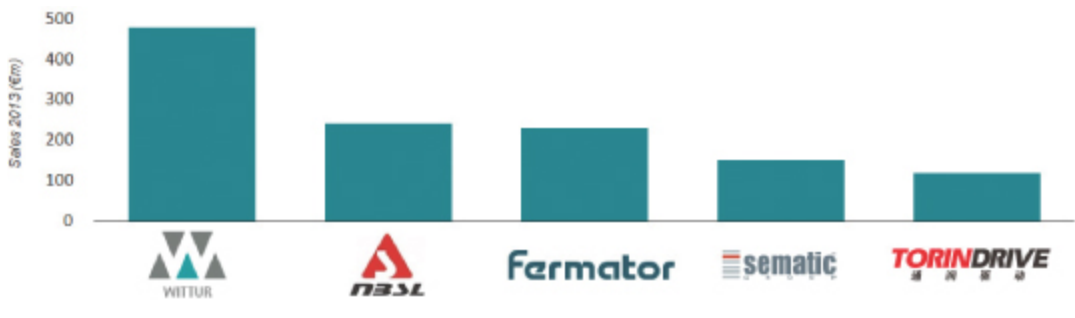
outsourced suppliers while undergoing significant supplier consolidation. Given such trends, we believe a leading company like ours has to opportunity to grow even more through consolidation.

Limited risk of insourcing

An MNC’s decision to outsource the production of its components is usually definitive and cannot easily be reversed. Some outsourcing decisions, for instance, involve the sale of the MNC’s production facility to a supplier which was the case in our acquisition of our production facility in Scheibbs, Austria, from Kone. In these circumstances, the MNC no longer has the requisite manufacturing facilities to produce the components. Moreover, when exploring and penetrating fast-growing emerging markets MNCs typically rely on the installed capacity base of their suppliers. In addition, outsourcing generally entails lower requirements for capital assets and reduced capital expenditures for MNCs and thereby allows them to operate on a leaner cost base. Another key obstacle to MNCs’ reintegration of component manufacturing is that they typically transfer their R&D and innovation capabilities along with their business pursuant to their outsourcing decision. As suppliers, such as Wittur, receive these capabilities from several MNCs, they can pool these resources, thereby becoming more advanced in their technology than any MNC on a standalone basis and thus more competitive than MNCs. Further, MNCs typically only produce components for their own business, whereas suppliers market and sell their products to all MNCs as well as Independents, which provides them with greater economies of scale, so that insourcing would create a cost disadvantage for the MNC. Moreover, outsourcing in the elevator components industry is usually a strategic long-term decision because it involves the entirety of an MNC’s production volume rather than merely peak volumes exceeding their in-house capacity. Lastly, some MNCs are contractually barred from re-entering the components industry due to volume share agreements entered into between the MNC and its supplier.

Competitive Landscape

We believe that we are the largest elevator component producer, with €480 million in revenue in 2013. In 2013, we estimated that we generated twice as much revenue as our next relevant competitor. The closest competitors of Wittur are NBSL, Fermator and Sematic.



(Source: Global consulting firm).

We consider the key buying criteria for elevator components to include safety, quality, partnership potential, delivery, sales and research and development. Out of these criteria, we believe our industry leadership in safety is the most valuable because safety is regarded as the single most critical buying criterion for elevator installers due to the damage elevator accidents can inflict on an elevator installer’s brand value, reputation and sales. In our experience, the relevance of safety and high quality is particularly pronounced with respect to safety-critical components, which benefits us due to our focus on these components and our track-record of high investments in research and development to ensure the premium quality and reliability of our products. In addition, we believe global safety standards in the elevator components industry are rising and we are well-positioned to anticipate and swiftly adopt new standards and safety certification requirements. This is due to our representation on all key standard-setting organizations including ELA and EEA in Europe, PALEA in the Asia Pacific region, VFA—VDMA in Germany, CEA in China and NEII in North America. Our excellence in delivery performance is another key factor to our market leadership. Elevators must typically be installed within a period of a few hours on a specific date that is determined on short notice. As a result, a supplier’s timely delivery is critical to the installer’s ability to complete the installation of the elevator within the specified time and on budget.

Our global market leadership leads to competitive advantages in our favor. We are, according to customers interviews carried out by a global consulting firm, leaders in quality, innovation, footprint, reputation and delivery performance, which results in our customers willing to pay a price premium for our products. The following table shows a global consulting firm’s view of our competitiveness across a number of criteria compared to those of a number of our competitors.

		Quality	Price	Partnership potential	Delivery	Sales	R&D
Europe	Wittur	Excellent	Good	Excellent	Excellent	Excellent	Excellent
	Competitor A	Excellent	Good	Good	Excellent	Good	Average
	Competitor B	Good	Excellent	Average	Good	Average	Average
China	Wittur	Excellent	Good	Excellent	Excellent	Good	Good
	Competitor C	Average	Excellent	Average	Good	Excellent	Bad
	Competitor D	Bad	Excellent	Average	Average	Average	Bad
	Competitor E	Good	Good	Good	Average	Average	Good

(Source: Global consulting firm).

OUR BUSINESS

Overview

We are the world's leading independent elevator components manufacturer. The elevator components industry is characterized by long-term growth and resilience during economic downturns due to a number of favorable factors. Demand for elevators has grown significantly faster than GDP due to a number of favorable global trends, such as population growth, urbanization, taller buildings, aging populations, increased wealth and increased regulation and safety awareness. As a manufacturer of elevator components operating independently from elevator installers, we also benefit from the trend of elevator installers increasingly seeking to outsource the manufacture of components, which has increased the rate of growth for elevator components manufacturers above the growth in demand for elevators. Our position as the leading independent elevator components manufacturer has enabled us to capitalize on these growth trends, as evidenced by our strong long-term revenue growth and EBITDA margins in excess of 10% on average since 2004.

We are a global manufacturer of elevator components with a strong footprint across multiple regions. We divide our operations into three geographical regions which include Europe, Asia and the Rest of the World. Our Europe region includes our operations in Africa and represents our core market, accounting for 48.6% of our revenue in the year ended December 31, 2013, with upside potential as Southern European economies recover. Our Asia region provides the growth engine for our business, with 37.4% of our revenue, driven by increased urbanization and other favorable trends in China, and with the potential to grow spare parts sales in China as the market matures. Our Rest of the World region primarily includes Eurasia, Turkey, the Middle East and Latin America and represented 13.9% of our revenue, with the potential for significant future growth.

Our product offering features a large range of elevator components for new elevator manufacturing and sourcing, for spare parts and for modernization and upgrades. Our components span from sophisticated mechatronic components for elevator cabin and landing doors (including the associated opening mechanisms) to other critical components such as gearless drives, slings, safety gears and cars. We also offer complete elevators, which we primarily sell to independent elevator installers ("**Independents**"). Sales of doors and door components accounted for 69% of our revenue in the year ended December 31, 2013. Doors and door components are required at each floor of a building, so as the average height of new buildings increases, the demand for elevator doors and door components also increases at a faster rate than demand for other components. Doors and door components range from relatively standardized, high-volume production doors to highly customized, special-order doors—we offer 19 models of landing doors and 15 models of elevator car doors. Having produced approximately 1.2 million doors and door components in the year ended December 31, 2013, we believe we are the leading elevator door and door components supplier in a highly fragmented elevator components market.

We manufacture components for both the original equipment market and the aftermarket. We estimate that the original equipment market makes up a larger percentage of our business in developing countries, such as China, while the aftermarket makes up approximately 50% of our sales in a mature market such as Europe. Aftermarket sales range from routine provision of spare parts through the lifetime of an elevator, to components for modernization and upgrade of an elevator, to complete replacement of an elevator. In developing markets such as China, we expect aftermarket components sales to strongly increase as the life cycle of newly-installed elevators progresses.

Our key customers are global, multinational corporation elevator installers ("**MNCs**"), such as western-based MNCs Kone, Otis, Schindler and ThyssenKrupp Elevator ("**Western MNCs**") and Asian-based MNCs Fujitec, Hitachi, Hyundai, Mitsubishi Electric and Toshiba ("**Asian MNCs**"), as well as Independents, which are typically active in a limited geographic market. In the year ended December 31, 2013, Western MNCs accounted for approximately 68% of our revenue, Independents for approximately 32% of our revenue and Asian MNCs for less than 1% of our revenue. We have deeply-ingrained, mutually-dependent relationships with a number of our key customers, and benefit from multi-year, guaranteed "share-of-wallet" contracts with a number of our key customers, allowing us to share in the growth of our customers' business.

In the twelve months ended September 30, 2014, we generated revenue of €501.4 million and Historic Adjusted EBITDA of €72.7 million. As of September 30, 2014, we had a work force of 3,206 employees and conducted business in more than 50 countries.

Our Strengths

We believe our competitive strengths include the following:

Leading global position

We are the world's largest independent elevator component manufacturer, with unparalleled breadth and scale across products and regions. We estimate that we generate more than two times the revenue of our next largest competitor. We manufacture and sell a broad range of critical and technologically complex components throughout the world. In contrast, most of our competitors are suppliers that focus on a narrow range of products and specific regions. Our size and global footprint translate into a number of competitive advantages, including (i) purchasing power economies of scale, (ii) the capacity to meet our customers' volume requirements throughout the world, (iii) the resources to manage complex global safety regulations and certification processes and to undertake market-leading global research and development, (iv) the ability to deliver globally-consistent, high levels of quality to our customers and (v) the ability to attract the most skilled talent in our industry. Because of our leading position, we believe we are often MNCs' trusted partner of choice for their most complex projects, including high-visibility projects such as Apple store glass elevators, large hotels and marine facilities, cruise and cargo ships and offshore oil platforms. Our long and successful track record in projects such as these provides us with an advantage when our customers are making purchase decisions, thereby allowing us to grow as the elevator installation industry grows, and to benefit from the same favorable trends.

Strong and resilient market dynamics supporting multiple levers of growth

The elevator and elevator components market has experienced significant growth, with growth in demand for elevators estimated to have grown by a CAGR of 9.5% from 1996 to 2012, significantly outpacing global GDP growth. This has been the result of a number of favorable global trends which we expect to continue, including population growth, urbanization, taller buildings, aging populations, increased wealth and increased regulation and safety awareness. Demand for elevator components is driven by new installations, as well as the need for the modernization and maintenance of the installed base. New installations grow most quickly in developing markets, such as China, while mature markets, such as those in Europe, have a greater focus on modernization, maintenance and spare parts. As developing markets mature, we expect the aftermarket for modernization, maintenance and spare parts in such markets to grow. We also benefit from the trend of outsourcing, whereby elevator installers choose to outsource the manufacturing of elevator components, which has increased in recent years, allowing elevator component manufacturers to grow more quickly than demand for elevators. The elevator components industry lags behind the automotive industry (which itself continues to increase the rate of outsourcing of components manufacturing) in terms of share of components outsourced, and we expect the elevator components industry to follow the same trend. These favorable industry trends have driven our growth.

Long-term growth and demonstrated resilience underpinned by a strong financial profile and stable cash generation

We have achieved strong financial results over the last ten years, combined with resilience during the period from 2009 to 2010. Our revenue has grown by a CAGR of 7% from 2004 to 2014 and, excluding 2009 to 2010, we grew our revenues by over 10% per year on average. Our EBITDA margin has exceeded 10% on average in each year since 2004. Even during the 2009 to 2010 economic downturn our revenues only declined by 10-15%, and benefiting from our relatively flexible cost structure and capital expenditure profile, we maintained EBITDA margins in excess of 10% through strict cost management. By 2011, we were able to surpass our pre-crisis level revenue and EBITDA. Despite weak new housing starts in China in 2014, our business in China continued to exhibit strong growth throughout the year with a further acceleration in the fourth quarter, and healthy order book levels for us and our key customers at the end of the year. Our growth over the last ten years has coincided with that of our Western MNC customers, and they have also experienced margin improvement, underscoring the overall attractiveness of the industry. We are a highly cash generative business with relatively low levels of capital expenditures and working capital requirements for the manufacturing industry, and had Cash Conversion of 82.7% for the twelve months ended September 30, 2014. Our global production footprint provides us a natural hedge against currency, pricing and other local risks. At the same time, we have also maintained consistent profitability across the regions in which we operate.

Strong, long-standing relationships with leading MNCs

We are a trusted supplier to the largest international elevator companies in the world. Our largest customers include many of the world's most significant elevator companies, such as Kone, Schindler, Otis and ThyssenKrupp Elevator, who

together accounted for approximately 43% of total revenue in the elevator industry in the year ended December 31, 2013. We derived approximately two-thirds of our revenue from these four customers in the year ended December 31, 2013. We have long-standing relationships with each of these customers, which we have maintained over the past 15 to 30 years. These long-standing relationships have allowed us to better understand our customers' needs and priorities, thereby enabling us to cater to our customers from conception, design and development to manufacturing and distribution of components to offering comprehensive after-sale services and technical support. MNCs put substantial efforts in long-term product standardization in order to simplify and reduce complexity in the maintenance and breakdown service process. In addition, elevator certification and safety regulations mean that changing components suppliers can add additional compliance costs. For these reasons, elevator installers prefer to remain with selected components and suppliers. Doing so reduces failure rates and maintenance cost, improves productivity and minimizes safety risks. The result has been that our MNC customers engage with us to deliver on their most complex and important projects, and rely on us as their partner of choice in a manner that would be difficult for a competitor to replicate. Our close relationships with our key Western MNC customers are also demonstrated by our multi-year agreements under which our largest customers have agreed to purchase a certain percentage of their requirements for certain components from us ("share-of-wallet" agreements). We also see an opportunity to expand business with Asian MNCs, using our close relationships with Western MNCs as a model, particularly as safety regulations become more stringent in emerging markets to the benefit of established, high-quality component manufacturers such as us.

Strong relationships with Independents

We also have strong, long-standing relationships with Independents, who are generally regional elevator installers. In the year ended December 31, 2013, sales to Independents constituted approximately 32% of our revenue. Independents accounted for approximately 39% of total revenue in the elevator industry in 2013, typically require more individualized solutions than MNCs and outsource to a greater degree than MNCs. We have a full-service offering for Independents that caters to their needs, including offering complete elevators and spare parts and comprehensive support services for our components. As a result, sales to Independents typically generate higher gross profit margins than those to MNCs.

Serve both the new installation market and the aftermarket

We sell elevator components for use in both new elevator installations and for modernizations, upgrades and maintenance spare parts. The share of our business constituting new installations compared to modernizations, upgrades and maintenance spare parts varies by region, depending on the age of the installed base of elevators compared to the pace of new installation. For example, we estimate that new installations constitute approximately 50% of our sales in mature markets such as Europe, but 90% of our sales in emerging markets, such as China. Our ability to service both the new installation market and the aftermarket allows us to benefit from economic growth and emerging markets, while also giving us downside protection and steady sales in mature markets.

Leading research and development platform guided by deep customer and competitor insights

Our research and development ("R&D") teams are supported by leading testing infrastructure, with dedicated laboratories for doors, drives and safeties. We also systematically analyze competitor products to improve our own products. Furthermore, existing test towers in Austria, China, Germany and Spain (currently under construction), also give us a key advantage as an independent component manufacturer. We have seven R&D centers that focus on performance improvements, weight reduction, energy efficiency, reliability, maintenance reduction, installation speed and adjustability to new industry norms. We also hold more than 300 patents.

We also cooperate with major universities, providing us access to innovative new technologies at an early stage. In addition, we have established a close interlink between our R&D department and our product certification team, thereby ensuring not only a short lead time for required certifications for new product innovations, but also allowing for quick responses to new regulatory standards. Our R&D work focuses on a "mechatronic" (the combination of mechanical and electrical engineering) design approach, which enables us to develop intelligent components with monitoring and diagnostic capabilities, and optimizes installation time. As a result, the individual life cycle of our components is prolonged, which further supports our customers' profitability, and therefore their loyalty to us.

Experienced and diversified management team with a proven track record for value creation

The Wittur Group is led by chief executive officer Dr. Walter Rohregger and chief financial officer Dr. Daniel Wiest, who are experienced managers with a track record of delivering growth at manufacturing companies with international operations. Since joining the Wittur team in early 2012, they have developed and implemented substantial strategic and operational improvements, including rationalization of certain of our operations, implementation of uniform processes across

functional groups, improved management practices, relocating production to lower-cost jurisdictions and improving internal controls and have coincided with growth in our revenues and profit margins. They lead a strong senior management team of six regional and functional managers with a collective 39 years of experience in the industry. Following completion of the Acquisition, we also expect to benefit from the market expertise, business relationships, knowledge and experience of our future shareholder, Bain Capital.

Our Strategy

Our management has formulated a comprehensive strategy covering all regions and functions that we believe will drive growth and align the entire organization to be in a position to exploit the existing market opportunities:

Benefit from group-wide continuous improvement

We intend to grow our business, improve our margins, and strengthen relationships with our customers by continuously improving all aspects of our business. During the last two-and-a-half years, under the leadership of our management team, we have begun implementing processes throughout our organization in an effort to drive such continuous improvement. Some of the most significant operational improvements include rationalization of certain of our operations, relocating production to lower-cost jurisdictions and improving internal controls. But we are also taking more extensive improvements that reach deep into our organization, and cover all relevant functions, from sales to purchasing, production, R&D and also include support functions such as finance and human resources. Through these improvements, we have incentivized individual management to drive growth. We believe the improvements achieved through these new processes are significant, particularly in relation to production processes. Our production process improvements focus on improving our quality management systems and achieving our zero accidents objective. We also are working to improve our delivery performance and improve the quality of the suppliers from which we source materials. We intend to improve our key account outreach and sales with Asian MNCs, and we also intend to continue to update and modernize our product range. We are also focused on optimizing our electronic integration with our key account management teams. This includes improving our tracking system to enable our customers to track the status of the production process.

Continue to grow with the industry and our MNC customers

We work closely with our key account MNC customers, and are in constant contact with them to increase our business with them and benefit from upcoming outsourcing decisions. This close relationship means that as our MNC customers grow, we plan to grow as well. In particular, we intend to grow with Kone, but also to continue to diversify our customer base by further developing our relationships with other MNCs. For example, we recently entered into binding, multi-year “share-of-wallet” agreements with Schindler, as well as with Kone. We are also in active dialogue with other MNCs, including Asian MNCs, who have historically outsourced less of their elevator components demand than Western MNCs, and intend to more substantially diversify our customer mix by developing relationships with other Western MNCs. Over the past twelve months, we have received an increasing number of requests for quotes for new business from Asian MNCs, validating this strategy. As part of our continuous improvement strategy, we have focused on optimizing our key account management teams and strengthening our regional sales teams across all regions and have prioritized R&D to develop our available products and retain our competitive position in the market.

Grow with Independents

Our business with Independents represents our second main source of revenue after sales to MNCs. We see potential to grow our business with Independents, and are working to improve our sales forces’ focus on such customers. We focus on sales of spare parts via a business-to-business platform to grow our business with Independents. We believe that increasing regulatory requirements, particularly in developing markets, will enable us to grow our business with Independents who typically require fully certified packages or complete elevators, and that Independents will increasingly seek out established, high-quality component manufacturers such as ourselves to help them meet more stringent requirements. We also believe that a focus on Independents will help us continue our geographic expansion.

Further geographic expansion

We believe that significant opportunities for our business exist in certain developing markets where we have not historically focused our operations. In particular, we see opportunities in Eurasia, Latin America and India and Southeast Asia. In Eurasia, which made up approximately 5% of all new elevator installations in 2013, we intend to grow in line with the rapidly-growing market by winning business with the MNCs and further penetrating Independents. In Latin America, we intend to grow our business on the back of strong end market growth and to benefit from our new plant in Brazil. In India,

which made up approximately 5% of all new elevator installations in 2013, and in Southeast Asia, we see attractive, growth driven end-markets for elevator components, and the opportunity to sell to both MNCs and Independents operating in those markets. Our view is that these markets are on the cusp of a strong phase of growth in demand for elevators, akin to that in China in recent years. To exploit these opportunities, we have increased our sales forces in these regions and are working to increase local market penetration, so we already have a strong base by which we will be able to quickly respond to growing demand. We also intend to continue to utilize our strategy of locating our plants in low cost countries where we benefit from labor cost efficiencies and close proximity to customers. We also are investigating entry into the North American market. While we expect most of our growth to be organic, we may also opportunistically undertake accretive acquisitions in the highly fragmented elevator components market.

Increase focus on modernization, maintenance and spare parts aftermarket

We see the potential for increased sales in the modernization, maintenance and spare parts aftermarket, particularly in developing markets, such as China. At present, approximately 90% of our sales in emerging markets are for new elevator installations. However, as the lifecycles of the elevators installed in these markets in recent years progress over time, we expect demand for modernization, maintenance and spare parts to grow to be similar to those in more mature markets, such as Europe, where sales of components for modernization, maintenance and spare parts constitute approximately 50% of our sales.

Increase focus on new products and modernization

Our R&D and product development is focused on five core initiatives: (i) improving product range completion (for example., decreasing the weight and installation time of our products); (ii) upgrading existing best-seller-products such as our drives and slings; (iii) localization of certain products in emerging markets (for example, introducing our existing product base and adapting it based on local requirements); (iv) improving existing technology (such as optimizing the product range for drives and reducing their complexity); and (v) developing new technology (for example, developing complete elevators and expanding our product range, such as furthering new safety gears to avoid uncontrolled car movements). Our customers drive our focus and structure the process of product development. For example, we aim to continuously modernize our products based on customer feedback, such as minimizing energy consumption and eco-efficiency, as our customers indicate a demand for such features.

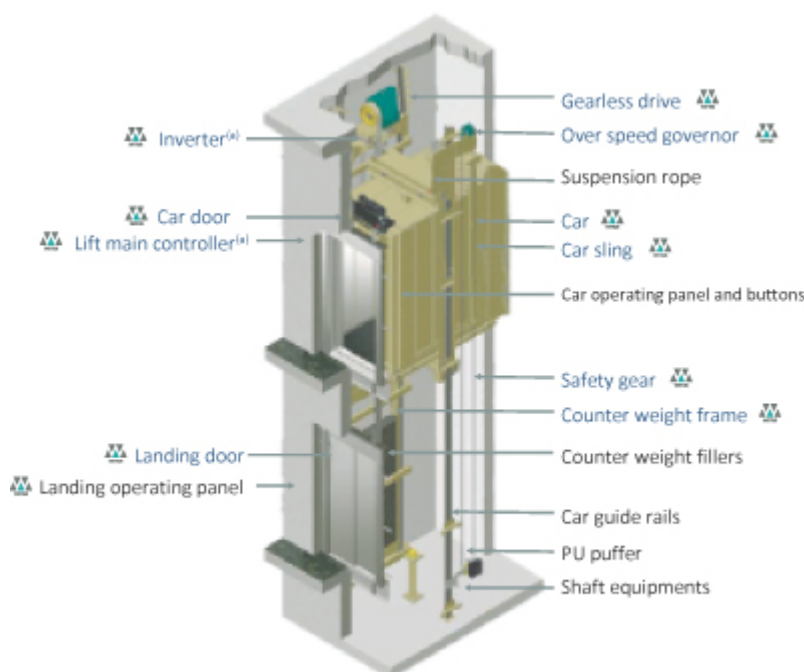
Our History

We were founded in 1968 by Horst Wittur in Wiedenzhausen (Bavaria, Germany) as a manufacturer and distributor of elevator swing doors and as a trader of elevator components focusing on the local market. Since then, we have continuously expanded our product portfolio and production footprint, both organically and through acquisitions (mainly by way of outsourcing transactions, such as recently taking over the Scheibbs, Austria, facility from Kone in 2000). We have been early entrants into a number of emerging markets with local production, such as Turkey (1993), China (1995), Argentina and Brazil (both 2000), Slovakia (2009) and India (2010). Today, we believe we are the largest independent manufacturer of elevator components, modules and complete elevators with an extensive global manufacturing footprint and sales network as well as a broad range of products.

Our Products

We produce elevator cabin and landing doors (including door operators) and offer a wide range of gearless drives, slings, safety gears and cars, while also offering complete elevators. Our in-house product portfolio covers the vast majority of critical and technologically complex components necessary for elevator installation, modernization and maintenance.

Overview of Wittur product offering



Source: Company information.

(a) Designed and branded by Wittur, manufactured by third party.

Doors

Doors (including door operators and other door components) have historically been our core product. Doors and door components accounted for 69% of our revenue in the nine months ended September 30, 2014.

We supply customers across all market segments with solutions ranging from standardized doors to highly customized, bespoke door applications with different combinations of performance and technical functionality. As of September 30, 2014, our door product range included 19 different models of landing doors and 15 different models of car doors, available for all applications and geographies. Different models are designed to accommodate distinctive customer needs in terms of traffic flows and sizes (including different speeds, as well as traffic flows and elevator loads ranging from 250 kilograms to 10,000 kilograms). Standard installations are available for residential buildings and modernization projects, while a broad set of customizations is available to meet specific customer demands.

Doors are the leading reason for unscheduled maintenance calls, accounting for what one of our customers has estimated to be 40% of maintenance activities. Given elevator installers' focus on service, high reliability and a low degree of maintenance are key to elevator installers' ability to differentiate themselves from their competitors. This factor benefits our business due to our focus on high quality and reliability. Moreover, despite their relevance to maintenance costs, doors only account for between 14% and 21% of the total cost of an elevator, so elevator installers may be less likely to compromise quality over price.

Our latest products in the doors-product group comply with European standard EN81 20/50, which is the most relevant standard for elevators in Europe. Production and installation are based on the "modular" concept, which optimizes the number of parts and installation time. See "Regulatory Matters."

Slings and Counterweight Frames

Slings have historically been one of our other core products. Slings and counterweight frames accounted for 8% of our revenue in the nine months ended September 30, 2014. A sling (also known as car sling) is the supporting frame of the elevator car, to which the guide shoes, safety gear and hoisting ropes or hydraulic cylinder are attached.

We offer a broad range of car and counterweight slings for diverse applications combining different features for load and technical functionality (these include standard and cantilever slings). In addition, we offer a range of accessories, including safety gears, suspension pulleys, compensation chains and traveling cable hangers, allowing configurations suitable for different shaft layouts, elevator designs and speeds. Our product offering ranges from standard to highly customized high-end slings and special application slings.

The majority of our products in this product group comply with European standard EN81-20/50. We expect the remaining products will be conformed by the Interlift 2015 fair, scheduled for in October 2015. See “Regulatory Matters.”

Drives

Our product offering also includes standardized and customized gearless drives. Drives accounted for 5% of our revenue in the nine months ended September 30, 2014.

Our drives have a wide range of potential purposes, including for loads ranging from 275 kilograms to 5,500 kilograms and for speeds from 0.5 meters per second to 5.0 meters per second. We focus on high efficiency (lower energy consumption) products and high suspension load with our gearless drive range (which limits backlash, vibration and noise).

Safety Gears

We supply high speed safety gears and offer a complete product range of safety equipment, including safety gears and overspeed governors suitable for all common guide types. Safety gears, overspeed governors and safety brakes accounted for 4% of our revenue in the nine months ended September 30, 2014.

Our product range includes uni- and bi-directional safety gears and instantaneous and progressive safety gears. All types of applications are covered with a number of combinations for load, speed, travelling height, technical functionality, electronic overspeed detection and bi-directional features.

Cars

We offer a broad selection of cars, both for passenger and goods transportation, with applications from residential and commercial buildings to specialized industrial applications, and with capacities from 320 kilograms to 5,000 kilograms. Cars accounted for 2% of our revenue in the nine months ended September 30, 2014.

Our cars are integrated with complete elevators, have flexible configuration(s) and are easy to install. We offer a wide variety of cars with different possible combinations of load, usage, category, accessories and a number of entrances.

Complete Elevator

We offer complete elevator packages for Independents. Complete elevators accounted for 5% of our revenue in the nine months ended September 30, 2014.

MNCs also rely on our complete elevators for certain specialized applications. Our offering includes modular elevators, bearing loads from 320 kilograms up to 10,000 kilograms. Our broad product offering includes standard and high performance applications with a large number of customizations from technical functionality, end-use (home, commercial and high rise elevators), speed and load levels.

For complete elevators, we source certain elements from third parties (*e.g.*, guide rails, controllers, counterweight fillers) and sell them together as part of the entire system or, in some cases, we sell complete elevators directly as a distributor.

Our Regions

We divide our operations into three geographical regions, which include Europe, Asia and the Rest of the World. We measure output from our regions on the basis of origination of our products, not their destination.

Europe

Our Europe region includes our operations in Africa and represents our core market, accounting for 48.6% of our revenue in the year ended December 31, 2013. We also believe our business in Europe has upside potential as Southern European economies recover. Our operations in Europe are characterized by a mature installed elevator base, with our sales approximately evenly split between new installations, on the one hand, and upgrades, modernizations, maintenance and spare parts, on the other hand. For the year ended December 31, 2013, we generated 62% of our revenue in our Europe region through sales to our MNC customers, with 51% of our revenue derived from sales of doors and door components. See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our geographic regions—Europe.”

Asia

Our Asia region provides the growth engine for our business, and represented 37.4% of our revenue for the year ended December 31, 2013. This growth is driven by increased urbanization and other favorable trends in China, with the potential to grow spare parts sales in China as the market there matures. For the year ended December 31, 2013, we generated 93% of the revenue in our Asia region from our operations in China, with significant sales in India and South Korea as well. Our Asia business is characterized by provision of components in connection with new elevator installation, and close cooperation with market-leading Western MNCs active in China. In the year ended December 31, 2013, we generated 92% of our revenue in our Asia region through sales to our MNC customers, and doors and door components accounted for 93% of our sales in Asia. See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our geographic regions—Asia.”

Rest of the World

Our Rest of the World region primarily includes Eurasia, Turkey, the Middle East and Latin America, and represented 13.9% of our revenue, with the potential for significant future growth. Business in our Rest of the World region is primarily based on new elevator installations, except for in Russia, where a significant component involves elevator modernization and maintenance. Most of our customers in our Rest of the World region are Independents, who made up 79% of our revenue in our Rest of the World region in the year ended December 31, 2013. Our product mix is less reliant on doors and door components, which for the year ended December 31, 2013, made up 22% of our sales in our Rest of the World Region. See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our geographic regions—Rest of the World.”

Our Customers

Our key customers are MNCs, including both Western MNCs and Asian MNCs. Our largest customers are Kone, Schindler, Otis and ThyssenKrupp Elevator. We also serve Independents, which are typically active in a limited geographic market.

Western MNCs

Our largest customers, the Western MNCs Kone, Schindler, Otis and ThyssenKrupp Elevator accounted for approximately two-thirds of our revenue in the year ended December 31, 2013. We believe that Western MNCs accounted for approximately 43% of total revenue in the elevator industry in 2013. We manage these key customers through dedicated key account managers. Our close monitoring and management of our key customers enables us to meet their high expectations for quality and production process execution. During the past five years, we have negotiated framework contracts and supply agreements with Kone, Schindler and ThyssenKrupp Elevator, which typically run for a term of three years. We believe that through our quick response time and high quality of service we are able to meet our key customers’ high expectations in part due to global presence, which allows us to provide services and supplies on a local level. This global presence, combined with the engineering, quality and sales leadership that we offer, we are able to meet the market demands of our MNC customers.

Some of our contracts include “share-of-wallet” volume share undertakings with a term until 2016. These contracts constitute legal commitments by our customers to guarantee a minimum “share-of-wallet” for their product requirements to us, meaning that we provide a specified percentage of all of their requirements for certain specified products. Pursuant to these agreements, MNCs typically share their order intake and production forecasts with us, which improves the visibility on future volumes in the short and medium term.

Services are the most profitable part of elevator installers' business and, as a result, the reliability of components is key to their profitability. Elevator installers enter into service and maintenance agreements with their customers when they newly install elevators or modernize existing elevators. These agreements typically take one of two forms, depending on whether the customer opts for a standard or premium service agreement. The standard type of service agreement is an all-inclusive contract pursuant to which the customer pays a fixed fee for inspection, maintenance and repair, minus penalties for any periods during which the elevator experiences downtime. The premium service agreement likewise provides for a fixed fee for periodic inspections but the elevator installer can additionally claim an hourly rate and materials costs for repairs, plus a mark-up on these costs. As a result, both types of service agreement incentivize elevator installers to use high quality, premium components to maximize their profits, due to the all-in fee under the standard contract and the cost mark-up under the premium contract. The penalties for downtime further increase the installer's incentive to use high quality components because its all-in fee gets reduced as a function of the length and frequency of downtime, both of which can be minimized through the use of higher quality components. Due to these penalties elevator installers also attach high value to their suppliers' ability to delivery components quickly and reliably. This further benefits our business because we believe our delivery times are among the best in our industry.

In addition, we believe that MNCs benefit from limiting their suppliers, which benefits our position as an established and trusted supplier. We estimate that MNCs typically take approximately eight months to enter into a relationship with a new supplier, taking into account the process of searching for eligible suppliers, evaluating competitors, contract negotiation and the qualification of that supplier's specific components and maintenance manuals. By contrast, MNCs can create important efficiencies by building long-standing relationships with a select few trusted suppliers. These efficiently include greater economies of scale in training of suppliers, simpler servicing due to a higher degree of product standardization and guaranteed capacity at their suppliers for their requirements due to long-term contracts. We believe that these reasons account, in part, for our long-standing relationship with all our key MNCs.

We have had a relationship with Kone for more than 15 years, and our relationships with Schindler, Otis and ThyssenKrupp Elevator date back to the 1980s. Our long-standing relationships with our key customers and our collaborative work with them throughout the value chain from the conception, design, development, manufacturing and distribution of products to offering a comprehensive portfolio of after-sale services and technical support have allowed us to develop a deep understanding of our customers' needs, as well as the experience to supply appropriate solutions.

We believe that our reputation, based on years of quality, delivery and cost performance, is a key factor in the success of our business, and therefore we keep the development of new and exclusive products confidential, reinforcing our commercial ties with our customers and allowing us to work with customers competing in the same market segment simultaneously.

Independents

In the year ended December 31, 2013, we generated approximately 32% of our revenue from Independents. We believe that Independents accounted for approximately 39% of total revenue in the elevator industry in 2013. As opposed to our larger customers, Independents are typically interested in acquiring packages or complete elevators, given the increasing complexity and related challenges in meeting elevator industry norms and requirements. Independents usually require individualized solutions. They place a large emphasis on the solution as opposed to the technology that stands behind it. As a result, we offer support in the various relevant local languages for engineering and order processing through our local sales managers. Our full service offering to Independents includes commissioning of parts in our warehouses.

Asian MNCs

In the year ended December 31, 2013, we generated approximately 1% of our global revenue from Asian MNCs, such as Toshiba, Mitsubishi Electric, Fujitec, Hitachi and Hyundai Elevator Co., Ltd. We believe that Asian MNCs accounted for approximately 18% of total sales in the elevator industry in 2013. We have not yet captured a significant share of the Asian MNC market because we first focused on the quality of our Asian products. However, we have recently increased our sales efforts and now have several volume or share agreements under negotiation with Asian MNCs. In line with our approach to our Western MNCs, we also manage our Asian MNCs via dedicated key accounts.

Material Agreements with Customers

We have entered into a number of contracts and other agreements with our key elevator installation customers to provide our products to them. The terms of these agreements are commercially highly sensitive. Below we describe our

contractual and order relationships with the four major Western MNCs, which are our largest customers and account and together account for approximately two-thirds of our revenues.

Agreements with Customer 1

We recently entered into a series of agreements with Customer 1, including a new framework supply agreement. This framework agreement stipulates the terms by which we supply our components to Customer 1, including warranty provisions and a spare parts purchase program that survives the term of this framework agreement. The agreement has a fixed term that runs until December 31, 2016. Thereafter, the agreement is automatically renewed on an annual basis, unless terminated by either party with 180 days' prior notice. We have also entered into "share-of-wallet" agreements with Customer 1 in respect of Customer 1's requirements for certain components in certain regions, which run for a three-year period from 2014 to 2016. In addition, we have also entered into two product development agreements with Customer 1 that require Customer 1 to source components developed under the product development agreements exclusively from us for a three-year period following initial delivery. Customer 1 has also granted us a license to use certain of its intellectual property in connection with the manufacturing of components sold to it. We also have an agreement in place to jointly develop and improve components with Customer 1. The framework supply agreement and the product development agreements contain change of control termination provisions, which will allow Customer 1 to terminate the agreements upon consummation of the Transactions. However, we believe that given the economic benefit and mutual incentives of the agreement, the risk of termination is low. Customer 1 is our largest customer upon whom we are substantially dependent.

Supply Agreement with Customer 2

We have entered into a supply agreement with Customer 2 for the manufacture and supply of automatic landing and car doors and other elevator components. This agreement stipulates the general terms for supply, including the specifications of the products, payment and delivery terms and terms regarding the delivery of spare parts. This agreement was amended to provide for delivery of our components in the Asia region, and to include a specific "share-of-wallet" purchase obligation for the years 2013 to 2016. The initial term of this agreement runs for three years, to December 31, 2016. The agreement is automatically renewed on an annual basis for subsequent one-year periods, unless earlier terminated by either party upon twelve months' prior notice. The agreement also contains a change of control termination provision, which will allow Customer 2 to terminate the agreement upon consummation of the Transactions. However, we believe that given the economic benefit and mutual incentives of the agreement, the risk of termination is low. While Customer 2 is not our largest customer, it represents a growing portion of our sales and, as such, we are also dependent on it to a significant degree.

Arrangements with Customer 3

We do not have a formal framework agreement with Customer 3, but instead supply this customer on an individual order basis. We have also agreed to adhere to this customer's code of conduct and global supplier manual.

Arrangements with Customer 4

We do not have a formal framework agreement with Customer 4, but instead supply this customer on an individual order basis. Most of our orders for this customer are project-based. We are currently negotiating the terms of a global supply agreement with this customer. We have also entered into a number of local supply agreements with certain subsidiaries of Customer 4, which typically include fixed prices, no minimum purchase volumes, a penalty for delayed or defective delivery, a modified warranty scheme and limitations on our liability.

Sales and Marketing

The organization and size of our sales force has been significantly upgraded in the last two years aimed at building a strong foundation for the future. Key upgrades include:

- improved coverage and local support in local markets, such as China, India and the rest of Asia, by hiring 28 additional people;
- addressing local customer requirements through local engineering support for customized solutions and service in local language;
- "Wittur Academy" established as an ongoing effort to train our sales force on products, regulations and other relevant topics;

- harmonized central pricing and discount approach across different countries;
- technological support of our sales force with new iPad-based WEST tool, which allows real-time quoting at the customer site; and
- regular follow-ups at short intervals with local sales leaders to track number of customer visits, order activity and sales force effectiveness, including success of cross selling.

MNCs

As of September 30, 2014, we had eleven key account managers specifically focused on MNCs. In the past 24 months, we have established three new key account functions and have hired further staff to expand our sales and marketing coverage to previously not closely-covered Western MNCs as well as Asian MNCs.

Independents

We are present in all significant geographic regions other than North America, with our own sales force (110 employees as of September 30, 2014) supported by the local production facilities as well as trading companies and offices. Our sales force provides local support across all regions directed specifically at Independents. Independents demand more modules and complete elevators with a higher level of complexity and requirements for local certifications compared to our MNC customers.

Employees

The following tables set forth our headcount by region and function, respectively, as of December 31, 2011, 2012 and 2013 and as of September 30, 2013 and 2014:

	As of December 31,			As of September 30,	
	2011	2012	2013	2013	2014
	(unaudited)			(unaudited)	
Europe (including Africa)	1,326	1,447	1,391	1,404	1,423
Asia	769	943	1,185	1,187	1,398
Rest of World	327	395	381	386	385
Total^(*)	2,422	2,785	2,957	2,977	3,206

(*) Employee figures are headcount figures (including temporary workers in 2011 and 2012). Employee figures are based on the annual average for 2011, but on the number at period-end for all other periods presented.

	As of December 31,		
	2011	2012	2013
	(unaudited)		
Production	1,823	2,097	2,337
<i>thereof: direct</i>	1,278	1,471	1,617
<i>thereof: indirect</i>	545	626	720
Selling	232	268	264
General and administrative	260	301	254
R&D	107	119	102
Total^(*)	2,422	2,785	2,957

(*) Employee figures are headcount figures (including temporary workers in 2011 and 2012). Employee figures are based on the annual average for 2011, but on the number at period-end for all other periods presented.

There is no central works council for the entire Group. However, many of our employees are represented by works councils, particularly in Austria, Italy and Germany (at our operations in Dresden). We consider our relations with employees, works councils and unions to be satisfactory.

We provide pension plans to certain employees based on a company agreement under which pension commitments are granted in compliance with the regulations of Austria, Italy and the German pension fund of the German government and the German states (*Versorgungsanstalt des Bundes und der Länder*). In addition, we have pension commitments towards former managing directors and their relatives. As of September 30, 2014, these pension obligations amounted to €9.7 million. See Management's Discussion and Analysis of Financial Condition and Results of Operations—Pension Obligations."

Our Suppliers

Our top ten suppliers are based in China and Austria, respectively. We typically enter into framework agreements with each of our suppliers. These agreements provide for an initial term of one year and are subsequently automatically renewed for additional one year terms, unless earlier terminated. As a general rule, either party can terminate our supply agreements subject to 90 days' prior notice. Our suppliers usually provide payment terms requiring payment within 90 days. The warranty period under our supply agreements, in most cases, three years from delivery. Our supply agreements typically provide that the parties may renegotiate and adjust the price payable under the agreement, if a material change in the price of raw materials occurs. See Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations and Financial Condition—Steel Prices and Our Ability to Pass on Cost Increases to Our Customers."

Information Technology

Our most commonly used Enterprise Resource Planning ("ERP") system is Baan, which is running in the following key countries: Turkey, Italy, Spain and China. We recently have established LucaNet as our central controlling and finance tool. We are currently in the process of rolling out a global standardized ERP system ("Infor-LN") to our regions and subsidiaries. Infor-LN will allow steering of trading units, sales and plants. In addition, our new customer relationship management ("CRM") tool 'WEST' (CRM & product configurator) has been rolled-out as a pilot in Europe in 2014 and other regions will follow in 2015 and 2016.

Intellectual Property

Trademarks and Domains

As of September 30, 2014, we held 29 locally-protected trademarks, 18 of which were considered strategic. "Wittur" and "5 triangles" are the two main trademarks and they are registered in more than 80 countries around the world. The most recently registered trademark "Safety in motion" is protected in the European Union as well as in all the other countries where we have production plants or trading companies. We also registered our trademark "wittur" under various country code top-level domains in more than 20 countries worldwide and under the generic top-level domains ".org," ".biz" and ".info."

Patents

As of September 30, 2014, we owned 76 inventions (patents or utility models) locally protected in 13 countries for a total of more than 300 local patents and utility models. The protected inventions are divided into five categories: System (seven patents), Cars (three patents), Doors (46 patents), Safety devices (12 patents) and Electric Drives (six patents). Thirty-nine of these patents are considered of high importance to us.

During the year ended 2013, we registered three utility models and as of September 30, 2014, we had filed one patent and three utility models.

Licenses

As of September 30, 2014, we granted one exclusive know-how license regarding non-patented know-how in connection with our electric drives to a third party. We also have granted two non-exclusive patent licenses to a third party and received in turn two non-exclusive patent licenses from this party with regard to elevators with traction sheaves. We have also entered into a global license agreement with the trading companies within our group for the use of the trademarks "Wittur" and "5 triangles."

Property, Plant and Equipment

Our headquarters are situated in Wiedenzhausen, Germany. We fully own the building and area immediately surrounding the building with a surface area of 17,275 square meters.

As of September 30, 2014, we operated ten strategically-located production plants on three continents. We believe our global production platform allows us to maximize cost competitiveness, shorten lead times and limit transportation costs and import duties, while giving us close proximity to customers and enabling us to provide local support. Of our ten plants, five are located in Europe, one in Eurasia, one in China, one in India and two in Latin America.

Construction of our plant in Krupina, Slovakia was completed in 2009 and, since then, we have gradually expanded its capacity.

The following table provides an overview of our ten plants, four trading buildings (office or warehouses) and sole building held for sale in order of the total size of the property.

Production Plants

Location	Size of property in square meters	Thereof covered in square meters	Number of Employees	Owned or leased/ expiry dated for lease terms
Suzhou (China)	86,187	33,305	1,277	land-use right (until December 11, 2045; March 19, 2048; April 19, 2048 and June 10, 2054)
Parma (Italy)	57,930	31,980	353	owned
Zaragoza (Spain).....	39,296	18,696	252	owned
Krupina (Slovakia).....	35,500	8,900	240	leased (until December 25, 2023)
Scheibbs (Austria)	31,419	15,942	451	owned
Londrina (Brazil)	21,435	3,435	100	rented (three months' notice period/August 2015 and July 2017)
Istanbul (Turkey)	11,625	8,000	181	rented (until December 31, 2016)
Dresden (Germany)	9,583	4,171	132	owned
Chennai (India)	8,432	5,088	105	rented (until March 31, 2020)
Buenos Aires (Argentina)	6,100	6,100	95	rented (until April 2017/ December 2016)

Trading Buildings (Office or Warehouse)

Location	Thereof covered in square meters	Owned or leased/ expiry dated for lease terms
Wiedenzhausen (Germany).....	17,275	owned
Evry (France)	9,245	owned
Almere (Netherlands)	2,708	owned
Sydney (Australia).....	2,168	owned
Madrid (Spain).....	4,444	Owned, building held for sale

Research & Development

As of September 30, 2014, our R&D team consisted of 75 engineers working in each of our regions, including in emerging markets. We closely cooperate with our core MNC customers on new product developments, benefiting from our in-house R&D and product testing facilities. In the nine months ended September 30, 2014, we spent €6.3 million on R&D, of which €1.6 million was capitalized. In 2013, we spent €7.6 million on R&D, of which €1.8 million was capitalized.

In 2013, we increased our focus on R&D and introduced both a new global R&D unit and a new global R&D director to improve product development focus, better coordinate resources and global know-how and eliminate duplicative work. Our teams are supported by leading testing infrastructure, with dedicated laboratories for doors, drives and safeties. We also systematically analyze competitor products to improve our own products. Furthermore, existing test towers in Austria, China, Germany and Spain (currently under construction), also give us a key advantage as an independent component manufacturer. We have eight R&D centers that focus on performance improvements, weight reduction, energy efficiency, reliability, maintenance reduction, installation speed and adjustability to new industry norms and regulations. We also hold more than 300 patents.

We have a network focused on global cooperation with major universities that gives us access to innovative new technologies at an early stage. In addition, we have established a close interlink between our R&D department and our product certification team, thereby ensuring not only a short lead time for required certifications for new product innovations, but also allowing for very quick responses to new regulatory standards. Our R&D work focuses on a “mechatronic” (the combination of mechanical and electrical engineering) design approach, which enables us to develop intelligent components with monitoring and diagnostic capabilities, and optimizes installation time. As a result, the individual life cycle of our components is prolonged, which further supports our customers’ profitability, and therefore their loyalty to us.

In addition, we believe global safety standards in the elevator components industry are rising, and we are well-positioned to anticipate and swiftly adopt new standards and safety certification requirements. This is due to our representation on all key standard-setting organizations, including ELA and EEA in Europe, PALEA in the Asia Pacific region, VFA—VDMA in Germany, CEA in China and NEII in North America.

Environmental Matters

Our sites are subject to international, national and local environmental laws and regulations. We are currently in substantial compliance with all applicable environmental, health and safety regulations. These laws and regulations are constantly changing, however, as are the priorities of those who enforce them. We believe we are currently not required to perform any material remedial actions under any applicable environmental laws, nor do we anticipate any material expenses for such actions in the foreseeable future. See “Risk Factors—Legal, Taxation and Environmental Risks—We are subject to numerous laws and regulations in the many jurisdictions in which we operate, and we may be adversely affected by changes regarding applicable legal and regulatory requirements” and “Regulatory Matters.”

Insurance

We have taken out industry-standard insurance coverage under liability and property/business interruption insurance policies. All of our policies are underwritten by reputable insurance providers, and we conduct periodic reviews of our insurance coverage, both in terms of coverage limits and deductibles. We also actively monitor all key conditions under our policies and have systems in place to ensure that we remain in compliance with those conditions. We believe that our insurance coverage is sufficient for the risks associated with our operations.

For the benefit of our directors and officers, we have entered into a global directors and officers (“**D&O**”) insurance policy with three co-insurers based in Germany and England. The policy covers our present, former and future directors and officers, general managers, authorized officers and senior staff. It applies globally and provides for an insured limit of €10.0 million per claim and per year. The D&O insurance covers financial losses due to wrongful acts in respect of claims filed against the insured persons in writing, as well as the defense of liability claims and their settlement. The insurance coverage does not extend to claims due to certain deliberate acts by the insurees and there is no insurance cover for contractual penalties, fines or punitive or exemplary damages, to the extent insurance is prohibited by law.

Legal Proceedings

We become involved from time to time in various claims and lawsuits arising in the ordinary course of our business, such as personal liability claims, employee claims, disputes with our suppliers or authorities and intellectual property disputes. For example, we are currently litigating a claim brought by one of our customers in relation to a product manufactured by our subsidiary Wittur Electric Drives GmbH. Our customer asserts that servo motors produced and delivered by Wittur Electric Drives GmbH failed to comply with certain quality requirements and claims damages of approximately €1.2 million. However, we are currently not involved in any legal proceedings which, either individually or in the aggregate, are expected to have a material adverse effect on our financial position or results of operations. We note, however, that the outcome of legal proceedings can be extremely difficult to predict, and we offer no assurances in this regard.

REGULATORY MATTERS

Our operations are materially affected by government regulations in the form of international conventions, national, regional and local laws and regulations in the jurisdictions in which our products are manufactured, as well as in the country or countries of their distribution and installation. Because such conventions, laws and regulations are constantly subject to revision, it is not possible to predict the continuing costs of compliance with such conventions, laws and regulations and the impact thereof on our business operations. Additional laws and regulations, environmental, security related or otherwise, may be adopted and could increase our costs. See “Risk Factors—Legal, Taxation and Environmental Risks—We are subject to numerous laws and regulations in the many jurisdictions in which we operate, and we may be adversely affected by changes regarding applicable legal and regulatory requirements” The following explanations are limited to the most significant conventions, laws and regulations which might be important for our business operations, *i.e.* those in the European Union (including Germany) and China, as these jurisdictions have a great impact on our business.

Permits, Licenses and Certificates

We are required to obtain certain permits, licenses and certificates with respect to our operations. Permits vary according to the underlying national regulations, but typically include business, operating and manufacturing licenses, emissions, waste, water and waste water permits as well as specific building permissions. The kinds of permits, licenses and certificates required for the manufacturing, distribution and storage operations and sites for lift components will depend upon a number of factors. Subject to the discussion in this section, we believe that we have been and will continue to be able to obtain all permits, licenses and certificates material to the conduct of our operations.

Competition and Trade rules

European Union

In the European Union, we are subject to the competition rules, particularly those set forth in Articles 101 and 102 Treaty on the Functioning of the European Union (“**TFEU**”). Article 101 TFEU generally prohibits and declares void any agreement or concerted actions among companies which adversely affect competition, in particular if they lead to the formation of cartels or anticompetitive foreclosure. The abuse of a dominant position is prohibited by Article 102 TFEU. These provisions apply to horizontal cooperation (*i.e.* cooperation between competitors) as well as to vertical cooperations (*i.e.* cooperation within the production chain). The forms of cooperation subject to these provisions can include cooperation agreements, licensing agreements, distribution agreements or joint ventures. Under specific conditions, certain forms of cooperation are exempted from antitrust provisions or may be approved upon application if they contribute to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit.

Mergers and acquisitions exceeding a certain threshold are therefore subject to approval by the European Commission. Failing approval these acquisition agreements are void. Consequently, the Acquisition Agreement has been submitted to the competent anti-trust authorities. See “Risk Factors—Risks Related to the Transactions—The Acquisition is subject to significant uncertainties and risks.”

Anti-competitive behavior is subject to fines and penalties.

We are also subject to the state aid rules, particularly those set forth in Articles 107 and 108 TFEU. Government support granted to the Wittur Group, whether in the form of grants, tax allowances, public loans, guarantees or any form whatsoever, is considered state aid within the meaning of Articles 107 and 108 TFEU and must be in compliance with the requirements set forth therein. Where such state aid has been granted in breach of procedural and/or substantive requirements, this government support is illegal. Any breach of European Union state aid law may lead to recovery of the sums received. Such recovery may be ordered by the granting authority itself or by competitors bringing actions for recovery before the national courts.

Austria

Since we have subsidiaries in Austria, compliance with Austrian competition law is also relevant for us. The Austrian Cartel Act (*Kartellgesetz*) sets out largely similar provisions regarding horizontal and vertical restrictions of competition and abuses of dominance as the EU competition law. Alleged violations are investigated by the Austrian Federal Competition Authority and/or the Federal Antitrust State Attorney, the so-called Official Parties. A major difference as compared to other jurisdictions in the EU is that none of the Official Parties has any decision making power—instead they act as a state

prosecutor, bringing cases to the Higher Regional Court of Vienna acting as the Cartel Court (*Oberlandesgericht Wien als Kartellgericht*). The Cartel Court then decides whether there has been a breach of the law and issues a fully reasoned decision. The Official Parties propose a penalty to be imposed; however, it is up to the Cartel Court to decide upon the level of the penalty. Furthermore, for concentrations which do not fall within the scope of the EU merger control, the Austrian Cartel Act provides for a merger control regime, the applicability of which depends on meeting certain worldwide and domestic turnover thresholds. As regards the granting of merger control clearances in phase I, the decision making power is with the Official Parties.

Germany

Since our business is build up on a large presence in Germany, German competition legislation may apply to us as well. However, if applicable, the European Union competition rules have priority over the national provisions. The German Act against Restraints of Competition (“*Gesetz gegen Wettbewerbsbeschränkungen*”—“**GW**B”) sets out largely similar restraints on agreements and concerted actions among companies. The competent authorities are the German Federal Cartel Office and the Federal State cartel authorities.

China

We are subject to anti-competition regulations in China. The Anti-Monopoly Law of the People’s Republic of China (“**PRC**”), which took effect on August 1, 2008, prohibits monopolistic conduct, such as entering into monopoly agreements, abuse of dominant market position and concentration of undertakings that have or may have the effect of eliminating or restricting competition.

Monopoly Agreement

Competing economic operators must not enter into monopoly agreements that eliminate or restrict competition, for example by boycotting transactions, fixing or changing the price of commodities, limiting the output of commodities, fixing the price of commodities for resale to third parties, or by other means, unless the agreement concerned satisfies the criteria for exemptions under the Anti-Monopoly Law, such as improving technologies or increasing the efficiency and competitiveness of small and medium-sized undertakings. Monopoly agreements include agreements, decisions and other concerted conducts designed to eliminate or restrict competition. Sanctions for violations include an order to cease the relevant activities, confiscation of illegal gains and fines (from 1% to 10% of sales revenue from the previous year, or RMB 500,000 if the intended monopoly agreement has not been performed).

Abuse of Dominant Market Position

An economic operator with a dominant market position must not abuse its dominant market position for certain types of conduct, such as selling commodities at unfairly high prices or buying commodities at unfairly low prices, selling products at prices below cost without any justifiable cause, and refusing to trade with a trading party without any justifiable cause. Sanctions for violation of the prohibition on the abuse of dominant market position include an order to cease the relevant activities, confiscation of the illegal gains and fines (from 1% to 10% of sales revenue from the previous year).

Concentration of Undertakings

Where a concentration of undertakings reaches the declaration threshold stipulated by the State Council of the PRC, a declaration must be approved by the anti-monopoly authority before the parties are allowed to implement the concentration. Concentration refers to (1) a merger of undertakings; (2) acquiring control over other undertakings by an undertaking through acquiring equities or assets; or (3) acquisition of control over, or the possibility of exercising decisive influence on, an undertaking by contract or by any other means. If economic operators fail to comply with the mandatory declaration requirement, the anti-monopoly authority is empowered to terminate and/or unwind the transaction, dispose of relevant assets, shares or businesses within certain periods and impose fines of up to RMB 500,000.

Foreign Trade Provisions

Foreign Trade provisions, in particular export and import control regulations, prohibit or restrict exports and imports of certain products and trade with sanctioned countries, organizations and persons. Since we operate in various countries, we may be subject to such restrictions. If we do not comply with those provisions, the competent authorities may impose fines or sanctions on the Wittur Group and/or the persons involved.

As a general rule, the import and export of certain products which may endanger the public safety such as weapons, certain explosive materials or security-sensitive technologies are permanently subject to approval. Generally, all other products may be imported and exported without approval as long as Customs provisions are complied with.

In case economic sanctions are imposed on other countries, trade with those countries is restricted, *e.g.*, import and export *in toto*, or as regards certain economically sensitive products, or regarding economic relationships with certain organizations or natural persons. Those economic sanctions may be imposed on several levels.

International

Economic sanctions on the international level may be imposed by the UN Security Council. Pursuant to Art. 41 Charter of the UN (“**UN Charter**”), the Security Council may decide which measures not involving the use of armed force are to be imposed to give effect to its decisions. These measures may include “complete or partial interruption of economic relations.” The UN Member States are obliged to enforce these measures, Art. 48 (2) UN Charter. The Security Council may determine whether its enforcement measures shall be taken by all or only by specific UN Member States, Art. 48 (1) UN Charter. The sanctions are issued by UN resolutions and supervised by Sanction Committees or Working Groups established by the Security Council. The Security Council publishes and updates the consolidated list of currently enforced economic sanctions.

European Union

Foreign trade provisions are mainly imposed on EU level as the European Union Treaties include the Common Commercial Policy which does not leave any further competence in this area to the Member States, Art. 3 (1) e) TFEU. As a general rule, import and export is not restricted except for certain products for safety, security of supply or environmental reasons. For instance, dual-use products are subject to Council Regulation (EC) No 428/2009 of May 5, 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (“**Dual-Use Regulation**”) as last amended by Regulation (EU) No 599/2014.

Apart from the permanent trade control provisions, economic sanctions may be imposed pursuant to Art. 215 TFEU by Council decisions which determine the transactions, products, entities and/or persons affected. These decisions are in general implemented by Council Regulations which are directly applicable in the Member States. An updated consolidated list of current sanctions in force is published on the websites of the European External Action Service (“**EEAS**”).

China

Any company engaging in the import and export business must obtain a customs registration certificate from the General Administration of Customs or its local counterparts and an independent declarant registration certificate from the Entry & Exit Inspection and Quarantine Bureau.

Importation of elevator components is subject to the inspection and quarantine procedures required by the Entry & Exit Inspection and Quarantine Bureau or its local counterparts and the customs clearance procedures with the General Administration of Customs or its local counterparts, and the importer shall pay importation tariffs and value-added tax according to the relevant tariffs and tax rules.

Imported elevator components must comply with applicable technical standards and satisfy the mandatory testing requirements. If a permit is necessary for the manufacturing and sale of any such elevator component in China, such permit must be obtained before any imported elevator components can be sold in China.

Elevator components that are imported into or exported out of China must also comply with all other general commodity import and export inspection laws and regulations.

Security and Safety Matters

Security and safety matters are of significant importance to our product offering and operations.

Product regulation

Our lift components and complete lift systems are subject to various product regulations in the countries where they are placed on the market or installed. Lift installation is typically also subject to provisions stemming from building regulations

such as minimum shaft widths and safety and fire protection requirements. Those requirements are imposed on the installer of the respective elevator components. As we ourselves do not install lifts, these requirements do not apply to us. In any case, we are in compliance with the product regulations mentioned in more detail below with the result that we enable our customers to comply with the related installation requirements.

European Union

Within the European Union, the requirements for lifts and lift components are set out in Directive (EC) No 95/16 of June 29, 1995 (“**Lift Directive**”) as last amended by Regulation (EU) No 1025/2012 of the European Parliament and of the Council of October 25, 2012. The Lift Directive provides for essential health and safety requirements for lifts and safety components for lifts and harmonizes the respective product standards. Products having passed a conformity assessment with regard to the essential health and safety requirements in one Member State are marked with the CE-mark applicable in all other Member States unless they present a risk to the safety of persons or, where appropriate, to property. When applying harmonized standards officially published by the Commission, there is a presumption of conformity with the essential health and safety requirements. Although the Lift Directive sets only a minimum standard as regards product requirements, the Member States are not entitled to provide for stricter technical requirements than those laid down in the Lift Directive if they require the lifts to be modified in a way not specified by the Lift Directive. However, they may provide for additional requirements concerning the use of the lift provided there is no impact on the technical requirements.

The directive had to be transposed into national law (“**National Implementing Measures**”).

On February 26, 2014 a recast of the Lift directive was adopted. The new Lift Directive sets out specific obligations for the manufacturer, the distributor and the installer of lifts and lift components. Additionally, the conformity assessment procedure has been harmonized and is applicable in every Member State. Market surveillance mechanisms have been strengthened and harmonized. However, it still remains up to the Member States to implement their own and effective penalty system including fines, administrative and even criminal sanctions if necessary, in order to deter non-compliance with the essential health and safety requirements as well as non-compliance with the regime governing the CE marking.

Directive 2014/33/EU on the harmonisation of the laws of the Member States relating to lifts and safety components for lifts has to be transposed into national law by April 19, 2016. Those measures shall apply from April 20, 2016. On that same day, the current Lift Directive will be repealed.

Escalators, moving walkways as well as stair lifts and lifting devices for the disabled do not fall under the scope of the Lift Directive. As regards these products, the essential health and safety requirements are set out in the Directive 2006/42/EC (“**Machine Directive**”).

The Machine Directive already provides, and the new Lift Directive will provide, for similar procedures as regards the conformity assessment and the market surveillance mechanisms, as both directives are based on the so-called New Legislative Framework on Product Safety creating an integrated framework for European Union Product Regulation applicable to all harmonized products.

Technical specifications providing means of satisfying the aforementioned essential health and safety requirements are available in harmonized European Standards (issued by the European Committee for Standardization—“**CEN**”). Application of the harmonized standards is not mandatory. However, applying the approved standards justifies the presumption of conformity with the essential health and safety requirements. Those standards may be adopted as mandatory national standards by the Member States.

Austria

The Lift Directive was transposed into Austrian law through the Austrian Lift Safety Ordinance (*Aufzugesicherheitenverordnung*) and the Austrian Lifting System Operating Ordinance (*Hebeanlagen-Betriebsverordnung 2009*), whereas the Machine Directive has been implemented in Austria by virtue of the Austrian Machine Safety Ordinance (*Maschinen-Sicherheitenverordnung 2010*). The aforementioned Austrian ordinances transpose the Lift Directive and Machine Directive in a rather literal way.

Germany

As the Lift Directive leaves the Member States only a very limited margin for even stricter regulation, Germany's transposition of the Lift Directive may be cited as a good example for a fully harmonized legislation. The current Lift Directive is transposed into national law by virtue of the 12th Product Safety Ordinance (Lift Ordinance) ("*Zwölfte Verordnung zum Produktsicherheitsgesetz—Aufzugsverordnung*"). The ordinance is basically limited to a literal application of the European Union Lift Directive. Accordingly, the ordinance only refers to the conformity assessment procedures provided for in the European Union Lift Directive and its Annexes. Lift components which are to be installed in a lift may be exempted from conformity assessment if the manufacturer establishes that the lift itself is in conformity with the Lift Directive's conformity provisions. Non-compliance with the lift regulation is defined as an administrative offense.

Until now and in light of the transposition period ending in April 2016, neither a modified Lift Ordinance nor a corresponding Draft has been issued yet. A literal transposition of the requirements and procedures laid down in the European Union Lift Directive would be sufficient in order to comply with the narrow margin of regulation left to the Member States. However, the Member States remain free *inter alia* to increase the penalty or administrative offense system established for non-compliance with the Lift Directive's requirements provided sanctions remain proportionate to the infringements. Thus, it remains unclear whether Germany (or the other European Union Member States) will transpose the new Lift Directive in a rather literal way or whether their tendency will be to impose stricter requirements.

China

Production Permits

On January 24, 2009, the State Council of the PRC issued the "Regulations on Safety Supervision over Special Equipment," which became effective on May 1, 2009. Specifically, these regulations are designed to govern certain specialized equipment in the marketplace and outline specific rules and regulations in connection with their production and safety.

The aforementioned Regulations consider elevator safety components as a kind of "special equipment" and designate the "General Administration of Quality Supervision, Inspection and Quarantine" (the "**Supervision Bureau**") as the supervising entity for the production, use and inspection of such elevator safety components. The Supervision Bureau published a "**Special Equipment Catalogue**." Many of the products that we produce, including the elevator drive, speed governor, lift controller, safety gear and door locks are elevator safety components listed in the Special Equipment Catalogue and thereby subject to the Regulations.

According to the Regulations and certain specific provisions promulgated by the Supervision Bureau, all elevator safety component manufacturers must obtain a "Special Equipment Manufacturing Permit" from the China Special Equipment Inspection and Research Institute (the "**Research Institute**"), which is a subordinate organization of the Supervision Bureau, in order to produce and sell any elevator safety components.

In order to apply for such permit, the elevator component manufacturers must submit sample equipment along with its application to the Research Institute for inspection and other analysis. Once the manufacturer and the respective elevator components pass the examination and are officially recorded in the Research Institute's files, the manufacturer is deemed to have obtained the aforementioned special equipment manufacturing permit. Once the manufacturer obtains such permit, the elevator components that have passed the inspection will be considered licensed products that are fit for large-scale production and sales in China. It is important to note that manufacturers that engage in the production of elevator safety components without a valid permit can be assessed a maximum penalty of RMB 300,000 by the Supervision Bureau. Manufacturing products without such permit may also be deemed a criminal offense.

We also manufacture other elevator components in China, including elevator cars, car slings and inverters. In China, such components are not considered "special equipment," therefore, we are not required to obtain a special equipment manufacturing permit in order to produce and sell these components in China.

Maintenance and Repair

On June 29, 2013, the Standing Committee of the National People's Congress promulgated the PRC Special Equipment Safety Law, which became effective on January 1, 2014. Pursuant to the PRC Special Equipment Safety Law, complete lift system manufacturers or a commissioned qualified service provider are responsible for the elevator's maintenance and repairs. If the complete lift manufacturer is unable to effectively fulfill its maintenance obligations or commissions an

unqualified third party service provider to assist in the elevator's maintenance, the complete lift manufacturer will be penalized by the Supervision Bureau.

Technical Standard

In China, the technical requirements for new elevators include in the "Safety Standard for the Construction and Installation of Elevators (GB7588-2003)" and its provisions are based on an equivalent European standard, *i.e.*, the "Safety Rules for the Construction and Installation of Lifts—Electric lifts. (EN81-1:1998)." Further, the technical requirements under GB7588-2003 are equivalent to those under EN81-1:1998. Although GB7588-2003 is intended for complete lifts, many provisions in the standard apply to elevator components as well.

As of now, China has no applicable industry-wide technical standards for a majority of other elevator components manufactured by us, with the exception of elevator drives, which have a separate national technical standard titled "Elevator Drives (GB/T 24478-2009)." The elevator components that we manufacture must fulfill the requirements stated in the above mentioned technical standards.

Product liability

European Union

As regards marketing our products, we are subject to provisions on (civil) product liability and may, therefore, be held liable in cases of damage caused by a defective product manufactured by us. In the EU, Directive (EEC) No 85/374 of July 25, 1985, as amended by Directive (EC) No 1999/34 of May 10, 1999 ("**Product Liability Directive**") applies to movables which have been industrially produced even if incorporated into another movable or into an immovable. It establishes the principle of objective liability (liability without fault of the producer) in cases of damage caused by a defective product. The Directive applies to damage caused by death or by personal injuries and damage to an item of property intended for private use or consumption, insofar as damage exceeds EUR 500. The Product Liability Directive does not in any way restrict compensation for non-material damage under national legislation.

Austria

The Product Liability Directive has been transposed into Austrian law by virtue of the Austrian Product Liability Act (*Produkthaftungsgesetz*). The Austrian Product Liability Act does not contain criminal or administrative penalties. However, intentional and negligent conduct may lead to a criminal liability (e.g., bodily injury caused by negligence). The liability regime of the Austrian Product Liability Act covers liability for death, bodily injury and damage to tangible property (other than the defective product itself) resulting from a defect in a product. Compensation for the damage of tangible property may only be claimed if it was not used by an entrepreneur predominantly for his business and compensation may only be claimed for the part exceeding €500. The scope of compensation of damages to persons is subject to general civil law provisions of the Austrian General Civil Code (*Allgemeines Bürgerliches Gesetzbuch*).

China

The Standing Committee of the National People's Congress amended and restated the PRC Product Quality Law on July 8, 2000. Under the PRC Product Quality Law, a manufacturer or seller is liable for a design or manufacturing defect of a product that has been placed on the market, if such defect caused a third party to sustain any injuries or damages to its person or property.

The word "manufacturers" is not clearly defined under the PRC Product Quality Law. According to the current interpretation of the PRC Product Quality Law, as of now, it appears that product liability claims can only be made against those who make, sell or license defective end-products. According to current practices, it appears Chinese courts generally do not accept claims made by end-users directly against components suppliers and parts producers. Given that we are an elevator component manufacturer, it appears that a court is unlikely to admit a claim brought by an end-user against us predicated on the grounds of violation of any PRC product quality law unless the products are directly sold to the end-users. However, as previously mentioned, complete lift manufacturers may still claim against component suppliers for any losses arising from any injury or damage caused by defects in its elevator products on the grounds of breach of warranty obligations.

Chemicals, Hazardous Substances and Goods

For our manufacturing activities, we use chemicals and hazardous substances which are subject to specific regulations on their use and transport in various jurisdictions and on international level. See “Risk Factors—Legal, Taxation and Environmental Risks—We could incur liabilities under environmental laws and regulations, including liability for soil, water or groundwater contamination or for risks related to hazardous materials.” See also below “—Environmental Matters—Contamination” and “—China—Clean-up Obligations.”

International

As regards the transportation of dangerous goods, the European Agreement concerning the International Carriage of Dangerous Goods by Road (“**ADR**”) as of September 30, 1957, as amended on January 1, 2013 includes provisions applicable to the carriage of dangerous goods on roads. Pursuant to the ADR, subject to compliance with a number of conditions, such as packaging and labelling requirement, dangerous goods may be carried internationally in road vehicles. Specific dangerous goods (*e.g.*, goods which are poisonous and explosive at the same time) are excluded from carriage on the road.

European Union

The EU Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No. 1907/2006), (“**REACH**”), as amended by Commission Regulation (EU) No 317/2014 of March 27, 2014, imposes significant obligations concerning chemical substances. Its main objectives include improving the protection of human health and the environment from risks that can be posed by chemicals and ensuring the free circulation of substances within the Internal Market of the EU. Most of the burden for compliance with this Regulation is borne by the chemical industry. However, this Regulation includes a number of restrictions on the use of chemicals and requirements for authorization to use certain chemicals which may affect the ability to use certain substances or make it necessary to use substitutes authorized in the European Union. Further related items of legislation regulating chemicals or products are not replaced by REACH and continue to apply. REACH also sets out information and documentation obligations.

Occupational Health and Safety

According to national and international provisions, we are obliged to take measures related to health and safety at work in most jurisdictions. Knowledge of hazardous substances and associated health and safety risks develops over time as do the related standards do. In this context, we must, for example, perform risk assessments, maintain registers of hazardous substances and issue working instructions to ensure the safe handling of hazardous substances and manufacturing equipment by our employees. In general, compliance with employment safety regulations is subject to regulatory supervision.

China

The Standing Committee of the National People’s Congress amended the PRC Safe Production Law on August 31, 2014 becoming effective on December 1, 2014, which sets out the legal framework to achieve and ensure safety in a manufacturer’s production and operation activities. Under the Safe Production Law, manufacturers are required to establish internal safety systems and regulations and (i) set up internal organizational structures or (ii) appoint responsible personnel in order to provide working and manufacturing conditions that strictly comply with industry-wide standards or the safety requirements promulgated by the relevant PRC authority.

Manufacturers that do not satisfy the facilities and conditions required by law or other industrial standards are not allowed to start or continue their production or operation activities. Manufacturers are also required to set up clearly visible safety caution signals at their production or operation sites, facilities or equipment where there is a material risk to safety and must also provide protective uniforms and personal care products to the relevant employees for their personal protection.

The PRC Law on the Prevention and Treatment of Occupational Diseases amended and restated as of December 31, 2011, states that the working environment and conditions provided by employers must meet certain occupational health standards and other requirements. The law also states that employers must also adopt and implement measures to ensure that employees have access to occupational health protection systems. The employers are also obliged to obtain social insurance cover for any work-related injuries as required by law; additionally, employers engaged in projects that have a hazardous factor causing an occupational disease listed in the Occupational Diseases Catalogue must declare such activities and be supervised by the relevant work safety authorities.

Environmental Matters

We must comply with a wide range of environmental laws and regulations in various jurisdictions. For example, we must comply with regulations on emissions control, on the handling of hazardous substances (see above), water laws, regulations on waste management and packaging waste and on the prevention or clean-up of contamination. We are also subject to various preventive and precautionary measures, for example in ecologically sensitive areas, flood risk areas and areas known to be contaminated. All the aforementioned regulations vary from one jurisdiction to another.

Some of the environmental and administrative requirements are specific to our production mechanisms, such as those set out by emission control legislation, water and waste regulation. Accordingly, permits are based on figures relating to our production; in particular they depend on the specific conditions at the individual production sites. Thus, changes in the production system may lead to changes in the assessment of the underlying permits. Others, such as building law and contamination regulation, relate only to our production sites. In most countries we are active as a manufacturer, the construction of a plant requires a building or similar permit, possibly permits under emission control law or similar regulations. Contamination regulation with regard to the production sites is common as well.

Contamination

Where the soil or groundwater on our current or former properties is contaminated or such contamination is suspected, we may be held liable by the authorities. See “Risk Factors—Legal, Taxation and Environmental Risks—We could incur liabilities under environmental laws and regulations, including liability for soil, water or groundwater contamination or for risks related to hazardous materials.”

National regimes governing liability for contamination of soil and groundwater can include for example, obligations to investigate, clean-up, remove, reduce or prevent the migration of detected contaminations from our sites. Authorities may order investigation, remediation or containment measures. Such liabilities regularly affect the party that caused the contamination (polluter) or the owner of the relevant premises, but national laws may also provide that further parties, such as the former owner or the party having control of the premises (*i.e.* the lessee) can be held (jointly or severally) liable for the often costly remediation measures.

Greenhouse Gas Regulation

International

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the “**Kyoto Protocol**”) entered into force. Pursuant to the Kyoto Protocol, countries which are party to the Protocol are required to implement national programs to reduce emissions of certain gases, generally referred to as greenhouse gases. A new global agreement on climate change is expected by 2015, possibly taking effect in 2020. Future amendments to the Kyoto Protocol or a new agreement may increase obligations to reduce emission of greenhouse gases. Therefore, the regulations on greenhouse gases may be transposed into domestic laws which may apply to our manufacturing business.

European Union

As a general rule, operators are required to hold allowances in order to emit CO₂ emissions. One allowance confers the right to emit the equivalent of one ton of CO₂ during a specified allocation period. The competent authority sets an emissions cap and the total amount of allowances cannot exceed this threshold, limiting the total emissions of the operator to that level.

More generally, there are several roadmaps, strategies and plans in place at European Union level providing for the reduction of emissions, an increase of the share of renewable energies or more energy efficiency. In October 2014, EU Heads of State and Government also reached an agreement on a new climate and energy framework for 2030. Various objectives have been agreed upon, including a cut in greenhouse gas emissions by at least 40% by 2030 compared to 1990 levels, an EU-wide binding target for renewable energy of at least 27% and an indicative energy efficiency target of at least 27%.

China

As regards environmental matters in China, the following aspects should be noted.

Regulatory Framework

Manufacturers in China are subject to the requirements of PRC environmental laws and regulations on air emission, waste water discharge, solid waste and noise. The major environmental regulations applicable to manufacturers include the PRC Environmental Protection Law, the PRC Law on the Prevention and Control of Water Pollution and its Implementation Rules, the PRC Law on the Prevention and Control of Air Pollution, the PRC Law on the Prevention and Control of Solid Waste Pollution, and the PRC Law on the Prevention and Control of Noise Pollution. Manufacturers are required to build environmental treatment facilities during the construction of their manufacturing sites in order to adequately treat the waste air, waste water and waste solids generated by their production facilities.

Overview of Environmental Permits and Licences

In China, a manufacturer must go through the environmental assessment and acceptance approval process before the commencement of each and every of its operations. The manufacturer must obtain from the local environment protection bureau, on a step-by-step basis, (i) an approval of the environmental impact assessment report prepared by a professional firm engaged by the manufacturer prior to commencement of the construction of the plant, (ii) an approval for trial production (if required) upon completion of the plant and (iii) an approval of a completion acceptance monitoring report prepared by a professional firm engaged by the manufacturer within 3 months of the trial production. Once these approvals become effective, the local environmental bureau will, upon the manufacturer's application, issue a regular pollutant discharge permit with a valid term of usually three years, which is subject to renewable on a regular basis.

Day-to-Day Compliance Requirements

As previously mentioned, manufacturers must comply with national and local emission standards, which are subject to change from time to time, in connection with their daily waste water, waste gas and noise emissions. The manufacturers' environmental treatment facilities, their installation, maintenance and operation must comply with the environmental protection agency's requirements. Further, in order to discharge any pollutants, the manufacturer must obtain a valid pollutant discharge permit, which may be revoked or not extended if the manufacturer is unable to comply with the above mentioned emission standards or requirements. Manufacturers may also be required engage professional environment protection organizations to help regularly monitor and report on their pollutant emissions.

Environmental Liabilities

It is important to note that if a manufacturer is in violation of any environmental law or regulation, in addition to the possible revocation of its pollution discharge permit, it may be subject to admonitions, penalties, investigations or inquiries imposed by the environmental regulators, suspension of operation or even closedown of the manufacturer as well as other civil claims, criminal liabilities or other legal proceedings.

Clean-up Obligations

In addition, under the PRC Environmental Protection Law and PRC tort law, a manufacturer is responsible for cleaning up in the event that its operations result in the contamination of the environment at its manufacturing facilities. If a manufacturer violates or fails to comply with the requirements, it can be fined or otherwise sanctioned by regulators.

Compliance

We are subject to the criminal laws applicable in the jurisdictions where we operate. In particular, our managers and employees may be prosecuted if they commit acts of bribery, corruption, fraud or embezzlement. Those criminal offenses may be punished by imprisonment or penalties. Also, the authorities may impose fines on the company. Acts of bribery may constitute criminal offenses if committed by an economic operator in the public or private sector by providing monies or other valuable goods in exchange for preferential treatment compared to its competitors.

The responsible persons of our companies may be subject to criminal prosecution if they do not comply with national or international export and import control and customs regulations.

MANAGEMENT

The Target

The Target is a limited liability company organized under the laws of Germany. The Target was incorporated on May 12, 2011 and is registered with the commercial register of the local court of Munich under number HRB 192091 and its registered office is Rohrbachstrasse 26-30, 85259 Wiedenzhausen, Germany. The Target is managed by its managing directors and its executive management team.

Supervisory Board

Following the consummation of the Acquisition, Bain Capital intends to establish a supervisory board (*Aufsichtsrat*) or advisory board (*Beirat*) at the Target or one of its holding companies or subsidiaries (the “**Supervisory Board**”). The Supervisory Board is expected to be responsible for certain key operational decisions of the Group in accordance with the constitutional documents and resolutions of the shareholders’ meeting of the relevant entity. The Supervisory Board is also expected to be entrusted with the ultimate direction of the Group, as well as the supervision and control of the management. The principal functions of the Supervisory Board will be to debate and authorize the strategic orientation of the Group. The executive address of the members of the Supervisory Board is expected to be Rohrbachstrasse 26-30, 85259 Sulzemoos-Wiedenzhausen, Germany.

The Supervisory Board will include members appointed by Bain Capital, although the Supervisory Board’s composition after the Acquisition has not yet been determined.

Management

Managing Directors

Name	Age	Member since	Responsibility
Dr. Walter Rohregger	55	2012	Chief Executive Officer
Dr. Daniel Wiest	51	2012	Chief Financial Officer

The managing directors can be contacted at the Target’s business address: Wittur International Holding GmbH, Rohrbachstrasse 26-30, 85259 Sulzemoos-Wiedenzhausen, Germany.

We set out below brief summaries of the biographies of our Chief Executive Office (“**CEO**”) and our Chief Financial Officer (“**CFO**”):

Dr. Walter Rohregger joined us in 2012 when he was appointed CEO and chairman of the executive management board of Wittur Group. Dr. Rohregger holds a doctoral degree in mechanical engineering from the Polytechnic University of Turin, Italy, and graduated from the Advanced Management Program (AMP 157) at Harvard University Business School in 1999. Prior to joining us, he was CEO and group executive member of GKN, a leading global supplier of components for the aerospace, automotive and agricultural industries, where he was responsible for various businesses across the group including the implementation of growth strategies and operational improvements. In particular, he spearheaded GKN’s Asia-Pacific expansion via organic growth and acquisitions for more than a decade. In his 25 years at GKN, Dr. Rohregger worked in a variety of positions, including in manufacturing, technical development and sales.

Dr. Daniel Wiest joined us in 2012, when he was appointed as CFO and joined the executive management board of Wittur Group. He graduated from the Universities of Munich and Hohenheim with a degree in business administration and earned a doctoral degree in political science from the University of Berlin for his thesis “Banks as M&A Consultants in Germany.” Prior to joining the Group, Dr. Wiest was responsible for several value creation programs in various industries. He assumed the position of chief risk officer and CFO at TimePartner Holding GmbH, a German employment agency, in Hamburg, Germany, and at KCA Deutag Group, a global drilling and engineering contractor, in Aberdeen, United Kingdom, and Zurich, Switzerland. After that, Dr. Wiest acted as chief restructuring advisor for ESE World B.V., a leading manufacturer of waste storage systems, in Maastricht. Additionally, Mr. Wiest was member of the supervisory board of Augusta Technologie AG, a German manufacturer of components for vision technologies and since 2010 he has held the position of Chairman of the Supervisory Board of Pact Holding AG, a German marketing consultancy. He has worked with a

number of private equity-owned companies, most recently with KCA Deutag and APCOA (a European market leader for parking services).

The CEO and CFO of the Wittur Group will continue to be responsible for the daily operations of Wittur. However, we cannot assure you that we will be able to retain our current management. See “Risk Factors—Risks Related to Our Business—We are dependent on our ability to attract and retain highly qualified senior management, key employees and personnel.”

Executive Management Team

Name	Age	Member since	Responsibility
Sergio Biglino	60	2004	Executive VP Asia Pacific, Marketing and KAM
Javier Navamuel	47	2002	Executive VP Europe, Africa and the Americas
Miguel Marcos	45	2012	Supply Chain
Dr Etienne Nitidem	48	2013	R&D
Andreas Witte	46	2013	Americas
Ulvi Kadakal	51	2013	Eurasia

Sergio Biglino has been with our Group since 2004, when he was appointed Managing Director of Wittur SpA. He graduated from the University of Genoa with a degree in electrical engineering. Mr. Biglino is a member of the Italian official register of engineers. Mr. Biglino’s responsibilities included corporate sales and marketing. Currently, he is our Executive Vice President for Asia Pacific. Mr. Biglino, an Italian national, gained his experience in the electric machine components and automotive industry. His regions of focus have been Europe and Asia. Mr. Biglino is currently located in Shanghai where he oversees the further growth of the Asian market.

Javier Navamuel graduated from the University of Zaragoza with a degree in industrial engineering. He joined us in 2002 as a member of the executive management board. Today, Mr. Navamuel is our Executive Vice President for Europe, Africa and the Americas. His responsibilities include the departments sales and production, corporate purchasing and hydraulic and electric drives. Mr. Navamuel, a Spanish national, has extensive experience in the loading and transportation crane and elevator businesses. His global experience has included emerging markets such as Brazil, as well as European markets, such as Sweden and Spain. Mr. Navamuel is currently located in Spain where he oversees the emerging markets of Latin America as well as our European and African regional markets.

Miguel Marcos joined us in 2012 and serves as our Supply Chain Manager. He graduated with a degree in industrial engineering from the University of Valladolid in Spain where he also obtained a post-graduate certificate in quality management. In addition, he completed an executive MBA program at *Instituto de Empresa* in Madrid. Prior to joining us, Mr. Marcos held the position of Purchasing Director at Grupo Antolin North America, a Spanish automotive supplier, in Detroit, Michigan, United States, where he was responsible for the supply base of all of its industrial plants in the United States and Mexico. From 2009 to 2012, he was Purchasing and Logistics Director for the doors business unit of Grupo Antolin in Spain, responsible of managing the Supply Chain for all industrial plants within this unit. Mr. Marcos, a Spanish national, brings his experience to our Group from the automotive industry in regions including Italy, Spain, the United States and Mexico. Mr. Marcos is currently located in Italy.

Dr. Etienne Nitidem joined us in 2013 and was appointed as our Executive Manager for R&D. He graduated from Leibniz University of Hannover, Germany, with a master’s degree in mechanical engineering and a concentration in development and design. In addition, he holds a doctoral degree in electrical engineering sciences and information technology, and has lectured on dynamics in machinery, machine design and production technology. Dr. Nitidem, a Cameroonian national, has gained extensive experience in the machine tools, cranes, electrical drives and motion control industries. From 2007 through 2010, Dr. Nitidem served as Chief Technology Officer of Sumitomo (SHI) Demag Plastics Machinery GmbH, a European manufacturer of injection molding machines, where he held global responsibility for R&D

(mechanics, hydraulics, electronics and software), design, customer engineering, the tests and application center, standardization, patents, production and automation. After that, he was appointed Chief Operating Officer and Chief Technology Officer of Lisega AG, a global manufacturer of pipe support components where he held global responsibility for R&D, engineering and production. His regional experience in European geographies includes Germany, France, the United Kingdom and Italy, but Dr Nitidem has also worked extensively in the United States, Japan, China and India. Dr Nitidem is based in Germany where he oversees our R&D function.

Andreas Witte joined the Group in 2013 and serves as our regional head of the Americas region. He graduated from the Technical University of Munich, Germany, with a degree in mechanical engineering and a concentration in production management. He also completed an executive MBA program with a concentration in business and project management at the University of São Paulo, Brazil. Mr. Witte, a Brazilian and German national, has gained extensive experience in the automotive and building hardware industries. For many years, Mr. Witte held the position of Industrial Director for the Region of South America, and later Operations Director Area Americas, for DORMA Sistemas de Controles para Portas Ltda, an international supplier of door components and solutions. Mr. Witte has experience in a number of emerging markets within Latin America, especially including Brazil, as well as experience in the United States and Germany. Mr. Witte is located in Brazil from where he oversees the development of our Latin American operations.

Ulvi Kadakal joined us in September 2013, when he was appointed as our managing director and regional head for the Eurasia region. Mr. Kadakal graduated from the Yildiz Technical University with a degree in Mechanical Engineering. He worked for many years as International Account Manager and Managing Director in Turkey for Liftinstitut B.V Amsterdam, a leading certifying body for elevator safety controls. After that, he was Managing Director of Munters A.s., a leading Swedish supplier of energy efficient air treatment solutions. A Turkish national, Mr. Kadakal has experience in the machinery, automation, lifting equipment and elevators industries. Mr. Kadakal has global experience working in the Middle East, Europe and Eastern Europe. Mr. Kadakal is currently located in Turkey, where he oversees the development of our Eurasian regional markets, especially in the Middle East and Russia.

Share Ownership

We expect that our management including our managing directors and executive management team will benefit from a management equity participation plan through investments in LuxCo following the consummation of the Acquisition. See “Certain Relationships and Related Party Transactions—Management Equity Plan.”

Corporate Governance

The Target is not a listed company and is therefore not required to declare its compliance with the German corporate governance code pursuant to Section 161 of the German Stock Corporation Act (*Aktiengesetz—AktG*).

Conflicts of Interest

There are no conflicts of interest or potential conflicts of interests between the duties of the managing directors, members of the executive management team and the supervisory board of the Target *vis-à-vis* the Target and their private interests or other duties.

Insurance for Directors and Officers

For the benefit of our directors and officers, we have entered into a global directors and officers (“**D&O**”) insurance policy with three co-insurers based in Germany and England. The policy covers our present, former and future directors and officers, general managers, authorized officers and senior staff. It applies globally and provides for an insured limit of €10.0 million per claim and per year. The D&O insurance covers financial losses due to wrongful acts in respect of claims filed, as well as the defense of liability claims and their settlement. The insurance coverage does not extend to claims due to certain deliberate acts by the insurees and there is no insurance cover for contractual penalties, fines and punitive or exemplary damages, or other claims to the extent insurance is prohibited by law.

Management Compensation

Our senior management received total remuneration of €5.2 million in the year ended December 31, 2013, €7.2 million in the year ended December 31, 2012 and €2.6 million in the year ended December 31, 2011. Remuneration consisted of short-term compensation, post-employment and termination benefits and share-based payments.

The Issuer

The Issuer, a *Gesellschaft mit beschränkter Haftung* organized under the laws of Germany, was formed on December 19, 2014 and is registered with the commercial registry of Munich under number HRB 215485. The Issuer's principal business address is at Maximilianstraße 11, c/o Bain Capital Beteiligungsberatung GmbH, 80539 Munich, Germany.

Managing Directors

Name	Age	Member since	Responsibility
Dr. Michael Siefke	47	2014	Managing Director
Matthias Osthoff	36	2014	Managing Director

The Issuer's managing directors can be contacted at the Issuer's business address: Paternoster Holding III GmbH, Maximilianstraße 11, c/o Bain Capital Beteiligungsberatung GmbH, 80539 Munich, Germany.

Set out below is a brief summary of the biography of the Issuer's managing directors:

Dr. Michael Siefke is a managing director at Bain Capital, LLC in Munich, Germany, where he holds responsibility for investments in the industrial sector. He graduated summa cum laude with an MBA and PhD from the Westfaelische-Wilhelms-University in Muenster, Germany. Prior to joining Bain Capital, LLC, Dr. Siefke worked for The Carlyle Group in Germany and as assistant lecturer at Westfaelische-Wilhelms-University specializing in accounting, auditing and finance.

Matthias Osthoff joined the Boston office of Bain Capital, LLC in 2008 and currently holds the position of principal at Bain Capital, LLC in London. Mr. Osthoff graduated with a bachelor's degree from the University of Oxford, obtained a master's degree from Stanford University and an MBA from Harvard Business School where he was a Baker scholar. Prior to joining Bain Capital, LLC, Mr. Osthoff gained experience as a management consultant with The Boston Consulting Group, working on projects in the medical, steel, automotive and infrastructure industries.

LuxCo, TopCo and HoldCo

The members of the executive boards of LuxCo, TopCo and HoldCo are expected to be the same initially as those of the Issuer.

PRINCIPAL SHAREHOLDERS

Following the Transactions, the Target will be the direct, wholly-owned subsidiary of BidCo, and LuxCo will indirectly (through TopCo, HoldCo, the Issuer and BidCo as wholly-owned subsidiaries) own the entire share capital of the Target. Bain Capital will control LuxCo and hold substantially all (subject to management equity) of LuxCo's total share capital, which includes ordinary shares and Preferred Equity Certificates ("PECs"). On or about the Completion Date, Bain Capital (i) intends to establish a management equity participation program under which we expect management will hold approximately 15% of the ordinary shares of LuxCo, subject to vesting periods, and (ii) may syndicate a portion of its securityholdings in LuxCo to third-party investors.

Preferred Equity Certificates of LuxCo, Shareholder Loan to TopCo and Deferred Consideration

In connection with the formation of LuxCo, LuxCo issued ordinary shares to Bain Capital. In connection with the financing of the Acquisition by Bain Capital, LuxCo will issue preferred equity certificates ("PECs") and ordinary shares (the "**LuxCo Shares**") to Bain Capital and its co-investors. The PECs carry a yield at a fixed rate, which will be capitalized as and when it falls due. The PECs will mature at least 29 years after the Completion Date, will be subordinated to all of LuxCo's existing and future third party indebtedness and will have other terms characteristic of subordinated shareholder obligations.

On the Completion Date, LuxCo intends to (i) use the proceeds from the LuxCo Shares and part of the proceeds from the issuance of the PECs to subscribe for shares in, and to contribute capital to, TopCo and (ii) on-lend the remainder of the proceeds from the issuance of the PECs to TopCo under a shareholder loan (the "**LuxCo Shareholder Loan**"). The LuxCo Shareholder Loan will mature 10 years after the Completion Date, and will accrue interest, which will be capitalized as and when it falls due, unless TopCo elects to pay such interest in cash, in each case at a fixed rate. TopCo, in turn, intends to contribute the proceeds from the LuxCo Shareholder Loan to HoldCo and to subscribe for new shares in HoldCo. HoldCo intends to then contribute such proceeds to the Issuer to subscribe for new shares of the Issuer. The Issuer will use the proceeds therefrom (estimated to be approximately €205.0 million) to subscribe for new shares in BidCo and to loan the gross proceeds of the Offering to BidCo via the Proceeds Loan.

As a result, BidCo will have received on the Completion Date proceeds in an aggregate principal amount estimated at present to be €430.0 million under the Proceeds Loan and the equity subscription, and will use such funds, together with a €195.0 million drawing under the Senior Facilities Agreement and cash on the balance sheet of the Target, to pay the Purchase Price, repay the Existing Senior Facilities and certain other debt of subsidiaries of the Target and pay fees and expenses incurred in connection with the Transactions. See "Use of Proceeds."

In connection with the Acquisition and in lieu of receiving cash payment for part of the Purchase Price, the Sellers, as lenders, entered into loans with HoldCo, as the ultimate borrower, which resulted in the deferral of a part of the Purchase Price equal to €40.0 million (the "**Deferred Consideration**"). The first loan (the "**Deferred Consideration I**") provides for two tranches with an initial principal amount of €1.4 million and €28.6 million, respectively, and is governed by German law. The borrower under the Deferred Consideration I will be HoldCo. HoldCo's obligations as borrower under the Deferred Consideration I will be subordinated to all its other debt obligations, except for routine payables. The Deferred Consideration I will accrue interest at a certain initial interest rate, subject to a gradual interest step-up and will become payable in full upon the earlier of (i) the occurrence of certain defined exit events and (ii) the expiration of ten years after the closing of the Acquisition. The Deferred Consideration I will be secured by a pledge over the shares of HoldCo if any amounts thereunder remain outstanding after the expiration of eight years after the closing of the Acquisition. The first tranche of the Deferred Consideration in the amount of €1.4 million will be subject to the borrower's right to set-off certain amounts payable under the Acquisition Agreement. The Sellers are required to grant a second loan (the "**Deferred Consideration II**") with an initial principal amount of €7.5 million and on the same terms as the Deferred Consideration I, if any of the Target or its subsidiaries consummates prior to the maturity of the Deferred Consideration an add-on acquisition that exceeds a certain enterprise value. In the event of such an add-on acquisition, Tri Way HoldCo AB will also have the right to subscribe to equity interests in such target, provided that such contribution shall not exceed €10.0 million and the equity interests subscribed for by Seller 1 shall be valued at fair market value. The Sellers' interests in the Deferred Consideration can be transferred without the borrower's consent, except that the first tranche under the Deferred Consideration I shall not be transferred to persons other than affiliates of such Seller without the borrower's consent.

None of the PECs, the LuxCo Shareholder Loan or the Deferred Consideration will have any recourse to the Issuer or any of its subsidiaries.

The Sponsor

Bain Capital, LLC is a leading global private investment firm, which advises and manages capital across several asset classes, including private equity, venture capital, public equity, global macro and leveraged debt assets. Since its inception in 1984, Bain Capital, LLC and its affiliates have completed over 450 transactions in a broad range of industries across a variety of industries including Industrials, Financial and Business Services, Consumer & Retail, Technology, Media & Telecommunications, and Healthcare. The firm has a strong track record of investments in the automotive industry, including its investments in Asimco, FCI, FTE, Hero and Sensata Technologies, as well as a number of market leading companies globally such as Bellssystem24, Burger King, Burlington Coat Factory, Domino's Pizza, HCA, IMCD, Novacap, Samsonite, Securitas Direct, SigmaKalon and Worldpay. Headquartered in Boston, Bain Capital, LLC and its affiliates have offices in New York, Chicago, Palo Alto, London, Luxembourg, Munich, Hong Kong, Mumbai, Shanghai, Tokyo and Melbourne.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the course of our ordinary business activities, we regularly enter into agreements with companies within the Group. These agreements mainly relate to the supply of finished and unfinished products within the Group, the provision of billing, IT and accounting services, and the rendering of other intra-group services, such as business advisory, treasury and finance, marketing, human resources and tax. In addition, it is contemplated that new related party transactions will be entered into in connection with the Transactions.

Shareholder Loans

Historically, we have received loans from our former parent companies. A shareholder loan in the amount of €70.5 million (excluding accrued interest) as of September 30, 2014, will be repaid in connection with the Transactions. We repaid a portion of this shareholder loan in 2013.

Triton Consultancy Services

The Wittur Group has entered into a consulting agreement with Triton pursuant to which it receives consulting services (for example, as to procurement and other strategies) from Triton West Park Management Services, an affiliate of Triton. In the year ended December 31, 2013, expenses incurred under this consulting agreement were €0.3 million.

Transaction and Consulting Services Agreements

Upon consummation of the Acquisition, we may enter into transaction and consulting services agreements with Bain Capital pursuant to which we will make certain payments to Bain Capital for management, consulting, monitoring or advisory services and related expenses.

Management Equity Plan

Certain members of our senior management hold equity interests in the Target Group prior to the Acquisition and will thus receive proceeds from the sale of the Target Group to Bain Capital. Upon consummation of the Acquisition, Bain Capital intends to establish a management equity plan under which these managers will reinvest a substantial portion of their sale proceeds. As a result, we expect that the members of our management will hold, directly or indirectly, ordinary shares in LuxCo equal to approximately 15% of LuxCo's ordinary share capital subject to vesting periods.

Preferred Equity Certificates of LuxCo, Shareholder Loan to TopCo and Deferred Consideration

For a description of the PECs issued by LuxCo, the Shareholder Loan and the Deferred Compensation see "Principal Shareholders—Preferred Equity Certificates of LuxCo, Shareholder Loan to TopCo and Deferred Consideration."

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of the material terms of certain financing arrangements to which we and certain of our subsidiaries are a party does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. For further information regarding our existing indebtedness, see “Use of Proceeds,” “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Senior Facilities Agreement

Overview and Structure

In connection with the Financing of the Acquisition, BidCo will, on or prior to the Completion Date, enter into the Senior Facilities Agreement with, among others, Credit Suisse AG, London Branch, as agent and security agent, and Credit Suisse International, Barclays Bank PLC, Deutsche Bank AG, London Branch and Royal Bank of Canada, as mandated lead arrangers. The Senior Facilities Agreement will provide for committed facilities in the following amounts:

- a €195.0 million senior secured term loan B facility (the “**New Term Loan B Facility**”); and
- a €65.0 million senior secured multi-currency revolving credit facility (the “**Revolving Credit Facility**” and, together with the New Term Loan B Facility, the “**Senior Facilities**” (each a “**Senior Facility**”)).

The New Term Loan B Facility may be utilized by BidCo and may be used to finance: (i) the payment of the consideration for the Acquisition, (ii) the financing of the payment of certain fees, costs and expenses incurred in connection with the Transactions, and (iii) the refinancing of existing indebtedness of the TLB Group and payments of related breakage costs and any other costs related to such refinancing.

The Revolving Credit Facility may be utilized by certain members of the TLB Group (for the purposes of the Senior Facilities Agreement, the “**TLB Group**” consists of BidCo and its subsidiaries but excluding Excluded Subsidiaries (as defined therein) and, in certain cases, includes the Issuer) in euros, sterling, U.S. dollars, and certain other currencies freely available in the London interbank market (subject to obtaining the consent of all the Revolving Credit Facility lenders) by the drawing of cash advances, the issue of letters of credit and ancillary facilities. The Revolving Credit Facility may be used for the TLB Group’s working capital and general corporate purposes.

In addition to the New Term Loan B Facility and the Revolving Credit Facility, the Senior Facilities Agreement includes the ability to incur additional indebtedness (including under one or more uncommitted additional facilities with the Senior Facilities Agreement and/or any additional Notes) up to an aggregate amount of €50.0 million (subject to certain adjustments), plus an unlimited amount, provided that, *pro forma* for the incurrence of such additional facilities: (i) if such indebtedness is senior secured liabilities, the consolidated senior secured net leverage ratio does not exceed 3.15:1; or (ii) if the indebtedness is not senior secured liabilities the consolidated total net leverage ratio does not exceed 5.90:1, and in each case, subject to certain other conditions being met.

Availability

The New Term Loan B Facility will be available up to (and including) the earliest to occur of (i) the date falling 5 Business Days after the date of completion, (ii) September 30, 2015 and (iii) the date on which Bidco (or an affiliate) notifies the agent under the Senior Facilities Agreement that its rights under the Acquisition Agreement have been conclusively terminated. The New Term Loan B Facility must be drawn in full on the date of first utilization under the Senior Facilities.

The Revolving Credit Facility may be utilized from the date of the first utilization of the New Term Loan B Facility until the date which is one month prior to the maturity date of the Revolving Credit Facility.

Interest and Fees

Loans under the Senior Facilities Agreement will initially bear interest at rates *per annum* equal to LIBOR or, for loans denominated in euro, EURIBOR, plus an applicable margin, which in each case will be subject to a decreasing margin ratchet based on the ratio of consolidated senior secured net debt to consolidated *pro forma* EBITDA (each as defined in the Senior Facilities Agreement).

A commitment fee will be payable on the aggregate undrawn and uncanceled amount of the Revolving Credit Facility from the Completion Date to the end of the availability period applicable of the Revolving Credit Facility at a rate of 40% of the applicable margin for the Revolving Credit Facility. Commitment fees will be payable quarterly in arrears and on the date the relevant Senior Facility is canceled in full or on the date on which the relevant lender cancels its commitment.

Default interest will be calculated as an additional 1% on the defaulted amount.

Repayments

The New Term Loan B Facility will be repaid in full on the date that is seven years from the first utilization date of the Senior Facilities. In respect of the Revolving Credit Facility, each advance will be repaid on the last day of the interest period relating thereto, subject to an ability to roll over cash drawings. All outstanding amounts under the Revolving Credit Facility will be repaid on the date falling six years from the first utilization date of the Senior Facilities. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be reborrowed, subject to certain conditions.

Mandatory Prepayment

The Senior Facilities Agreement will provide for voluntary prepayments to be made (subject to *de minimis* amounts) and will require mandatory prepayment in full or in part in certain circumstances, including:

- on a change of control or disposal of substantially all the business of the TLB Group;
- on an initial public offering (subject to the TLB Group's ratio of consolidated senior secured net debt to consolidated *pro forma* EBITDA (each as defined in the Senior Facilities Agreement));
- from certain net cash proceeds received by the TLB Group from certain disposals of assets, insurance claims and recovery claims from the vendors and report providers, in each case to the extent that such net cash proceeds exceed certain agreed thresholds and have not satisfied other conditions; and
- for each financial year (commencing with the financial year ending December 31, 2016), a percentage of excess cash flow in the event that excess cash flow exceeds a minimum threshold amount, which percentage decreases as the TLB Group's ratio of consolidated senior secured net debt to consolidated *pro forma* EBITDA (each as defined in the Senior Facilities Agreement) decreases.

Guarantees and Security

The Senior Facilities will benefit from substantially the same guarantees as the Notes, but on a senior basis. The Senior Facilities, unlike the Notes, will also benefit from security granted by certain subsidiaries of the Target, including security granted by certain subsidiaries incorporated in Austria, England and Wales, Germany, Italy, Spain, Sweden and Turkey, over their material assets.

Representations and Warranties

The Senior Facilities Agreement will contain certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including:

- status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, governing law and enforcement, consents, filings and laws applicable to operations and *pari passu* ranking;
- no insolvency, no litigation, environmental laws, no tax deductions, and filing and stamp taxes;
- no default, financial statements, group structure, and no misleading information in the information memorandum and information in a financial model and certain diligence reports provided;
- no security, guarantees or financial indebtedness, except as permitted;
- legal and beneficial ownership and shares fully paid;
- intellectual property, pension schemes, insurances;
- equity documents and acquisition documents contain all material terms; and
- center of main interests and compliance with sanctions and anti-corruption laws.

Certain representations and warranties will be made on the Completion Date and repeated on the date of each utilization, on the first day of each interest period and at certain other times.

Covenants

The Senior Facilities Agreement will require compliance with certain negative undertakings, subject to certain agreed exceptions and qualifications, including a negative pledge, cash flow restrictions and other covenants restricting:

- acquisitions or investments or entry into joint ventures;
- the making of loans or the granting of guarantees to others;
- incurrence of indebtedness or entry into sale and leasebacks / factoring, certain leasing arrangements, or certain treasury transactions;
- disposal of assets;
- amalgamations and changes of business;
- related party transactions;
- activities with excluded subsidiaries and the activities of non-obligors; and
- the issuance of shares, payment of dividends, redemption of share capital or the making of certain other payments to shareholders and in respect of junior debt.

The Senior Facilities Agreement will also require compliance with certain affirmative covenants, including covenants relating to:

- authorizations and consents;
- maintenance of status and authorization;
- pari passu ranking
- insurances
- payment of taxes;
- entering into hedging arrangements;
- provision of financial and other information to the lenders;
- maintenance of intellectual property;
- pension schemes;
- environmental;
- equity and acquisition documents;
- limitations on holding company activities;
- provision of guarantees and security, further assurance and accession to the intercreditor agreement;
- maintenance of center of main interests; and
- compliance with sanctions and anti-corruption laws.

Solely for the benefit of the lenders participating in the Revolving Credit Facility, the Senior Facilities Agreement will require that, in the event that the aggregate amount of all cash loans drawn under the Revolving Credit Facility (excluding any utilizations by way of letters of credit or ancillary facilities or any amounts utilized to fund any agreed fees in connection with the syndication of the Senior Facilities) exceeds an agreed percentage of the total commitments under the Revolving Credit Facility on the relevant testing date or, if higher, the total commitments under the Revolving Credit Facility as at the original date of the Senior Facilities Agreement, the ratio of consolidated senior secured net debt to consolidated *pro forma* EBITDA does not exceed an agreed ratio. The ratio is based on the definitions in the Senior Facilities Agreement, which may differ from similar definitions in the Indenture and the equivalent definitions described in this Offering Memorandum.

It is intended that certain agreed covenants and other provisions of the Senior Facilities Agreement will fall-away on the satisfaction of certain release conditions, being (i) the occurrence of a listing in respect of which the TLB Group's ratio of

consolidated total net debt to consolidated pro forma EBITDA does not exceed an agreed ratio or (ii) Bidco or the Issuer having a long-term corporate credit rating equal to or better than Baa3 according to Moody's Investor Services Limited or BBB- according to Standard & Poor's Rating Services.

Events of Default

The Senior Facilities Agreement will contain certain events of default, the occurrence of which would allow, unless otherwise indicated below, the Majority Lenders (under and as defined in the Senior Facilities Agreement) to accelerate all outstanding loans and terminate their commitments, including (subject in certain cases to agreed grace periods, financial thresholds, cure rights, clean-up periods and other qualifications), including:

- nonpayment of amounts due under the Senior Facilities finance documents;
- breach of the financial covenant, provided that, in the event of such breach, only a majority of the Lenders under the Revolving Credit Facility shall initially be entitled to take enforcement action;
- noncompliance with other obligations under the Senior Facilities finance documents;
- inaccuracy of representation or statement when made;
- cross defaults and cross acceleration in respect of other obligations, including any event of default under the Notes;
- invalidity and unlawfulness of the Senior Facilities financing documents;
- insolvency, insolvency proceedings and attachment or creditors' processes (and similar events in other jurisdictions);
- compulsory acquisition;
- certain litigation;
- material adverse change;
- audit qualification; and
- material failure to comply with the Intercreditor Agreement.

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, the Issuer and each of the Guarantors (together with any other entity which accedes to the Intercreditor Agreement as a debtor, (the "**Debtors**") will enter into the Intercreditor Agreement with, among others, the Security Agent, the lenders under our Senior Facilities and the agent under our Senior Facilities Agreement ("**Senior Agent**"). On or about the Issue Date, the Trustee in respect of the Notes (referred to in this section as the "**Midco Notes Trustee**") will become party to the Intercreditor Agreement. The Intercreditor Agreement is governed by English law and sets out, among other things, the relative ranking of certain debt of the Debtors, when payments can be made in respect of debt of the Debtors, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

By accepting a Midco Note, the relevant holder thereof shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement. The following description is a summary of certain provisions contained in the Intercreditor Agreement which relate to the rights and obligations of the holders of the Midco Notes. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the discussion that follows, defines certain rights of the holders of the Midco Notes. Capitalized terms used but not defined herein have the meanings given to them in the Intercreditor Agreement.

Ranking and Priority

Priority of Debts

The Intercreditor Agreement will provide that the liabilities owed by the Debtors to the creditors under the Senior Facilities, certain hedging obligations, any senior facility (together with the Senior Facilities the "**Permitted Senior Secured**

Facilities”) or any notes or other debt instruments (“**Senior Secured Notes**”) which comply with the Senior Secured Liabilities Major Terms, any second lien facility (a “**Second Lien Facility**”) or second lien notes or other debt instruments (“**Second Lien Notes**”) which comply with the Second Lien Liabilities Major Terms, any facility (a “**Midco Facility**”) or notes or other debt instruments which comply with the Midco Liabilities Major Terms (together with the Notes, the “**Midco Notes**”) (together the “**Primary Creditors**”) shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- first, the liabilities of the lenders, issuing banks and ancillary lenders under the Permitted Senior Secured Facilities (each a “**Senior Lender**” and such liabilities the “**Senior Lender Liabilities**”), any liabilities of any holder of Senior Secured Notes (a “**Senior Secured Noteholder**”) or the trustee or Security Agent in respect of Senior Secured Notes (a “**Senior Secured Notes Finance Party**” and such liabilities the “**Senior Secured Notes Liabilities**”), the liabilities in relation to certain permitted hedging (the “**Hedging Liabilities**”), amounts due to the Senior Secured Notes Trustee, amounts due to a trustee of any Second Lien Notes, amounts due to the Senior Agent under the Permitted Senior Secured Facilities, amounts due to any facility agent under a Second Lien Facility, amounts due to any facility agent under a Midco Facility, and amounts due to the Midco Notes Trustee *pari passu* and without any preference between them;
- second, the liabilities owed to any lender under a Second Lien Facility (a “**Second Lien Lender**” and such liabilities the “**Second Lien Lender Liabilities**”) and the liabilities owed to any holder of Second Lien Notes (a “**Second Lien Noteholder**” and such liabilities the “**Second Lien Notes Liabilities**”) *pari passu* between themselves and without any preference between them; and
- third, the liabilities owed under any guarantee granted by a guarantor of Midco Notes to any holder of Midco Notes (a “**Midco Noteholder**”) and the Midco Notes Trustee, the Midco Notes Trustee or Security Agent in respect of Midco Notes, or by a guarantor of a Midco Facility to the lenders under that Midco Facility (a “**Midco Facility Lender**”) and other finance parties in respect of a Midco Facility (the creditors described in this bullet together the “**Midco Creditors**” and such liabilities the “**Midco Guarantee Liabilities**”) *pari passu* between themselves and without any preference between them.

The Notes and any additional notes issued from time to time in accordance with the terms of the Intercreditor Agreement shall qualify as Midco Notes for purposes of the Intercreditor Agreement and the Guarantees of the Midco Notes shall qualify as Midco Guarantee Liabilities. On the Issue Date of the Notes, no Second Lien Lender Liabilities or Second Lien Notes Liabilities will be outstanding. Such Liabilities may only be incurred if not prohibited under the terms of the Debt Documents, including, without limitation, the covenants applicable to the Notes described under “Description of the Notes—Certain Covenants—Limitation on Layered Debt” and “Description of the Notes—Limitation on Liens.”

Priority of Security

For the purposes of this description only:

“**ICA Group**” refers to BidCo and each of its subsidiaries from time to time including on and from the Completion Date, the Target and each of its subsidiaries from time to time, provided that, notwithstanding anything to the contrary, no Excluded Subsidiary (as defined in the Senior Facilities Agreement) or any of its Subsidiaries for the time being shall be a member of the Group (or a subsidiary, holding company or affiliate of any member of the ICA Group or a joint venture) for the purposes of the Debt Documents.

“**Midco Group**” refers to Midco and each of its subsidiaries from time to time including on and from the Completion Date, the Target and each of its subsidiaries from time to time, provided that, notwithstanding anything to the contrary, no Excluded Subsidiary (as defined in the Senior Facilities Agreement) or any of its Subsidiaries for the time being shall be a member of the Midco Group (or a subsidiary, holding company or affiliate of any member of the Midco Group or a joint venture) for the purposes of the Debt Documents.

“**Notes Collateral**” refers to transaction security which is created, or expressed to be created, in favor of the Notes Security Agent as agent or trustee for the other Midco Secured Parties in respect of the Midco Liabilities and Midco Proceeds Loan Liabilities (or if such security agency or trustee arrangements are not legally possible, in favor of all the Midco Secured Parties or in favor of the Notes Security Agent under a parallel debt or similar structure).

“**Shared Collateral**” refers to transaction security which is created, or expressed to be created, in favor of the Shared Security Agent as agent or trustee for the other Secured Parties in respect of the liabilities owed to them by a member of the MidCo Group, in the case of the Midco Facility Liabilities or the Midco Notes Liabilities, or otherwise, by a member of the

ICA Group, in each case under the Debt Documents (or if such security agency or trustee arrangements are not legally possible, in favor of all the Secured Parties or in favor of the Shared Security Agent under a parallel debt or similar structure).

The Notes Collateral shall rank and secure the following liabilities in the following order:

- first, the liabilities owed to the security agent in respect of the Notes Collateral, amounts due to any facility agent under a Midco Facility and amounts due to the Midco Notes Trustee *pari passu* and without any preference between them; and
- second, the liabilities owed to any creditor under a Midco Facility (the “**Midco Facility Liabilities**”) and the liabilities owed to any Midco Noteholder (the “**Midco Notes Liabilities**”) *pari passu* and without any preference between them.

The Shared Collateral shall rank and secure the following liabilities (only to the extent that such security is expressed to secure the relevant liabilities) in the following order:

- first, the liabilities owed to the Security Agent and to the Senior Agent (the “**Senior Agent Liabilities**”), amounts due to the Senior Secured Notes Trustee (the “**Senior Secured Notes Trustee Amounts**”), amounts due to any facility agent under a Second Lien Facility (the “**Second Lien Agent Liabilities**”), amounts due to a trustee of any Second Lien Notes (the “**Second Lien Notes Trustee Amounts**”), amounts due to any facility agent under a Midco Facility (the “**Midco Agent Liabilities**”), and amounts due to the Midco Notes Trustee (the “**Midco Notes Trustee Amounts**”), *pari passu* and without any preference between them;
- second, the Senior Lender Liabilities, the Senior Secured Notes Liabilities and the Hedging Liabilities *pari passu* and without any preference between them; and
- third, the Second Lien Lender Liabilities and the Second Lien Notes Liabilities *pari passu* and without any preference between them; and
- fourth, the Midco Facility Liabilities and the Midco Notes Liabilities *pari passu* and without any preference between them.

The Notes and the Guarantees of the Notes qualify as Midco Notes Liabilities for purposes of the Intercreditor Agreement. On the Issue Date of the Notes, no Second Lien Lender Liabilities or Second Lien Notes Liabilities will be outstanding. Such Liabilities may only be incurred if not prohibited under the terms of the Debt Documents, including, without limitation, the covenants applicable to the Notes described under “Description of the Notes—Certain Covenants—Limitation on Layered Debt” and “Description of the Notes—Limitation on Liens.”

Unsecured Intra-Group Liabilities, Midco Notes Liabilities, Subordinated Liabilities and Midco Proceeds Loan Liabilities

The Intercreditor Agreement will provide that:

- the intra-group liabilities of one member of the ICA Group to another member of the ICA Group are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors; and
- the liabilities owed to HoldCo or MidCo under any agreement providing a loan from HoldCo or MidCo to a subsidiary of MidCo or for any amounts to be paid by a subsidiary of MidCo to HoldCo or MidCo (the “**Subordinated Liabilities**”), and the liabilities under the Proceeds Loan made from MidCo to BidCo for the purposes of on-lending the proceeds of Midco Notes or a loan under a Midco Facility (a “**Midco Loan**” and the “**Midco Proceeds Loan Liabilities**”) are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors and the intra-group lenders.

Restrictions Relating to Senior Secured Creditor Liabilities

The Debtors may make payment in respect of the Senior Lender Liabilities and the Senior Secured Notes Liabilities (together, the “**Senior Secured Creditor Liabilities**”) at any time, *provided* that following acceleration events under the Permitted Senior Secured Facilities or the Senior Secured Notes or following certain insolvency events in relation to a member of the ICA Group, payments may only be made by Debtors and received by creditors in accordance with the provisions described under “—Application of Proceeds.”

The Intercreditor Agreement will provide that the terms of any finance document evidencing Senior Secured Creditor Liabilities (a “**Senior Secured Finance Document**”) may not be waived or amended without the consent of the Majority

Senior Lenders if such amendment or waiver would result in the Senior Secured Notes finance document being inconsistent with the “**Senior Secured Liabilities Major Terms**”. The Senior Secured Liabilities Major Terms stipulate requirements for Senior Secured Notes, including minimum maturity, the relevant indenture in respect of the Senior Secured Notes permitting the guarantees and security taken for the benefit of the other liabilities regulated under the Intercreditor Agreement, being subject to the terms of the Intercreditor Agreement and a requirement for market terms.

Security and Guarantees: Senior Secured Creditors

The Senior Lenders and the holders of any Senior Secured Notes may take, accept or receive the benefit of:

- any security from any member of the ICA Group in respect of Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Senior Agent Liabilities, the Senior Secured Notes Trustee Amounts, the Second Lien Agent Liabilities, the Second Lien Notes Trustee Amounts, the Midco Agent Liabilities and the Midco Notes Trustee Amounts, in addition to the Shared Collateral if and to the extent legally possible and subject to certain agreed security principles, at the same time, it is also offered either:
 - to the Shared Security Agent as agent or trustee for the other Primary Creditors, the Shared Security Agent, any receiver or delegate and each other Agent and Arranger (as defined in the Intercreditor Agreement) (together the “**Secured Parties**”) other than the Midco Creditors (the “**Priority Secured Parties**”) in respect of their secured obligations; or
 - in the case of any jurisdiction in which effective security cannot be granted in favor of the Shared Security Agent as agent or trustee for the Priority Secured Parties:
 - to the other Priority Secured Parties in respect of their secured obligations; or
 - to the Shared Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Priority Secured Parties,

and ranks in the same order of priority as set out under the caption “—Priority of Security,” provided that all amounts received by any lenders under the Permitted Senior Secured Facilities Agreement, certain hedge counterparties and holders of the Senior Secured Notes (together, the “**Senior Secured Creditors**”) with respect to such security are immediately paid to the Security Agent and held and applied in accordance with the provisions set out under the caption “—Application of Proceeds”; and

- any guarantee, indemnity or other assurance against loss from any member of the ICA Group regarding the Senior Lender Liabilities, the Senior Secured Notes liabilities, the Senior Agent Liabilities, the Senior Secured Notes Trustee Amounts, the Second Lien Agent Liabilities, the Second Lien Notes Trustee Amounts, the Midco Agent Liabilities and the Midco Notes Trustee Amounts, in addition to those in:
 - the original form of the Senior Facilities Agreement, any other facility agreement permitted under the Intercreditor Agreement which evidences Senior Lender Liabilities or the indenture relating to the Senior Secured Notes (the “**Senior Secured Notes Indenture**”);
 - the Intercreditor Agreement; or
 - any guarantee, indemnity or other assurance against loss in respect of any of the liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to certain agreed security principles, given to all the Secured Parties in respect of their liabilities,

if and to the extent legally possible, and subject to certain agreed security principles, at the same time it is also offered to the other Priority Secured Parties in respect of their liabilities and ranks in the same order of priority as set out under the caption “—Ranking and Priority” and all amounts received by any Senior Secured Creditor with respect to such guarantee, indemnity or other assurance against loss are immediately paid to the Shared Security Agent and held and applied in accordance with the provisions set out under the caption “—Application of Proceeds.”

Restriction on Enforcement: Senior Secured Creditors

The Intercreditor Agreement will provide that the Senior Secured Creditors may not take any action to enforce the transaction security without the prior written consent of an Instructing Group (as defined below).

An **“Instructing Group”** means at any time:

- prior to the Senior Secured Discharge Date, the Majority Senior Secured Creditors;
- on or after the Senior Secured Discharge Date but before the later to occur of (i) the discharge of the Senior Secured Notes Liabilities, the Senior Liabilities and the hedging liabilities (the **“Senior Secured Liabilities”**) and (ii) the discharge of the Second Lien Lender Liabilities and the Second Lien Notes Liabilities (together the **“Second Lien Liabilities”** and such date the **“Priority Discharge Date”**)), the Majority Second Lien Creditors; and
- on or after the Priority Discharge Date but before the date the Midco Notes Liabilities and the Midco Facility Liabilities have been discharged, the Majority Midco Creditors.

“Majority Second Lien Creditors” means, at any time when (i) there are no Second Lien Notes Liabilities outstanding, Second Lien Lenders and Second Lien Noteholders whose Second Lien Credit Participations aggregate more than $66\frac{2}{3}\%$ of the total Second Lien Credit Participations at that time; and (ii) there are Second Lien Notes Liabilities outstanding, Second Lien Lenders and Second Lien Noteholders whose Second Lien Credit Participations aggregate more than 50% of the total Second Lien Credit Participations at that time.

“Majority Senior Secured Creditors” means, at any time, when (i) there are no Senior Secured Notes Liabilities outstanding, Senior Lenders and certain hedge counterparties whose Senior Credit Participations aggregate more than $66\frac{2}{3}\%$ of the total Senior Credit Participations at that time; and (ii) there are Senior Secured Notes Liabilities outstanding, Senior Lenders and certain hedge counterparties whose Senior Credit Participations aggregate more than 50% of the total Senior Credit Participations at that time.

“Majority Midco Creditors” means, at any time when (i) there are no Midco Notes Liabilities outstanding, those Midco Creditors whose Midco Credit Participations aggregate more than $66\frac{2}{3}\%$ of the total Midco Credit Participations at that time; and (ii) there are Midco Notes Liabilities outstanding, those Midco Creditors whose Midco Credit Participations aggregate more than 50% of the total Midco Credit Participations at that time.

“Second Lien Credit Participations” refers to drawn and undrawn commitments under Second Lien Facilities and the principal amount of outstanding Second Lien Notes held by a Second Lien Noteholder.

“Senior Credit Participations” refers to drawn and undrawn commitments under the Permitted Senior Secured Facilities, amounts payable for terminated or closed out hedging obligations and amounts that would be payable in respect of hedging obligations if they were terminated or closed out at that time.

“Midco Credit Participations” refers to drawn and undrawn commitments under Midco Facilities and the principal amount of outstanding Midco Notes held by a Midco Noteholder.

Restrictions Relating to Second Lien Liabilities

The Intercreditor Agreement contains customary provisions governing payment of Second Lien Liabilities and the circumstances in which Second Lien Creditors (defined below) may take enforcement action. On the Completion Date, no Second Lien Liabilities will have been incurred by the ICA Group.

Prior to the the first date on which all Senior Secured Liabilities have been discharged (the **“Senior Secured Discharge Date”**), the Debtors may only make scheduled payments in respect of the Second Lien Liabilities, in accordance with the finance documents governing such Second Lien Liabilities, subject to compliance with certain conditions in the Intercreditor Agreement. The principal conditions are that the relevant payment is not prohibited by the Senior Facilities Agreement (or any other facility agreement evidencing Senior Lender Liabilities) or any Senior Secured Notes Indenture (or if it is so prohibited, that all necessary consents have been obtained to permit it), no payment stop notice has been issued to the Second Lien Agent or the trustee in respect of any Second Lien Notes (the **“Second Lien Notes Trustee”**), and no Senior Secured Payment Default (defined below) is continuing.

Restrictions Relating to Midco Notes

Restriction on Payment and Dealings

The Intercreditor Agreement will provide that, until the Priority Discharge Date, BidCo shall not (and shall ensure that no member of the ICA Group will):

- (i) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Midco Guarantee Liabilities or Midco Proceeds Loan Liabilities (together, “**Midco Group Liabilities**”) in cash or in kind or apply any such money or property in or towards discharge of any such liabilities except as permitted by the provisions set out below under the captions “—Permitted Midco Payments,” “—Permitted Midco Enforcement,” and the ninth paragraph under the caption “—Effect of Insolvency Event; Filing of Claims” or by a refinancing of the Midco Notes as permitted by the Intercreditor Agreement;
- (ii) exercise any set-off against any Midco Guarantee Liabilities or Midco Proceeds Loan Liabilities, except as permitted by the provisions set out in the caption “—Permitted Midco Payments” below, the provisions set out in the caption “—Restrictions on Midco Enforcement” below or the ninth paragraph under the caption “—Effect of Insolvency Event; Filing of Claims” below; or
- (iii) create or permit to subsist any security over any assets of any member of the ICA Group or give any guarantee (and the Midco Notes Trustee and the agent under a Midco Facility may not, and no creditor in respect of Midco Notes or a Midco Facility (together the “**Midco Creditors**”) nor Midco may accept, the benefit of any such security or guarantee) from any member of the ICA Group for, or in respect of, any Midco Facility Liabilities or Midco Notes Liabilities (together, “**Midco Liabilities**”) or Midco Group Liabilities other than to the extent not prohibited by the relevant finance documents in respect of the Permitted Senior Secured Facilities, Senior Secured Notes, Second Lien Facilities, Second Lien Notes, Midco Facilities, Midco Notes, the Midco Proceeds Loan Agreement, the security documents, any agreement evidencing the Subordinated Liabilities or the intra-group liabilities or the Intercreditor Agreement (together the “**Debt Documents**”).

Permitted Midco Payments

Prior to the Priority Discharge Date, the Debtors may make payments to the Midco Creditors (in respect of the Midco Liabilities or the Midco Group Liabilities) or Midco (in respect of the Midco Proceeds Loan Liabilities only) then due in accordance with the finance documents in respect of the Midco Facility or Midco Notes (the “**Midco Finance Documents**”) or the Midco Proceeds Loan Agreement (such payments, collectively, “**Permitted Midco Payments**”):

- (i) if:
 - (A) the payment is not prohibited by any prior ranking financing agreements (in respect of the Senior Secured Liabilities and the Second Lien Liabilities), or any required consents to permit such payment has been obtained;
 - (B) no Midco Payment Stop Notice (defined below) is outstanding; and
 - (C) no payment default under the Permitted Senior Secured Facilities or the Senior Secured Notes (a “**Senior Secured Payment Default**”), or under the Second Lien Facilities or Second Lien Notes (a “**Second Lien Payment Default**”) has occurred and is continuing; or
- (ii) if:
 - (A) the payment is in accordance with a provision in the Midco finance document which is substantially equivalent to the illegality provisions in the Senior Facilities Agreement; and
 - (B) no acceleration event has occurred under the Senior Secured Liabilities and the Second Lien Liabilities;
- (iii) if the payment is of any amount of the Midco Liabilities outstanding which would have been payable but for the issue of a Midco Payment Stop Notice (which has since expired) which has been capitalized and added to the principal amount of the Midco Liabilities provided that no such payment may be made if any Event of Default under the Senior Secured Liabilities or Second Lien Liabilities is continuing or would occur as a result of making such payment;
- (iv) if the payment is of certain amounts due to the Midco Notes Trustee, any other Midco notes trustee or an agent under a Midco Facility;

- (v) if the payment is of certain administration and maintenance costs, expenses and taxes of Midco (in acting as a holding company of the Midco Group and borrower or issuer of the Midco Liabilities), including any reporting or listing requirement and costs and expenses of any security agent in relation to the protection, preservation or enforcement of such security;
- (vi) of any costs, commissions, taxes, premiums, amendment, consent and/or waiver fees and any expenses incurred in respect of (or reasonably incidental to) the Midco finance documents (including in relation to any reporting or listing requirements thereunder);
- (vii) following the occurrence of a Midco Event of Default which is continuing, all or part of the Midco Proceeds Loan Liabilities being released or otherwise discharged solely in consideration for the issues of shares in any Holding Company of Bidco (each, a **"Debt for Equity Swap"**) provided that no cash or cash equivalent payment is made in respect of the Midco Proceeds Loan Liabilities and any Liabilities owed by a member of the ICA Group to another member of the ICA Group, the Subordinated Creditors or any other Holding Company of Bidco that arise as a result of any such Debt for Equity Swap are subordinated to the Senior Secured Liabilities and Second Lien Liabilities pursuant to the Intercreditor Agreement and the Senior Secured Creditors and Second Lien Creditors are granted Transaction Security in respect of any of those Midco Proceeds Loan Liabilities owed by BidCo;
- (viii) of any other amount not exceeding €750,000 (or its equivalent in other currencies) in aggregate in any twelve month period; and
- (ix) if the Majority Senior Secured Creditors and the Majority Second Lien Creditors give prior consent to that Payment being made.

On or after the Priority Discharge Date, the Debtors may make payments to the Midco Creditors or MidCo (in respect of the Midco Proceeds Loan Liabilities only) in respect of the Midco Liabilities or Midco Group Liabilities in accordance with the Midco Finance Documents and Midco Proceeds Loan Agreement (as applicable).

Payment Blockage Provisions

A Midco Payment Stop Notice is outstanding during the period from the date on which, following the occurrence of an event of default in respect of the Permitted Senior Secured Facilities or the Senior Secured Notes (a **"Senior Secured Event of Default"**) or an event of default under a Second Lien Facility or Second Lien Notes (a **"Second Lien Event of Default"**), the Shared Security Agent (acting on the instructions of the Instructing Group) issues a notice (a **"Midco Payment Stop Notice"**) to the agent under any Midco Facility (the **"Midco Agent"**) or the Midco Notes Trustee (with a copy to Midco) advising that the Senior Secured Event of Default or Second Lien Event of Default is continuing and suspending payments by the ICA Group of the Midco Liabilities and Midco Group Liabilities, until the first to occur of:

- the date falling 179 days after delivery of that Midco Payment Stop Notice;
- if a Midco standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires;
- the date on which the relevant Senior Secured Event of Default or Second Lien Event of Default has been remedied or waived in accordance with the Senior Secured Finance Documents or finance documents applicable to a Second Lien Facility or Second Lien Notes (the **"Second Lien Finance Documents"**) (as applicable);
- the date on which the Shared Security Agent (acting on the instructions of the Majority Senior Secured Creditors and the Majority Second Lien Creditors) (as applicable) delivers a notice to MidCo, the Midco Agent and the Midco Notes Trustee cancelling the payment stop notice; and
- the Priority Discharge Date.

No Midco Payment Stop Notice may be delivered by the Shared Security Agent in reliance on a Senior Secured Event of Default or a Second Lien Event of Default more than 45 days after the occurrence of the event of default constituting that Senior Secured Event of Default or Second Lien Event of Default (as applicable).

No more than one Midco Payment Stop Notice may be served (i) with respect to the same event or set of circumstances, or (ii) in any period of 365 days.

Any failure to make a payment due under the Midco Finance Documents or Midco Proceeds Loan Agreement as a result of the issue of a Midco Payment Stop Notice or the occurrence of a Senior Secured Payment Default or Second Lien

Payment Default shall not prevent (i) the occurrence of an event of default as a consequence of that failure to make a payment in relation to the relevant Midco Finance Document or Midco Proceeds Loan Agreement; or (ii) the issue of an enforcement notice in respect of an event of default in respect of a Midco Facility or Midco Notes (a “**Midco Enforcement Notice**”) on behalf of the Midco Creditors.

Payment Obligations and Capitalization of Interest Continue

No Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Midco Finance Document or Midco Proceeds Loan Agreement by the operation of the provisions set out under each section above under the caption “—Restrictions relating to Midco Notes” even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with the Midco Finance Documents or Midco Proceeds Loan Agreement shall continue notwithstanding the issue of a Midco Payment Stop Notice.

Cure of Payment Stop

If:

- (i) at any time following the issue of a Midco Payment Stop Notice or the occurrence of a Senior Secured Payment Default or Second Lien Payment Default, that Midco Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Secured Payment Default or Second Lien Payment Default ceases to be continuing; and
- (ii) the relevant Debtor then promptly pays to the Midco Creditors or MidCo (in respect of the Midco Proceeds Loan Liabilities only) an amount equal to any payments which had accrued under the Midco Finance Documents or the Midco Proceeds Loan Agreement (as applicable) and which would have been Permitted Midco Payments but for that Midco Payment Stop Notice or Senior Secured Payment Default or Second Lien Payment Default (as the case may be),

then any Event of Default which may have occurred as a result of that suspension of payments shall be waived and any Midco Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Midco Creditors or MidCo (in respect of the Midco Proceeds Loan Liabilities only).

Restrictions on Amendments and Waivers

Subject to the following two paragraphs, the Intercreditor Agreement will provide that the Midco Creditors may amend or waive the terms of the Midco Finance Documents (other than the Intercreditor Agreement or any security document) in accordance with their terms at any time, subject to any consent required under them.

Prior to the Priority Discharge Date, the finance parties (the “**Midco Finance Parties**”) both under and as defined in any agreement documenting a Midco Facility (a “**Midco Facility Agreement**”) and under the Midco Notes may not, without the consent of the Majority Senior Secured Creditors and the Majority Second Lien Creditors, amend or waive the terms of the Midco Finance Documents if the amendment or waiver would result in the Midco Finance Documents being inconsistent with the Midco Liabilities Major Terms. The Midco Liabilities Major Terms stipulate requirements for any incurrence of Midco Liabilities, including the identity of the issuer, minimum maturity and being subject to the terms of the Intercreditor Agreement.

Prior to the Priority Discharge Date, MidCo and BidCo may not amend or waive the terms of the Midco Proceeds Loan Agreement if such amendment or waiver would result in BidCo being subject to more onerous obligations than those contained in the relevant Midco Finance Document (under which the proceeds of the relevant Midco Facility or Midco Notes are borrowed or issued to be on-lent) to which the Midco Proceeds Loan Agreement relates. This restriction shall not apply if such amendment or waiver relates to an increase in the applicable margin or coupon payable on the relevant Midco Proceeds Loan Agreement (provided that such margin or coupon (as the case may be) may be higher than the margin or coupon payable on the relevant Midco Facility or Midco Notes to which the Midco Proceeds Loan Agreement relates) to the extent it is customary for such Midco Proceeds Loan Agreement at the date of borrowing or issuance thereunder, taking into account the then current market conditions (which determination may be made in the good faith judgment of the board of directors of BidCo (for which it can conclusively rely on the advice and feedback of its tax advisers)).

Restrictions on Enforcement by Midco Finance Party

Until the Priority Discharge Date, except with the prior consent of or as required by an Instructing Group:

- (i) no Midco Finance Party nor MidCo shall direct the Shared Security Agent to enforce, or otherwise (to the extent applicable) require the enforcement of, any Shared Collateral; and
- (ii) no Midco Finance Party nor Midco shall take or require the taking of any Enforcement Action against a member of the ICA Group in relation to the Midco Group Liabilities,

except as permitted under the provisions set out under the caption “—Permitted Midco Enforcement” below, *provided, however*, that no such action required by an Instructing Group need be taken except to the extent such Instructing Group otherwise is entitled under the Intercreditor Agreement to direct such action.

Any Midco Creditor may at any time take any Enforcement Action against MidCo or any guarantor of Midco Liabilities which is not a member of the ICA Group in each case in accordance with the Midco Finance Documents.

“**Enforcement Action**” is defined as:

- in relation to any liabilities:
 - 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 a Senior Lender, a holder of Senior Secured Notes, a Second Lien Lender, a Second Lien Noteholder, a Midco Lender or a holder of Midco Notes to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Debt Documents);
 - the making of any declaration that any liabilities are payable on demand;
 - the making of a demand in relation to a liability that is payable on demand;
 - the making of any demand against any member of the ICA Group in relation to any guarantee liabilities of that member of the ICA Group;
 - the exercise of any right to require any member of the ICA Group to acquire any liability (including exercising any put or call option against any member of the ICA Group for the redemption or purchase of any liability but excluding any such right which arises as a result of the permitted debt purchase transactions provisions of the Senior Facilities Agreement or any substantially equivalent provisions in any other facility agreement documenting Senior Lender Liabilities other than the Senior Facilities Agreement and which is permitted by the Intercreditor Agreement (a “**Permitted Senior Secured Facility Agreement**”), the Senior Secured Notes finance documents, any agreement documenting a Second Lien Facility (a “**Second Lien Facility Agreement**”), Second Lien Notes finance documents, a Midco Facility Agreement or the Midco Notes finance documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the finance documents relating to the Senior Secured Notes, Second Lien Notes or Midco Notes);
 - the exercise of any right of set-off, account combination or payment netting against any member of the ICA Group in respect of any liabilities other than the exercise of any such right:
 - as close-out netting by a hedge counterparty or by a hedging ancillary lender;
 - as payment netting by a hedge counterparty or by a hedging ancillary lender;
 - as inter-hedging agreement netting by a hedge counterparty;
 - as inter-hedging ancillary document netting by a hedging ancillary lender; and
 - which is otherwise expressly permitted under the Senior Facilities Agreement, a Permitted Senior Secured Facility Agreement, the Senior Secured Notes finance documents, a Second Lien Facility Agreement, Second Lien Notes finance documents, a Midco Facility Agreement or the Midco Notes finance documents to the extent that the exercise of that right gives effect to a permitted payment under the Intercreditor Agreement; and
 - the suing for, commencing or joining of any legal or arbitration proceedings against any member of the ICA Group to recover any liabilities;

- the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Intercreditor Agreement;
- the taking of any steps to enforce or require the enforcement of any security (including the crystallization of any floating charge forming part of the security) as a result of an acceleration event which was continuing at the time the request for enforcement was made;
- the entering into of any composition, compromise, assignment or similar arrangement with any member of the ICA Group which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities of the ICA Group owed to a creditor under the Intercreditor Agreement (other than any action permitted under the Intercreditor Agreement or any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers entered into in accordance with the relevant finance documents and not undertaken as part of an announced restructuring or turnaround plan or while a default was outstanding under the relevant finance documents); or
- the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to the winding up, dissolution, administration or reorganization of any member of the ICA Group which owes any liabilities of the ICA Group owed to a creditor under the Intercreditor Agreement, 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 ICA Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the ICA Group, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action:

- the taking of any action falling within the seventh paragraph of the first bullet point above or the bullet point immediately above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; or
- unless an acceleration event is continuing, a demand made by (i) Holdco or Midco or any other person which accedes as a subordinated creditor to the Intercreditor Agreement (a “**Subordinated Creditor**”), or (ii) an intra-group lender in relation to the liabilities owed to a Subordinated Creditor or intra-group liabilities to the extent that (A) any resulting payment would constitute a “Permitted Subordinated Payment” or a “Permitted Intra-Group Payment” or a “Permitted Transaction” (under the Senior Facilities Agreement or any substantially equivalent provisions in a Permitted Senior Secured Facilities Agreement, a Second Lien Facility Agreement or Midco Facility Agreement) or (B) any subordinated creditor liability or intra-group liability of a member of the Midco Group being released or discharged in consideration for the issue of shares in that member of the Midco Group provided that the ownership interest of the member of the Midco Group prior to such issue is not diluted as a result and provided further that (in any such case) in the event that the shares of such member of the Midco Group are subject to transaction security prior to such issue, then the percentage of shares in such subsidiary subject to transaction security is not diluted; or
- an ancillary lender, hedge counterparty, issuing bank, Second Lien Agent, Second Lien Notes Trustee, Midco Agent or the Midco Note Trustee bringing legal proceedings against any person solely for the purpose of (A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party; (B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; (C) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages; or
- bringing legal proceedings against any person in connection with any securities violation, securities or listing relations or common law fraud or to restrain any actual or putative breach of the finance documents relating to the Permitted Senior Secured Facilities, Senior Secured Notes and certain hedging agreements, finance documents relating to the Second Lien Facilities or Second Lien Notes, or Midco Finance Documents or for specific performance with no claims for damages.

Permitted Midco Enforcement

The restrictions set out under the caption “—Restrictions on Enforcement by Midco Finance Party” above will not apply in respect of the Midco Group Liabilities or the documents evidencing the Shared Collateral (if any) which secure the

Midco Liabilities or Midco Group Liabilities (as applicable) as permitted by paragraph (iii) set out under the caption “—Restriction on Payment and Dealings” above, if:

- (i) a Midco Event of Default (the “**Relevant Midco Default**”) is continuing;
- (ii) the Senior Agent, the Senior Secured Notes Trustee, the Second Lien Agent and Second Lien Notes Trustee has received a notice of the Relevant Midco Default specifying the event or circumstance in relation to the Relevant Midco Default from the Midco Note Trustee, Midco Agent or MidCo;
- (iii) a Midco Standstill Period (as defined below) has elapsed; and
- (iv) the Relevant Midco Default is continuing at the end of the relevant Midco Standstill Period.

Promptly upon becoming aware of an event of default under a Midco Facility Agreement or the indenture for the Midco Notes (the “**Midco Notes Indenture**” and such event of default a “**Midco Event of Default**”), the Midco Notes Trustee, Midco Agent or MidCo (as the case may be) may by notice (a “**Midco Enforcement Notice**”) in writing notify the Senior Agent, the Senior Secured Notes Trustee, the Second Lien Agent and Second Lien Notes Trustee of the existence of such Midco Event of Default.

Midco Standstill Period

In relation to a Relevant Midco Default, a Midco Standstill Period shall mean the period beginning on the date (the “**Midco Standstill Start Date**”) the Midco Notes Trustee, Midco Agent or MidCo serves a Midco Enforcement Notice on the Senior Agent and the Senior Secured Notes Trustee and the Second Lien Agent and Second Lien Notes Trustee in respect of such Relevant Midco Default and ending on the earliest to occur of:

- (i) the date falling 179 days after the Midco Note Standstill Start Date (the “**Midco Standstill Period**”);
- (ii) the date the Priority Secured Parties take any Enforcement Action in relation to a particular Debtor, *provided* that:
 - (A) if a Midco Standstill Period ends pursuant to this paragraph (ii), the Midco Finance Parties or MidCo (in respect of the Midco Proceeds Loan Liabilities only) may only take the same Enforcement Action in relation to a guarantor in respect of a Midco Facility or Midco Notes (a “**Midco Guarantor**”) as the Enforcement Action taken by the Priority Secured Parties against such Midco Guarantor and not against any other member of the ICA Group; and
 - (B) Enforcement Action for the purpose of this paragraph shall not include action taken to preserve or protect any security as opposed to realize it;
- (iii) the date of an Insolvency Event (as defined below) in relation to a particular Midco Guarantor against whom Enforcement Action is to be taken; and
- (iv) the expiry of any other Midco Standstill Period outstanding at the date such first mentioned Midco Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy).

Subsequent Midco Note Defaults

The Midco Finance Parties or Midco (in respect of the Midco Proceeds Loan Liabilities only) may take Enforcement Action under the provisions set out in caption “—Permitted Midco Enforcement” above in relation to a Relevant Midco Default even if, at the end of any relevant Midco Standstill Period or at any later time, a further Midco Standstill Period has begun as a result of any other Midco Event of Default.

Option to purchase: Midco Creditors

Upon acceleration of the Permitted Senior Secured Facilities, the Senior Secured Notes, a Second Lien Facility, Second Lien Notes, a Midco Facility or the Midco Notes or enforcement of the transaction security, Midco Creditors may elect to purchase the Senior Lender Liabilities, Senior Secured Notes Liabilities, Second Lien Lender Liabilities and Second Lien Notes Liabilities for the amount that would have been required to prepay or redeem such liabilities on such date plus certain costs and expenses. Midco Creditors must also elect for the counterparties to hedging obligations to transfer their hedging obligations to holders in exchange for the amount that would have been payable under such hedging obligations had they been terminated on such date plus certain costs and expenses in connection with any such purchase.

Effect of Insolvency Event; Filing of Claims

An “**Insolvency Event**” means any formal corporate action or legal proceeding is taken in relation to:

- the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, bankruptcy, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any material subsidiary or debtor under and as defined in the Intercreditor Agreement (each a “**Material Subsidiary**” and an “**Debtor**” respectively) or Midco;
- a composition, compromise, assignment or arrangement with any class of creditors generally (other than any Secured Party or Midco Secured Party) of any Material Subsidiary, any Debtor or Midco in connection with or as a result of any financial difficulty on the part of the Material Subsidiary, Obligor or Midco;
- the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of, or all or any part of the business or assets of any Debtor, any Material Subsidiary or Midco;
- the enforcement of any security over all or any part of the business or assets of any Debtor, any other Material Subsidiary or Midco; or
- any analogous procedure or step is taken in any jurisdiction,

other than (in each case):

- any proceedings which are frivolous or vexatious and which, if capable of remedy, are discharged, stayed or dismissed within 20 Business Days of commencement or, if earlier, the date on which it is advertised (or such other period as agreed between Bidco and the Instructing Group);
- (in the case of an application to appoint an administrator or commence proceedings) any proceedings which the Security Agent is satisfied (acting on the instructions of the Instructing Group) will be withdrawn before it is heard or will be unsuccessful; or
- any step or procedure contemplated in relation to a merger that is permitted under the Senior Facilities Agreement (or any substantially equivalent provision in a Permitted Senior Secured Facilities Agreement) or any Permitted Transaction as defined in the Senior Facilities Agreement or any substantially equivalent definition a Permitted Senior Secured Facilities Agreement.

The “**Secured Parties**” comprises (i) the Shared Security Agent, (ii) any receiver or delegate, (iii) each of the Senior Agent, each Senior Secured Notes Trustee, the Second Lien Agent, the Second Lien Notes Trustee, each Midco Agent and each Midco Notes Trustee (together the “**Agents**”), (iv) the arrangers of the Permitted Senior Secured Facilities, the Second Lien Facilities and the Midco Facilities, and (v) the Primary Creditors (excluding the Notes Security Agent).

The “**Midco Secured Parties**” comprises (i) the Notes Security Agent, (ii) any receiver or delegate, and (iii) each of the creditors in respect of a Midco Facility or Midco Notes (excluding the Shared Security Agent).

The Intercreditor Agreement will provide that, after the occurrence of an Insolvency Event in relation to any member of the Midco Group, any party entitled to receive a distribution out of the assets of that member of the Midco Group in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Midco Group to pay that distribution to the Shared Security Agent until the liabilities owing to the Secured Parties have been paid in full. In this respect, the Shared Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption “—Application of Proceeds” below.

After the occurrence of an Insolvency Event in relation to Midco, any Midco Secured Party entitled to receive a distribution out of the assets of Midco in respect of Midco Liabilities or Midco Proceeds Loan Liabilities owed to that Midco Secured Party (except to the extent that such distribution arises as a result of the Shared Collateral) shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of Midco to pay that distribution to the Notes Security Agent until the Midco Liabilities or Midco Proceeds Loan Liabilities owing to the Midco Secured Parties have been paid in full. The Notes Security Agent shall apply distributions paid to it under this paragraph above in accordance with the provisions set out under the caption “—Application of Proceeds” below.

Generally, to the extent that any member of Midco Group’s liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the ICA Group, any creditor which benefited from that set-off shall pay an amount equal to the amount of the liabilities owed to it which are discharged by that

set-off to the Shared Security Agent for application in accordance with the provisions set out in the caption “—Application of Proceeds” below.

To the extent that the Midco Liabilities or Midco Proceeds Loan Liabilities of Midco are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to Midco (except to the extent arising as a result of the Shared Collateral), any Midco Secured Party which benefited from that set-off shall pay an amount equal to the amount of the Midco Liabilities or Midco Proceeds Loan Liabilities owed to it which are discharged by that set-off to the Independent Security Agent for application in accordance with the provisions set out in the caption “—Application of Proceeds” below.

If a Security Agent or any other Secured Party receives a distribution in a form other than in cash in respect of any of the liabilities owed to them by a member of the ICA Group, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards such liabilities.

After the occurrence of an Insolvency Event in relation to any member of Midco Group, each creditor (or, in relation to an Insolvency Event in relation to Midco, each Midco Secured Party) irrevocably authorizes the applicable Security Agent, on its behalf, to:

- (i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the ICA Group or Midco (as applicable);
- (ii) demand, sue, prove and give receipt for any or all of that member of the ICA Group’s (or Midco’s (as applicable)) liabilities owed to the creditors under the debt documents;
- (iii) collect and receive all distributions on, or on account of, any or all of that member of the ICA Group’s (or Midco’s (as applicable)) liabilities owed to the creditors under the debt documents; and
- (iv) file claims, take proceedings and do all other things the Shared Security Agent considers reasonably necessary to recover that member of the ICA Group’s (or Midco’s (as applicable)) liabilities owed to the creditors under the debt documents.

Each creditor will (i) do all things that the relevant Security Agent reasonably requests in order to give effect to the matters disclosed under this section and (ii) if the relevant Security Agent is not entitled to take any of the actions contemplated by this section or if the relevant Security Agent requests that a creditor take that action, undertake that action itself in accordance with the instructions of the relevant Security Agent or grant a power of attorney to the relevant Security Agent (on such terms as the relevant Security Agent may reasonably require, although no trustee shall be under any obligation to grant such powers of attorney) to enable the relevant Security Agent to take such action.

Turnover

Subject to certain exceptions, the Intercreditor Agreement will provide that if any creditor receives or recovers from any member of the ICA Group:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the debt documents which is not either (x) a payment permitted under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under the caption “—Application of Proceeds”;
- (ii) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;
- (iii) any amount:
 - (A) on account of, or in relation to, any of the liabilities owed to the creditors under the debt documents:
 - (I) after the occurrence of an acceleration event or the enforcement of any security; or
 - (II) as a result of any other litigation or proceedings against a member of the Midco Group (other than after the occurrence of an Insolvency Event in respect of that member of the Midco Group); or
 - (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,

other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption “—Application of Proceeds”;

- (iv) the proceeds of any enforcement of any of the Shared Collateral except in accordance with the provisions set out below under the caption “—Application of Proceeds”; or
- (v) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of the ICA Group which is not in accordance with the provisions set out in the caption “—Application of Proceeds” and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of the ICA Group,

that Creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust (or otherwise on behalf and for the account of) for the Shared Security Agent and promptly pay or distribute that amount to the Shared Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Shared Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Shared Security Agent for application in accordance with the terms of the Intercreditor Agreement.

A turnover mechanism on substantially the same terms applies in the event that, at any time prior to the latest to occur of the Senior Secured Discharge Date, the Second Lien Discharge Date and the Midco Discharge Date, any Midco Creditor receives or recovers from any member of the Midco Group certain payments which are not (*inter alia*) payments permitted under the Intercreditor Agreement or made in accordance with the provisions set out below under the caption “—Application of Proceeds”. In such circumstances, that Midco Creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust (or otherwise on behalf and for the account of) for the Notes Security Agent and promptly pay that amount to the Notes Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Notes Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Notes Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Enforcement of Security

Enforcement Instructions—Shared Collateral

The Shared Security Agent may refrain from enforcing the Shared Collateral unless instructed otherwise by (i) the Instructing Group; (ii) if required under the third paragraph of this section, the Second Lien Agent or Second Lien Notes Trustee (acting on the instructions of the Majority Second Lien Creditors), or (iii) if required under the fourth paragraph of this section, the Midco Agent or Midco Notes Trustee (each a “**Midco Creditor Representative**”) (acting on the instructions of the Majority Midco Creditors).

Subject to the Shared Collateral having become enforceable in accordance with its terms (i) the Instructing Group; or (ii) to the extent permitted to enforce or to require the enforcement of the Shared Collateral prior to the Senior Lender Liabilities and the Hedging Liabilities having been discharged under the provisions set out under the caption “—Permitted Midco Enforcement” above, the Second Lien Agent or Second Lien Notes Trustee (acting on the instructions of the Majority Second Lien Creditors), or the Midco Creditor Representative (acting on the instructions of the Majority Midco Creditors), as applicable, may give, or refrain from giving, instructions to the Shared Security Agent to enforce, or refrain from enforcing, the Shared Collateral as they see fit.

Prior to the Senior Secured Discharge Date, (i) if the Instructing Group has instructed the Shared Security Agent not to enforce or to cease enforcing the Shared Collateral or (ii) in the absence of instructions from the Instructing Group, and, in each case, the Instructing Group has not required any Debtor to make a Distressed Disposal (as described below), the Shared Security Agent shall give effect to any instructions to enforce the Shared Collateral which the Majority Second Lien Creditors are then entitled to give to the Shared Security Agent under the provisions under the Intercreditor Agreement relating to enforcement of security by Second Lien Creditors.

Prior to Priority Discharge Date, (i) if the Instructing Group (or the Majority Second Lien Creditors pursuant to the paragraph above) has instructed the Shared Security Agent not to enforce or to cease enforcing the Shared Collateral or (ii) in the absence of instructions from the Instructing Group (or the Majority Second Lien Creditors pursuant to the paragraph above), and, in each case, the Instructing Group (or the Majority Second Lien Creditors pursuant to the paragraph above) has

not required any Debtor to make a Distressed Disposal (as described below), the Shared Security Agent shall give effect to any instructions to enforce the Shared Collateral which the Majority Midco Creditors are then entitled to give to the Shared Security Agent under the provisions under the caption “—Permitted Midco Enforcement” above.

Notwithstanding the preceding two paragraphs, if at any time the Second Lien Agent or Second Lien Notes Trustee or Midco Creditor Representative is then entitled to give the Shared Security Agent instructions to enforce the Shared Collateral pursuant to the preceding two paragraphs and the Second Lien Agent or Second Lien Notes Trustee and/or Midco Creditor Representative (as applicable) either gives such instruction or indicates any intention to give such instruction, then the Instructing Group may give instructions to the Shared Security Agent to enforce the Shared Collateral as the Instructing Group sees fit in lieu of any instructions to enforce given by the Midco Creditor Representative(s) under the provisions set out under the caption “—Permitted Midco Enforcement” above and the Shared Security Agent shall act on such instructions received from the Instructing Group.

No Secured Party shall have any independent power to enforce, or to have recourse to enforce, any Shared Collateral or to exercise any rights or powers arising under the security documents governing such Shared Collateral except through the Shared Security Agent.

Manner of Enforcement—Shared Collateral

If the Shared Collateral is being enforced as set forth above under the caption “—Enforcement Instructions—Shared Collateral”, the Shared Security Agent shall enforce the Shared Collateral in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Shared Security Agent) as:

- the Instructing Group; or
- prior to the Senior Secured Discharge Date, if (i) the Shared Security Agent has, pursuant to the third paragraph of the preceding section, received instructions given by the Majority Second Lien Creditors to enforce the Shared Collateral; and (ii) the Instructing Group has not given instructions as to the manner of enforcement of the Shared Collateral, the Majority Second Lien Creditors; or
- prior to the Priority Discharge Date, if (i) the Shared Security Agent has, pursuant to the fourth paragraph of the preceding section, received instructions given by the Majority Midco Creditors to enforce the Shared Collateral; and (ii) neither the Instructing Group nor the Majority Second Lien Creditors have given instructions as to the manner of enforcement of the Shared Collateral, the Majority Midco Creditors,

shall instruct or, in the absence of any such instructions, as the Shared Security Agent sees fit.

Enforcement Instructions—Notes Collateral

The Notes Security Agent may refrain from enforcing the Notes Collateral unless instructed otherwise by the relevant Midco Creditor Representative (acting on the instructions of the Majority Midco Creditors).

Subject to the Notes Collateral having become enforceable in accordance with its terms the Majority Midco Creditors may give, or refrain from giving, instructions to the Notes Security Agent to enforce, or refrain from enforcing, the Notes Collateral as they see fit.

No Midco Secured Party shall have any independent power to enforce, or to have recourse to enforce, any Notes Collateral or to exercise any rights or powers arising under the security documents governing such Notes Collateral except through the Notes Security Agent.

Manner of Enforcement—Notes Collateral

If the Notes Collateral is being enforced as set forth above under the caption “—Enforcement Instructions—Notes Collateral”, the Notes Security Agent shall enforce the Notes Collateral in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the Notes Security Agent) as the Majority Midco Creditors shall instruct or, in the absence of any such instructions, as the Notes Security Agent sees fit.

Exercise of Voting Rights

MidCo, each intra-group lender and each Subordinated Creditor agrees (to the fullest extent permitted by law at the relevant time) with the Shared Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the ICA Group as instructed by the Shared Security Agent. The Shared Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group.

Each of the intra-group lenders under the Intercreditor Agreement to which Midco owes any liabilities agrees (to the fullest extent permitted by law at the relevant time) with the Notes Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Midco Group other than in respect of the Shared Collateral as instructed by the Notes Security Agent. The Notes Security Agent shall give instructions for the purposes of this paragraph as directed by the Majority Midco Creditors.

Waiver of Rights

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the Secured Parties, Midco Secured Parties and the Debtors waives all rights it may otherwise have to require that the 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 security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations (including Midco Liabilities and Midco Proceeds Loan Liabilities), is so applied.

Duties Owed

Pursuant to the Intercreditor Agreement, each of the Secured Parties and the Debtors acknowledges that, in the event that the Shared Security Agent enforces, or is instructed to enforce, any Shared Collateral prior to the Senior Secured Discharge Date, the duties of the Shared Security Agent and of any receiver or delegate owed to the creditors in respect of the Second Lien Liabilities (the “**Second Lien Creditors**”) in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that Shared Collateral shall (subject to certain provisions of the Intercreditor Agreement) be no different to or greater than the duty that is owed by the Shared Security Agent, receiver or delegate to the Debtors under general law. The duty of care owed (whether under the Intercreditor Agreement or under general law) by the Shared Security Agent to the Second Lien Creditors shall be the same whether or not the Second Lien Creditors are a creditor to the relevant entity at which enforcement is being conducted or are beneficiaries of the security which is being enforced. The Shared Security Agent is obliged to promptly notify the Second Lien Creditors of the scheduling of any proceedings in relation to any Enforcement Action with respect to the Shared Collateral.

Furthermore, each of the Secured Parties and the Debtors acknowledges that, in the event that the Shared Security Agent enforces, or is instructed to enforce, any Shared Collateral on or after the Senior Secured Discharge Date but prior to the Priority Discharge Date, the duties of the Shared Security Agent and of any receiver or delegate owed to any Midco Notes finance party in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that Shared Collateral shall (subject to certain provisions of the Intercreditor Agreement) be no different to or greater than the duty that is owed by the Shared Security Agent, receiver or delegate to the Debtors under general law.

Security Held by Other Creditors

If any Shared Collateral is held by a creditor other than the Shared Security Agent, then creditors may only enforce that Shared Collateral in accordance with instructions given by an Instructing Group in accordance with the provisions described in this section captioned “—Enforcement of Security” (and for this purpose references to the Shared Security Agent shall be construed as references to that creditor).

Proceeds of Disposals

Non-Distressed Disposals

In this section, “**Disposal Proceeds**” means the proceeds of a Non-Distressed Disposal (as defined below).

If, in respect of a disposal (a “**Non-Distressed Disposal**”) of an (a) asset by a Debtor or (b) an asset which is subject to the transaction security, and Bidco certifies for the benefit of the relevant Security Agent that (I) the disposal is not prohibited under the Debt Documents and the relevant asset is not required to remain subject to the Collateral or all required consents from creditors for such disposal have been obtained, and (II) the disposal is not a Distressed Disposal (described below), then the relevant Security Agent is irrevocably authorized (at the reasonable cost of the relevant Debtor, BidCo or MidCo and without any consent, sanction, authority or further confirmation from any creditor or Debtor) but subject to the following paragraph:

- to release the security and any other claim (relating to a debt document) over that asset;
- where that asset consists of shares in the capital of a Debtor, to release the security and any other claim, including without limitation any guarantee liabilities or other liabilities (relating to a debt document) over that Debtor or its assets and (if any) the subsidiaries of that Debtor and their respective assets; and
- to execute and deliver or enter into any release of the security or any claim described in the preceding two bullets and issue any certificates of non-crystallization of any floating charge or any consent to dealing that may be reasonably requested by Bidco.

If that Non-Distressed Disposal is not made, each release of security or any claim described in the paragraph above shall have no effect and the security or claim subject to that release shall continue in such force and effect as if that release had not been effected.

Distressed Disposals

A “**Distressed Disposal**” is a disposal of an asset or shares of a member of the Midco Group (other than shares in MidCo) which is (a) being effected at the request of an Instructing Group in circumstances where the Shared Collateral has become enforceable as a result of an acceleration event which was continuing at the time the request for enforcement was made, (b) being effected by enforcement of the Shared Collateral as a result of an acceleration event which was continuing at the time the request for enforcement was made or (c) being disposed of to a third party subsequent to an acceleration event or the enforcement of any transaction security.

If a Distressed Disposal of any asset is being effected, the Shared Security Agent is irrevocably authorized (at the cost of the relevant Debtor or BidCo and without any consent, sanction, authority or further confirmation from any creditor or Debtor):

- (i) to release the Shared Collateral or any other claim over that asset and execute and deliver or enter into any release of that Shared Collateral or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Shared Security Agent, be considered necessary or desirable;
- (ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:
 - (A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;
 - (B) any Shared Collateral granted by that Debtor or any subsidiary of that Debtor over any of its assets; and
 - (C) any other claim of an intra-group lender, a Subordinated Creditor, or another Debtor over that Debtor’s assets or over the assets of any subsidiary of that Debtor,

on behalf of the relevant creditors and Debtors;

- (iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor to release:
 - (A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities;
 - (B) any Shared Collateral granted by any subsidiary of that holding company over any of its assets; and

- (C) any other claim of an intra-group lender, a Subordinated Creditor or another Debtor over the assets of that holding company and any subsidiary of that holding company,

on behalf of the relevant creditors and Debtors;

- (iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Shared Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:
 - (A) (if the Shared Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the “**Transferee**”) will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities, provided that, notwithstanding any other provision of any debt Document, the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and
 - (B) (if the Shared Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of: all (and not part only) of the liabilities owed to the Primary Creditors and all or part of any other liabilities and the Debtor liabilities, on behalf of, in each case, the relevant creditors and Debtors;
- (v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the “**Disposed Entity**”) and the Shared Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (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: the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:
 - (A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and
 - (B) (provided the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of the Senior Lender Liabilities, the Senior Secured Notes Liabilities, the Second Lien Lender Liabilities and the Second Lien Notes Liabilities (the “**Priority Secured Liabilities**”) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Shared Security Agent (as the case may be) for application in accordance with the provisions set out under the caption “—Application of Proceeds” as if those proceeds were the proceeds of an enforcement of the Shared Collateral and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Shared Security Agent, the Shared Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (although the Shared Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

If a Distressed Disposal is being effected at a time when the Majority Second Lien Creditors are entitled to give, and have given, instructions in accordance with the Intercreditor Agreement, the Shared Security Agent is not authorized to release any Debtor, subsidiary or holding company from any borrowing liabilities or guarantee liabilities owed to any Senior Secured Creditor unless those borrowing liabilities or guarantee liabilities and any other Senior Secured Liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor), following that release.

If a Distressed Disposal is being effected at a time when the Majority Midco Creditors are entitled to give, and have given, instructions in accordance with the Intercreditor Agreement, the Shared Security Agent is not authorized to release any Debtor, subsidiary or holding company from any borrowing liabilities or guarantee liabilities owed to any Senior Secured

Creditor or any Second Lien Creditor unless those borrowing liabilities or guarantee liabilities and any other Senior Secured Liabilities or Second Lien Liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor), following that release.

Where borrowing liabilities in respect of any Senior Secured Liabilities or any Second Lien Liabilities would otherwise be released pursuant to the Intercreditor Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to MidCo or HoldCo, in which case the Shared Security Agent is irrevocably authorized (at the cost of the relevant Debtor or BidCo and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

If before the first date on which all Second Lien Liabilities have been discharged (the “**Second Lien Discharge Date**”) or the first date on which all Midco Liabilities have been discharged (the “**Midco Discharge Date**”), a Distressed Disposal is being effected such that the Second Lien Liabilities or the Midco Guarantee Liabilities and Shared Collateral over shares in BidCo or assets of a Midco Guarantor will be released pursuant to the Intercreditor Agreement, it is a further condition to the release that either:

- the Second Lien Agent, Second Lien Notes Trustee, Midco Agent and Midco Notes Trustee (as applicable) has approved the release; or
- where shares or assets of a guarantor in respect of Second Lien Liabilities (a “**Second Lien Guarantor**”) or Midco Guarantor or assets of MidCo are sold:
 - (A) the proceeds of such sale or disposal are in cash (or substantially in cash) and/or other marketable securities or, if the proceeds of such sale or disposal are not in cash (or substantially in cash) and/or other marketable securities, the requirements of paragraph (C)(III) below are satisfied;
 - (B) all claims of the Senior Secured Creditors and Second Lien Creditors against a member of the Midco Group (if any), all of whose shares are pledged in favor of the creditors in respect of the Priority Secured Liabilities (the “**Priority Secured Creditors**”) are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):
 - (I) where the Senior Secured Creditors constitute the Instructing Group, the Senior Agent and Senior Secured Notes Trustee (i) determine, acting reasonably and in good faith, that the Senior Secured Creditors will recover more than if such claim was released or discharged, and (ii) serve a notice on the Shared Security Agent notifying the Shared Security Agent of the same; and
 - (II) where the Second Lien Creditors constitute the Instructing Group, the Second Lien Agent and the Second Lien Notes Trustee (i) determine acting reasonably and in good faith that the Priority Secured Creditors (collectively) will recover more than if such claim was released or discharged, and (ii) serve a notice on the Shared Security Agent notifying the Shared Security Agent of the same;

in which case the Shared Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and

- (C) such sale or disposal (including any sale or disposal of any claim) is made:
 - (I) pursuant to a public or private auction or other competitive process;
 - (II) pursuant to any process or proceedings approved or supervised by or on behalf of any court of law where there is a determination of value by or on behalf of the court; or
 - (III) where an independent investment bank or an internationally recognized firm of accountants or a reputable independent third party professional firm which is regularly engaged in providing valuations in respect of the relevant type and size of the assets concerned selected by the Shared Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement provided that the liability of such investment

bank or internationally recognized firm of accountants in giving such opinion may be limited to the amount of its fees in respect of such engagement.

For the purposes of the first and second bullets above and sub-clauses (iv) and (v) and the second paragraph after sub-clause (v)(B) above, the Shared Security Agent shall act:

- if the relevant Distressed Disposal is being effected by way of enforcement of the Shared Collateral, in accordance with the provisions set out under the caption “—Manner of Enforcement—Shared Collateral” above; and
- in any other case, (a) on the instructions of the Instructing Group or (b) in the absence of any such instructions, as the Shared Security Agent sees fit.

Application of Proceeds

For the purposes of this section, “**Recoveries**” refers, collectively, to (i) Group Recoveries (defined below) and (ii) all amounts from time to time received or recovered by the Notes Security Agent from the Debtors pursuant to the terms of any debt document (other than Shared Collateral or any amounts received or recovered by or on behalf of the Midco Creditors from a Distressed Disposal of the Shared Collateral) (the “**Independent Recoveries**”).

The Intercreditor Agreement will provide that Secured Parties and Midco Secured Parties may only benefit from Recoveries (as defined above) to the extent that the liabilities of such Secured Parties and Midco Secured Parties have the benefit of the guarantees or security under which such Recoveries are received and provided that, in all cases, the rights of such Secured Parties and Midco Secured Parties shall in any event be subject to the priorities set out in this section, and provided further, however, that this shall not prevent the Senior Secured Notes Trustee from claiming and being paid the Senior Secured Notes Trustee amounts, the Second Lien Agent from claiming and being paid the Second Lien Agent amounts, the Second Lien Notes Trustee from claiming and being paid the Second Lien Notes Trustee amounts, the Midco Creditor Representative from claiming and being paid the amounts owed to it by Debtors in its capacity as agent under a Midco Facility (“**Midco Agent Liabilities**”) or the Midco Notes Trustee from claiming and being paid the Midco Notes Trustee amounts. This shall not prevent a Senior Secured Creditor benefiting from such Group Recoveries where it was not legally possible for the Senior Secured Creditor to obtain the relevant guarantees or security, and shall not affect the equalization provisions of the Intercreditor Agreement described below under the caption “—Equalization”.

The Intercreditor Agreement will provide that all amounts from time to time received or recovered by the Shared Security Agent pursuant to the terms of any debt document (other than recoveries from any Notes Collateral or any other security which is not Shared Collateral or any guarantees provided by MidCo or any other holding company of BidCo in respect of any of the Midco Liabilities) or in connection with the realization or enforcement of all or any part of the Shared Collateral (for the purposes of this section, the “**Group Recoveries**”) shall be applied at any time as the Shared Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this section), in the following order of priority:

- (i) in discharging any sums owing to the Senior Agent (in respect of the amounts due to the Senior Agent), any receiver or delegate, the Shared Security Agent, any Senior Secured Notes Trustee amounts, any sums owing to the Second Lien Agent in respect of the Second Lien Agent liabilities, any Second Lien Notes Trustee amounts, the Midco Agent in respect of Midco Agent liabilities, and any Midco Notes Trustee amounts on a *pari passu* basis;
- (ii) in payment of all costs and expenses incurred by any agent or primary creditor in connection with any realization or enforcement of the Shared Collateral taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Shared Security Agent under the Intercreditor Agreement;
- (iii) in payment to:
 - (A) the Senior Agent on its own behalf and on behalf of the senior arrangers and the Senior Lenders;
 - (B) each Senior Secured Notes Trustee on its own behalf and on behalf of the holders of the Senior Secured Notes; and
 - (C) certain hedge counterparties party to the Intercreditor Agreement,

for application towards the discharge of:

- (I) the liabilities of the arrangers of the Permitted Senior Secured Facilities and the Senior Lender Liabilities (in accordance with the terms of the Senior Finance Documents);

- (II) the Senior Secured Notes Liabilities (in accordance with the terms of the Senior Secured Notes finance documents); and
- (III) the Hedging Liabilities (on a *pro rata* basis between the Hedging Liabilities of each hedge counterparty),

on a *pro rata* basis and ranking *pari passu* between the three immediately preceding paragraphs (I), (II) and (III) above;

- (D) the Second Lien Agent (for itself and for the second lien arrangers and the Second Lien Lenders), and each Second Lien Notes Trustee (for itself and for the creditors in respect of the Second Lien Notes), for application towards the discharge of (I) the liabilities of the arrangers of the Second Lien Facilities and the Second Lien Lender Liabilities (in accordance with the terms of the finance documents applicable to the Second Lien Facilities), and (II) the Second Lien Notes Liabilities (in accordance with the terms of the finance documents applicable to the Second Lien Notes), on a *pro rata* basis and ranking *pari passu* between themselves. On the Issue Date, no Second Lien Lender Liabilities or Second Lien Notes Liabilities will be outstanding. Such Liabilities may only be incurred if not prohibited under the terms of the Debt Documents, including, without limitation, the covenants applicable to the Notes described under “Description of the Notes—Certain Covenants—Limitation on Layered Debt” and “Description of the Notes—Limitation on Liens.”
- (E) solely to the extent such proceeds are from the realization or enforcement of all or any part of the Shared Collateral held by the Shared Security Agent, the Midco Agent (for itself and for the senior unsecured arrangers and the Midco Lenders), and each Midco Notes Trustee (for itself and for the creditors in respect of the Midco Notes), for application towards the discharge of (I) the liabilities of the arrangers of the Midco Facilities and the Midco Facility Liabilities (in accordance with the terms of the finance documents applicable to the Midco Facilities), and (II) the Midco Notes Liabilities (in accordance with the terms of the finance documents applicable to the Midco Notes), on a *pro rata* basis and ranking *pari passu* between themselves.
- (F) if none of the Debtors is under any further actual or contingent liability under any of the Intercreditor Agreement or the finance documents relating to the Permitted Senior Secured Facilities, the Senior Secured Notes, the Second Lien Facilities, the Second Lien Notes, the Midco Facilities and the Midco Notes, in payment to any other person whom the Common Security Agent is obliged to pay in priority to any Debtor; and
- (G) the balance, if any, in payment to the relevant Debtor.

All Independent Recoveries shall be held by the Notes Security Agent on trust, to the extent legally permitted, to apply them at any time as the Notes Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this section), in the following order of priority:

- (i) in discharging any sums owing to the Midco creditor representatives (in respect of the amounts due to the Midco Notes Trustee, any other Midco notes trustee or an agent under a Midco Facility), the Notes Security Agent, any receiver or delegate on a *pari passu* basis;
- (ii) in payment of all costs and expenses incurred by any agent or Midco creditor in connection with any realization or enforcement of the Notes Collateral taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Notes Security Agent under the Intercreditor Agreement;
- (iii) the Midco Agent (for itself and for the senior unsecured arrangers and the Midco Lenders), and each Midco Notes Trustee (for itself and for the creditors in respect of the Midco Notes), for application towards the discharge of (I) the liabilities of the arrangers of the Midco Facilities and the Midco Facility Liabilities (in accordance with the terms of the finance documents applicable to the Midco Facilities), and (II) the Midco Notes Liabilities (in accordance with the terms of the finance documents applicable to the Midco Notes), on a *pro rata* basis and ranking *pari passu* between themselves;
- (iv) if none of the Debtors is under any further actual or contingent liability under any of the Intercreditor Agreement or the finance documents relating to the Midco Liabilities, in payment to any other person whom the Notes Security Agent is obliged to pay in priority to any Debtor; and
- (v) the balance, if any, in payment to the relevant Debtor.

Equalization

The Intercreditor Agreement will provide that if, for any reason, any Senior Secured Liabilities remain unpaid after the first date on which Enforcement Action is taken (under the second, fourth, fifth or fourteenth bullets of such definition as described in this summary) (the “**Enforcement Date**”) and the resulting losses are not borne by the Senior Secured Creditors in the proportions which their respective exposures at the Enforcement Date bore to the aggregate exposures of all the Senior Secured Creditors at the Enforcement Date, the Senior Secured Creditors (subject, in the case of amounts owing to the trustees of the Senior Secured Notes, Second Lien Notes and Midco Notes, to the terms of the Intercreditor Agreement) will make such payments amongst themselves as the Shared Security Agent shall require to put the Senior Secured Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

New Debt Financing

The Intercreditor Agreement permits, in certain circumstances and subject to certain conditions, for the implementation of any existing, additional, supplemental or new financing arrangement under a Senior Secured Finance Document, a Second Lien Finance Document or a Midco Finance Document, including by way of refinancing, replacement, exchange, set-off, discharge or increase of any such new, existing, additional, supplemental or new financing arrangement under such finance documents (a “**New Debt Financing**”). In connection with any New Debt Financing, each Debtor and each Security Agent is authorized to enter into any new security document, amend or waive any term of an existing security document and/or release any asset from the Collateral subject to certain conditions, including as regards the parties in whose favor such security is granted, and the terms of such security (which must be substantially the same as the terms applicable to the existing Collateral). In addition, the Intercreditor Agreement permits, subject to the terms of the other Debt Documents, the incurrence of indebtedness which has super priority status in respect of the proceeds from the enforcement of collateral compared with other senior indebtedness.

Required Consents

The Intercreditor Agreement will provide that, subject to certain exceptions, its terms may be amended or waived only with the consent of BidCo, the relevant agents (including the Senior Agent), and the Security Agent, provided that, to the extent that an amendment, waiver or consent only affects one class of creditors, and such amendment, waiver or consent could not reasonably be expected materially or adversely to affect the interests of the other classes of creditors, only written agreement from the agent acting on behalf of the affected class shall be required.

An amendment or waiver of the Intercreditor Agreement that has the effect of changing or which relates to, among other matters, the provisions set out under the caption “—Application of Proceeds” and the order of priority or subordination under the Intercreditor Agreement shall not be made without the consent of:

- (i) the agents (including the Senior Agent);
- (ii) the Senior Lenders;
- (iii) the Senior Secured Notes creditors (to the extent that the amendment or waiver would materially and adversely affect such creditors);
- (iv) the Second Lien Lenders, if any;
- (v) the Second Lien Notes creditors (to the extent that the amendment or waiver would materially and adversely affect such creditors), if any;
- (vi) the Midco Lenders;
- (v) the Midco Notes creditors (to the extent that the amendment or waiver would materially and adversely affect such creditors);
- (v) each hedge counterparty (to the extent that the amendment or waiver would adversely affect the hedge counterparty);
- (vi) each Security Agent; and
- (vii) BidCo and MidCo.

The Intercreditor Agreement may be amended by the Agents, each Security Agent and BidCo without the consent of any other party thereto, to cure defects, omissions or manifest errors or resolve ambiguities or inconsistencies.

Each agent shall, to the extent consented to by the requisite percentage of creditors it represents or is otherwise authorized by the Debt Documents to which it is party, act on such instructions or authorizations in accordance therewith save to the extent any amendments so consented or authorized to relate to any provision affecting the personal rights and obligations of that agent in its capacity as such.

Amendments and Waivers: Security Documents

Subject to certain exceptions under the Intercreditor Agreement, the relevant Security Agent may, if authorized by an Instructing Group in the case of the Shared Collateral or the Majority Midco Creditors in the case of the Notes Collateral, and if BidCo consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party.

Subject to certain exceptions under the Intercreditor Agreement, the prior consent of the Primary Creditors is required to authorize any amendment or waiver of, or consent under, any security document governing the Shared Collateral which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the Shared Collateral are distributed.

Subject to certain exceptions under the Intercreditor Agreement, the prior consent of the Midco Creditors is required to authorize any amendment or waiver of, or consent under, any security document governing the Notes Collateral which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the Notes Collateral are distributed.

Exceptions

Subject to the paragraph below and certain other exceptions under the Intercreditor Agreement, an amendment, waiver or consent which relates to the rights or obligations which are personal to an Agent, an arranger, a Security Agent in its capacity as such (including, without limitation, any ability of that Security Agent to act in its discretion under the Intercreditor Agreement) may not be effected without the consent of that Agent or, as the case may be, that arranger or the relevant Security Agent.

Neither of the preceding paragraph nor the first paragraph of the section above captioned “— Amendments and Waivers: Security Documents” shall apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out in the caption “—Proceeds of Disposals” above and the provisions of the Intercreditor Agreement relating to New Debt Financing.

Snooze/Lose

If in relation to a request for a consent, a request to participate in a vote of a class of creditors, a request to approve any action or a request for a confirmation or notification, in each case, under the Intercreditor Agreement, a Primary Creditor fails to respond to the request within 10 Business Days (or any other period of time notified by BidCo, with agreement of the Senior Agent if a shorter period of time) or fails to provide details of its credit participation, such Primary Creditor will be disregarded or be deemed to have zero participation or outstandings in respect of the matter or be deemed to have provided the relevant confirmation or notification, as applicable.

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

Notwithstanding anything to the contrary in the Intercreditor Agreement, the paragraph above will not cure, postpone, waive or negate any default or event of default (however described) under any Debt Document (or any event that would but for the paragraph above constitute a breach, default or event of default (however described)) as between any creditor and any Debtor that are party to that Debt Document.

Local Credit Lines

Argentina Line of Credit

Our subsidiary in Argentina requested a financing facility in May 2013 with Banco Itaú Argentina S.A., for 1.2 million Argentine pesos of credit at a fixed rate of interest of 15.25%. The facility requires us to make repayments of 50,000 Argentine pesos each month, which will result in all amounts being repaid by July 2016. Terms of the facility include a change of control provision, which we expect will entitle the counterparty to terminate the facility upon the Completion Date. As of September 30, 2014, €0.1 million (equivalent) was outstanding under this facility.

Austria Export Credit Agreement

Wittur Austria GmbH is party to a subsidized export credit agreement with UniCredit Bank Austria AG for a line of credit up to 10% of sales (equivalent to €9.3 million as of September 30, 2014) in respect of receivables for exported goods at a margin of 1.25% per annum. The line of credit is repayable upon demand and terminable by either party at any time. The line of credit is guaranteed by Wittur GmbH and Wittur Austria Holdings GmbH, and also benefits from a guarantee by Oesterreichische Kontrollbank Aktiengesellschaft, which manages the Austrian government's export guarantee system. As of September 30, 2014, €4.0 million was outstanding under this export credit agreement. Additionally, Wittur Austria GmbH undertook to maintain a debt-to-equity ratio of 4:1 or less.

China Banking Relationships

We have entered into relationship agreements with three banks in China. These relationship agreements provide for local lines of credit which are subject to application by us and approval by each bank, and so the amounts under each of these relationship agreements do not represent committed funds available for use. On March 20, 2014, China Construction Bank extended a RMB60.0 million annual line of credit to our subsidiary in China ("**Wittur China**"), which provided for availability of up to RMB20.0 million to finance working capital, RMB20.0 million for bank acceptance bills and RMB20.0 million for domestic factoring. The Bank of China has agreed to a RMB60.0 million annual line of credit to Wittur China, and the Industrial and Commercial Bank of China has extended a RMB40.0 million annual line of credit to finance working capital. To access capital available under any of these lines of credit, Wittur China would need to apply for a loan and be approved by the bank providing the credit. As of September 30, 2014, we had not utilized any of these lines of credit.

India Working Capital Line

Wittur Elevator Components India Pvt. Ltd. is the borrower under a working capital line with Corporation Bank, Chennai Sriperumpudur Branch, consisting of a rupee 40.0 million cash credit facility, with a rupee 2.5 million sublimit for receivables finance, and a rupee 2.0 million bank guarantee letter of credit arrangement. Using current exchange rates, total availability under the working capital line would be approximately €0.6 million. The working capital line is repayable upon demand, terminable by either party at any time and subject to annual renewal. The working capital line is secured by the inventory, book debts and other current assets of borrower, and accrues interest on outstanding balances at the base rate of the Reserve Bank of India, plus 4.60% per annum. As of September 30, 2014, €0.5 million (equivalent) was outstanding under this working capital line.

Turkey General Loan Agreement

Wittur Asansör Sanayi ve Ticaret Anonim Şirketi is the borrower under a general loan agreement with a export loan credit line of TRY 4,500,000 and an interest rate of 2.95% which may be changed by the bank at its sole discretion. This general loan was used by the borrower as an export loan. As of September 30, 2014, the equivalent of €1.0 million was outstanding under this general loan agreement. The outstanding amount of the loan is to be repaid on May 15, 2015, if not rolled over for a subsequent one year term. The loan is unsecured.

LuxCo, TopCo and HoldCo Shareholder Funding Instruments

See "Principal Shareholders" for a description of the PECs, subordinated shareholder loans and Deferred Consideration that will be in place at certain holding companies of the Issuer following the Acquisition.

DESCRIPTION OF THE NOTES

You will find definitions of certain capitalized terms used in this “*Description of the Notes*” under the heading “*Certain Definitions*.” For purposes of this “*Description of the Notes*,” references to the “Issuer,” “we,” “our,” and “us” refer only to Paternoster Holding III GmbH.

The Issuer will issue €25.0 million aggregate principal amount of its 8.50% Senior Notes due 2023 (the “*Notes*”) under an indenture to be dated as of the Issue Date (the “*Indenture*”), between, *inter alios*, the Issuer, Holdco, U.S. Bank Trustees Limited, as trustee (the “*Trustee*”), U.S. Bank Trustees Limited, as security agent in respect of the First-Priority Collateral (as defined below) (the “*Notes Security Agent*”), Credit Suisse AG, London Branch, as security agent in respect of the Shared Collateral (as defined below) (the “*Shared Security Agent*”, and together with the Notes Security Agent, the “*Security Agents*”) and Elavon Financial Services Limited, UK Branch, as paying agent, in a private transaction that is not subject to the registration requirements of the Securities Act. The Indenture will not incorporate or include terms of, or be subject to, any of the provisions of, the U.S. Trust Indenture Act of 1939, as amended.

The proceeds of the offering of the Notes sold on the Issue Date will be used by the Issuer, together with the proceeds of the First Lien Term Loan, the Equity Contribution and cash on hand, to (i) fund the consideration payable for the shares of the Target, (ii) repay all amounts outstanding under the Existing Senior Facilities Agreement and (iii) pay the estimated fees and expenses incurred in connection with the Transactions, including commitment, placement, financial advisory and other transaction costs and professional fees, as set forth in this Offering Memorandum under the caption “*Use of Proceeds*.” Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the initial purchasers will, concurrently with the closing of the offering of the Notes on the Issue Date, deposit the gross proceeds of this offering of the Notes into an escrow account (the “*Escrow Account*”) pursuant to the terms of an escrow deed (the “*Escrow Agreement*”) dated as of the Issue Date, among the Issuer, the Trustee and Elavon Financial Services Limited, UK Branch, as escrow agent (the “*Escrow Agent*”). If the Acquisition is not consummated on or prior to September 30, 2015 (the “*Escrow Longstop Date*”), the Notes will be redeemed at a price equal to 100% of the initial issue price of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below). See “—*Escrow of Proceeds; Special Mandatory Redemption*.” Following the Issue Date, the Notes will be secured by the Collateral (as defined under “—*Security*”). See “—*Security*.”

Upon the initial issuance of the Notes, the Notes will only be obligations of the Issuer and Paternoster Holding IV GmbH (the “*Issue Date Guarantor*”) and will not be guaranteed by Wittur International Holding GmbH (the “*Target*”) or any of its Subsidiaries. Assuming the Completion Date occurs on or prior to the Escrow Longstop Date and the escrowed funds are released from the Escrow Account, the Target and certain of its Subsidiaries will become a party to the Indenture and will guarantee the Notes on a senior subordinated basis within 90 days of the Completion Date (such date, the “*Post-Completion Date*”). Prior to the Completion Date, we will not control the Target or any of its Subsidiaries, and none of the Target or any of its Subsidiaries will be subject to the covenants described in this “*Description of the Notes*.” As such, we cannot assure you that prior to the Post-Completion Date, the Target and its Subsidiaries will not engage in activities that would otherwise have been prohibited by the Indenture had those covenants been applicable to such entities after the Issue Date and prior to such entity becoming party to the Indenture.

The Indenture will be unlimited in aggregate principal amount, of which €25.0 million aggregate principal amount of Notes will be issued in this offering. We may, subject to applicable law, issue an unlimited principal amount of additional Notes having identical terms and conditions as the Notes (the “*Additional Notes*”). We will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture, including the covenants restricting the Incurrence of Indebtedness and the Incurrence of Liens (as described below under “—*Certain Covenants—Limitation on Indebtedness*” and “—*Certain Covenants—Limitation on Liens*”). Except as otherwise provided for in the Indenture, the Notes issued in this offering and, if issued, any Additional Notes will be treated as a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, in this “*Description of the Notes*,” references to the “*Notes*” include the Notes and any Additional Notes that are actually issued.

The Indenture will be subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreements (as defined below). The terms of the Intercreditor Agreement are important to understanding relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, release of security and guarantees, and the payment waterfall for amounts received by the Security Agents. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” for a description of certain terms of the Intercreditor Agreement.

This “*Description of the Notes*” is intended to be an overview of the material provisions of the Notes, the Indenture and the Security Documents. Since this description of the terms of the Notes is only a summary, you should refer to the Notes, the Indenture and the Security Documents for complete descriptions of the obligations of the Issuer and your rights. Copies of such documents are available from us upon request.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes have not been, and will not be, registered under the Securities Act and are subject to certain transfer restrictions.

Brief Description of the Notes and the Notes Guarantees

The Notes

The Notes will, upon issuance:

- be general, senior obligations of the Issuer, secured as set forth under “—*Security*”;
- rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes;
- rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes;
- be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness, including Indebtedness and other obligations under the Senior Facilities;
- be guaranteed by the Issue Date Guarantor and, within 90 days of the Completion Date, by the Target and certain of its Subsidiaries on a senior subordinated basis;
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors;
- mature on February 15, 2023; and
- be represented by one or more registered Notes in global form, but in certain circumstances may be represented by Definitive Registered Notes (see “*Book-Entry; Delivery and Form*”).

The Notes Guarantees

The Notes will be guaranteed by the Issue Date Guarantor on the Issue Date (the “*Issue Date Guarantee*”) and by the Target and certain of its Subsidiaries within 90 days of the Completion Date. In addition, if required by the covenant described under “—*Certain Covenants—Additional Guarantees*,” certain other Restricted Subsidiaries may provide a Notes Guarantee in the future.

The Issue Date Guarantee will, as of the Issue Date:

- be a senior subordinated obligation of the Issue Date Guarantor, secured as set forth under “—*Security*”;
- be subordinated in right of payment to the Issue Date Guarantor’s obligations in respect of any existing and future Senior Indebtedness, including the Issue Date Guarantor’s obligations under the Senior Facilities Agreement;
- rank *pari passu* in right of payment with any existing and future senior subordinated obligations of the Issue Date Guarantor that are not subordinated to the Issue Date Guarantee;
- rank senior in right of payment to any existing and future Indebtedness of the Issue Date Guarantor that is expressly subordinated to the Issue Date Guarantee; and
- be effectively subordinated to any existing or future Indebtedness or obligation of the Issue Date Guarantor that is secured by property and assets that do not secure the Issue Date Guarantee, to the extent of the value of the property and assets securing such Indebtedness.

The Notes Guarantee of the Target and certain of its Subsidiaries granted after the Completion Date will each:

- be a general senior subordinated obligation of that Guarantor, secured as set forth under “—*Security*”;

- be subordinated in right of payment to that Guarantor's obligations in respect of any existing and future Senior Indebtedness, including that Guarantor's obligations under the Senior Facilities Agreement;
- rank *pari passu* in right of payment with any existing and future senior subordinated obligations of that Guarantor that are not subordinated to such Notes Guarantee;
- rank senior in right of payment to any existing and future Indebtedness of such Guarantor that is expressly subordinated to such Notes Guarantee;
- be effectively subordinated to any existing or future Indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure such Notes Guarantee, to the extent of the value of the property and assets securing such Indebtedness; and
- be structurally subordinated to any existing or future Indebtedness, including obligations to trade creditors, of the Subsidiaries of such Guarantor that are not Guarantors.

The obligations of a Guarantor under its Notes Guarantee will be limited as necessary to prevent the relevant Notes Guarantee from constituting a fraudulent conveyance or unlawful financial assistance or infringement of capital maintenance rules under applicable law, or otherwise to reflect limitations under applicable law or as set out in the respective Guarantee or Security Documents. By virtue of these limitations, a Guarantor's obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. See *"Risk Factors—Risks Related to the Notes and Our Structure—Each Guarantee and the security interests in the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability."* The validity and enforceability of the Notes Guarantees and the liability of each Guarantor will be subject to the limitations described in *"Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations."*

As of the Issue Date, all of our Subsidiaries will be "Restricted Subsidiaries" for the purposes of the Indenture. However, under the circumstances described below under *"—Certain Definitions—Unrestricted Subsidiary,"* we will be permitted to designate certain of our Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

As of September 30, 2014, after giving *pro forma* effect to the Transactions, the Issuer and its consolidated Subsidiaries would have had €420.0 million of third party financial Indebtedness (excluding finance leases), €225.0 million of which is represented by the Notes and €195.0 million of which is represented by borrowings under the Senior Facilities Agreement. In addition, there would have been €65.0 million available for drawing under the Revolving Credit Facility.

Subordination of the Notes Guarantees on the Basis of the Intercreditor Agreement

The Notes Guarantees are senior subordinated indebtedness of the Guarantors, which means that, pursuant to the terms of the Intercreditor Agreement, the Notes Guarantees (as defined below) rank behind, and are expressly subordinated to, all the existing and future Senior Indebtedness of the Guarantors, including any obligations under the Senior Facilities Agreement. The ability to take enforcement action against the Guarantors is subject to significant restrictions imposed by the Intercreditor Agreement and the terms of the Notes, and potentially any Additional Intercreditor Agreements entered into after the Issue Date. Because of the foregoing subordination provision, it is likely that holders of Senior Indebtedness and other creditors (including trade creditors) of the Guarantors would recover disproportionately more than the holders of the Notes recover in any insolvency or similar proceeding relating to such entity. In any such case, there may be insufficient assets, or no assets, remaining to pay the principal of or interest on the Notes.

Principal and Maturity

On the Issue Date, the Issuer will issue €225.0 million in aggregate principal amount of Notes. The Notes will mature on February 15, 2023. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Interest

Interest on the Notes will accrue at the rate of 8.50% per annum. Interest on the Notes will:

- accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid;

- be payable in cash semi-annually in arrears on the August 15 and February 15, except for the first interest payment, which shall be payable on October 15, 2015;
- be payable to the holder of record of such Notes on the August 1 and February 1 immediately preceding the related interest payment date, except in respect of the first interest payment, which shall be paid to the holder of record of such Notes on October 1, 2015; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

The rights of Holders to receive the payments of interest on such Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Methods of Receiving Payments on the Notes

Principal, interest and premium, if any, on the Global Notes (as defined below) will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to the Notes represented by one or more Global Notes registered in the name of or held by a nominee of a common depositary for Euroclear and Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, interest, premium and Additional Amounts, if any, on any certificated securities (“*Definitive Registered Notes*”) will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes in the City of London. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See “—*Paying Agent and Registrar for the Notes.*”

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more Paying Agents for the Notes in the City of London (including the Principal Paying Agent). The Issuer will also undertake to maintain a Paying Agent in a European Union member state that will not be obligated to withhold or deduct tax pursuant to the European Union Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN meeting of 26 and 27 November 2000 regarding the taxation of savings income (the “*Directive*”), or any law implementing or complying with or introduced in order to conform to, such Directive. The initial Paying Agent will be Elavon Financial Services Limited, UK Branch (the “*Principal Paying Agent*”).

The Issuer will also maintain a registrar (the “*Registrar*”) in Ireland, and a transfer agent (the “*Transfer Agent*”) in the City of London. The initial Registrar will be Elavon Financial Services Limited and the initial Transfer Agent will be Elavon Financial Services Limited, UK Branch. The Registrar, Transfer Agent and Paying Agent, as applicable, will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of the Notes on behalf of the Issuer.

The Issuer may change any Paying Agents, Registrars or Transfer Agents for the Notes without prior notice to the Holders of such Notes. However, for so long as Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer will publish notice of any change of Paying Agent, Registrar or Transfer Agent on the official website of the Irish Stock Exchange (www.ise.ie), to the extent and in the manner permitted by the rules of the Irish Stock Exchange. Such notice of the change in a Paying Agent, Registrar or Transfer Agent may instead be published in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*). The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

The Notes Guarantees

General

The obligations of the Issuer pursuant to the Notes, including any payment obligation resulting from a Change of Control, will (subject to the Agreed Security Principles) be guaranteed, jointly and severally on a senior subordinated basis, on the Issue Date by the Issue Date Guarantor and, within 90 days of the Completion Date, by the Target and the Target’s Subsidiaries that will be guarantors under the Senior Facilities (each, a “*Post Completion Guarantor*” and, together with the Issue Date Guarantor, the “*Guarantors*,” and any such guarantee of any Guarantor, a “*Notes Guarantee*”).

The initial Guarantors, the type of Notes Guarantee and their respective jurisdictions of incorporation will be as follows:

Guarantor	Type of Guarantee	Jurisdiction
Wittur GmbH	Post Completion Guarantee	Austria
Wittur Austria Holding GmbH	Post Completion Guarantee	Austria
Wittur Austria GmbH	Post Completion Guarantee	Austria
Wittur Limited	Post Completion Guarantee	England & Wales
Paternoster Holding IV GmbH	Issue Date Guarantee	Germany
Wittur International Holding GmbH.....	Post Completion Guarantee	Germany
Wittur Electric Drives GmbH	Post Completion Guarantee	Germany
Wittur GmbH.....	Post Completion Guarantee	Germany
Wittur Holding GmbH.....	Post Completion Guarantee	Germany
Wittur Deutschland Vertrieb Holding GmbH.....	Post Completion Guarantee	Germany
Wittur Italia Holding s.r.l.....	Post Completion Guarantee	Italy
Wittur S.p.A.....	Post Completion Guarantee	Italy
Wittur Elevator Components, S.A.U.	Post Completion Guarantee	Spain
Wittur Sweden AB.....	Post Completion Guarantee	Sweden
Wittur Asansör San. ve Tic. A.S.....	Post Completion Guarantee	Turkey

In addition, as described below under “—*Certain Covenants—Additional Guarantees*” and subject to the Intercreditor Agreement and the Agreed Security Principles, the Target and certain of its Subsidiaries that in the future guarantee the Senior Facilities or certain other Indebtedness permitted under the Indenture in the future shall also enter into a supplemental indenture to become a Guarantor of the Notes and accede to the Intercreditor Agreement.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Senior Facilities and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance rules, corporate benefit rules, fraudulent preference rules, “thin capitalization” rules, capital maintenance rules, retention of title claims and similar matters, or where the time and cost of granting the guarantee would be disproportionate to the benefit accruing to the holders of the Notes.

Each Notes Guarantee will be limited to the maximum amount that would not render the applicable Guarantor’s obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles, to comply with corporate benefit, financial assistance, capital maintenance rules and other laws or will be limited as set out in the respective Guarantee. By virtue of this limitation, a Guarantor’s obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. See “*Risk Factors—Risks Related to the Notes and Our Structure—Each Guarantee and the security interests in the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability*” and “*Risk Factors—Risks Related to the Notes and Our Structure—Local insolvency laws may not be as favorable to you as insolvency laws of jurisdictions with which you may be*

familiar and may preclude holders of the Notes from recovering payments due on the Notes.” For example, the Guarantees by our Italian subsidiaries, Wittur Italia Holding s.r.l. and Wittur S.p.A., are expected to be limited to €5.0 million and €1.0 million, respectively (based on a Completion Date of March 31, 2015). The limitation of the Italian Guarantees will be calculated as a percentage of the intercompany proceeds loans used to refinance existing indebtedness of our Italian subsidiaries and could be higher or lower, depending on the amount of outstanding local debt on the actual Completion Date. In addition, the Guarantee provided by Wittur Asansör San. V Tic. A.S., our subsidiary in Turkey, will be capped at €2.5 million. However, we cannot provide any assurances that holders of the Notes will be able to recover even these amounts under such Guarantees, as payment under each Guarantee is contractually subordinated to all the senior indebtedness of such Guarantor, including such Guarantor’s obligations under the Senior Facilities and certain hedging obligations. As of and for the year ended December 31, 2013: (i) Wittur Italia Holding s.r.l. accounted for no net revenue, net assets of €32 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -1,864% of consolidated net assets) and gross assets of €0.5 million (which represented 0.2% of our consolidated gross assets); (ii) Wittur S.p.A. accounted for net revenue of €38.1 million (which represented 7.9% of our consolidated net revenue), net assets of €2 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -3,057% of consolidated net assets) and gross assets of €43.3 million (which represented 16.0% of our consolidated gross assets); and (iii) Wittur Asansör San. V Tic. A.S. accounted for net revenue of €34.2 million (which represented 7.1% of our consolidated net revenue), net assets of €12 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -686% of consolidated net assets) and gross assets of €18.7 million (which represented 6.9% of our consolidated gross assets).

A portion of the operations of the Issuer and the Target will be conducted through their Restricted Subsidiaries that will not be Guarantors. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Notes Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Restricted Subsidiaries of the Issuer (other than the Guarantors) and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any).

As of and for the year ended December 31, 2013, the Post Completion Guarantors accounted for (i) gross assets of €173 million or 64% of the consolidated gross assets (in each case, excluding goodwill and certain other intangible assets resulting from the purchase price allocation of our acquisition by Triton in 2010 which cannot be allocated to individual subsidiaries), (ii) net revenue of €241 million or 50% of the consolidated net revenue, (iii) net assets of €114 million or -24,314% of consolidated net assets (calculated on the basis of consolidated net assets of €1.7 million) and (iv) EBITDA of €37 million or 60% of the consolidated EBITDA of the Group (in each case, excluding BidCo). After giving *pro forma* effect to the Transactions, as of September 30, 2014, the Issuer and its consolidated Subsidiaries would have had no third party financial Indebtedness (excluding finance leases) of Subsidiaries other than the Issuer and the Guarantors. Although the Indenture will limit the Incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See “—Certain Covenants—Limitation on Indebtedness.”

Notes Guarantees Release

The Notes Guarantee of a Guarantor will terminate and release upon:

- a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company), or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Issuer or a Restricted Subsidiary), if the sale or other disposition does not violate the Indenture or the Intercreditor Agreement and the Guarantor ceases to be a Restricted Subsidiary of the Issuer as a result of the sale or other disposition;
- the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;
- legal defeasance, covenant defeasance or satisfaction and discharge of the Notes in accordance with the Indenture, as provided in “—Defeasance” and “—Satisfaction and Discharge”;
- so long as no Event of Default has occurred and is continuing, upon release of the Guarantee under any Indebtedness that triggered such Guarantor’s obligation to guarantee the Notes under the covenant described in “—Certain Covenants—Additional Guarantees”;

- in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;
- as described under “—*Amendments and Waivers*”;
- as described in the second paragraph of the covenant described below under “—*Certain Covenants—Additional Guarantees*”; or
- as a result of a transaction permitted by “—*Certain Covenants—Merger and Consolidation—The Guarantors*.”

At the request and expense of the Issuer, the Trustee, subject to the receipt of certain documentation, shall take all reasonably necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Notes Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee without any additional consent of the Holders or any other action or consent on the part of the Trustee.

Transfer and Exchange

The Notes will be issued in the form of registered notes in global form without interest coupons, as follows:

- Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “*144A Global Notes*”). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.
- Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “*Regulation S Global Notes*” and, together with the 144A Global Notes, the “*Global Notes*”). The Regulation S Global Note will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (“*Book-Entry Interests*”) will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “*Transfer Restrictions*.” In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount, and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “*Transfer Restrictions*.”

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information

regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Registrar and the Transfer Agent are not required to register the transfer or exchange of any Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a period of 15 days prior to the record date with respect to any interest payment date; or
- (4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar will be entitled to treat the registered Holder of a Note as the owner thereof for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

Immediately after the issuance of the Notes, all of the Issuer's Subsidiaries will be Restricted Subsidiaries. However, in the circumstances described below under "*Certain Definitions—Unrestricted Subsidiary*," the Issuer will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Escrow of Proceeds; Special Mandatory Redemption

If the Issue Date occurs prior to the Completion Date, then, concurrently with the closing of this offering of Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the initial purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of this offering of the Notes sold on the Issue Date into the Escrow Account. The Escrow Account will be pledged on a first-priority basis in favor of the Trustee for the benefit of the Holders of the Notes, pursuant to an escrow account charge dated the Issue Date between the Issuer and the Trustee (the "*Escrow Charge*"). The initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds paid in accordance with the Escrow Agreement) are referred to, collectively, as the "*Escrowed Property*."

In order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the "*Release*"), the Escrow Agent and the Trustee shall have received from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer's Certificate, upon which both the Escrow Agent and the Trustee shall conclusively rely, without further investigation or liability, to the effect that:

- the Acquisition will be consummated on the terms set forth in the Acquisition Agreement, promptly following release of the Escrowed Property, except for any changes or other modifications that will not, individually or when taken as whole, have a material adverse effect on the holders of the Notes;
- immediately after consummation of the Acquisition, the Issuer will own, directly or indirectly, the entire share capital of the Target; and
- as of the Completion Date, there is no Default or Event of Default under clause (6) of the first paragraph under the heading titled "Events of Default" below.

The Release shall occur promptly upon the satisfaction of the conditions set forth above (the date of such satisfaction, the "*Completion Date*"). Upon the Release, the Escrow Account shall be reduced to zero, and the Escrowed Property shall be paid out in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Acquisition will not be consummated by the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time prior to the Escrow Longstop Date, (d) the Initial Investors cease to beneficially own and control a majority of the issued and outstanding Capital Stock of the Issuer or (e) a Default or Event of Default arises under clause (6) of the first paragraph under the heading titled "Events of Default" below on or prior to the

Escrow Longstop Date (the date of any such event being the “*Special Termination Date*”), the Issuer will redeem all of the Notes (the “*Special Mandatory Redemption*”) at a price (the “*Special Mandatory Redemption Price*”) equal to 100% of the aggregate issue price of the Notes, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Trustee and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the “*Special Mandatory Redemption Date*”). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Principal Paying Agent for payment to each Holder the Special Mandatory Redemption Price for such Holder’s Notes and, concurrently with the payment to such Holders, deliver any excess Escrowed Property (if any) to the Issuer.

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, Bain Capital Europe Fund IV, L.P. will be required to make an equity contribution to the Issuer in an amount required to enable the Issuer to pay the accrued and unpaid interest, plus Additional Amounts, if any, owing to the Holders of the Notes, pursuant to an agreement between Bain Capital Europe Fund IV, L.P. and the Trustee. See “*Risk Factors—Risks Related to the Transactions—If the conditions to the escrow are not satisfied, the Issuer will be required to redeem the Notes, which means that you may not obtain the return you expect on the Notes.*”

To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Notes a security interest over the Escrow Account. Receipt by the Trustee of either an Officer’s Certificate for the release or a notice of Special Mandatory Redemption (provided funds sufficient to pay the Special Mandatory Redemption Price are in the Escrow Account) shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer will notify the Irish Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such special mandatory redemption.

Security

General

The Notes and the Notes Guarantees in respect thereof will be secured:

- on the Issue Date, by first-ranking security interests in the Escrowed Property, if any;
- on or within five Business Days of the Issue Date, by first-priority security interests in (i) all issued Capital Stock of the Issuer and (ii) all bank accounts of the Issuer, if any (collectively and together with any security interests in the Escrowed Property, the “*First-Priority Collateral*”); and
- on or within five Business Days of the Issue Date, by second-priority security interests in (i) all issued Capital Stock of the Issue Date Guarantor, (ii) the intercompany loan receivable in respect of the proceeds of the Notes due to the Issuer from the Issue Date Guarantor, (iii) all bank accounts of the Issue Date Guarantor, if any, and (iv) certain rights and claims of the Issue Date Guarantor under the Acquisition Agreement (collectively, the “*Shared Collateral*” and, together with the First-Priority Collateral, the “*Collateral*”).

The assets that comprise the Shared Collateral, together with certain other property and assets of the Target and its Subsidiaries, will also secure on a first-priority basis the Senior Facilities and certain hedging obligations.

Subject to certain conditions, including compliance with the covenants described under “—*Certain Covenants—Impairment of Security Interest*” and “*Certain Covenants—Limitation on Liens*,” the Issuer will be permitted to grant security over the Collateral in connection with future issuances of Indebtedness or Indebtedness of the Restricted Subsidiaries, including Additional Notes, as permitted under the Indenture and the Intercreditor Agreement.

The First-Priority Collateral will be pledged or assigned pursuant to the Security Documents to the Notes Security Agent on behalf of the Holders of the Notes. The Shared Collateral will be pledged pursuant to the Security Documents to the

Shared Security Agent on behalf of the Holders of the Notes and holders of the other secured obligations that we secured by the Shared Collateral. Any other security interests that may in the future be granted to secure obligations under the Notes, any Notes Guarantees and the Indenture would also constitute “Collateral.” All Collateral will be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens.

The Liens on the Collateral will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. For a brief description of such limitations, see “*Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.*”

Notwithstanding the foregoing and the provisions of the covenant described below under “—*Certain Covenants—Limitation on Liens,*” certain property, rights and assets (other than the Collateral described in the first and second paragraphs of this section) may not be pledged or assigned, and any pledge or assignment over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles. The following is a summary of certain terms of the Agreed Security Principles:

- general legal and statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, thin capitalization rules, retention of title claims and similar principles may limit the ability of the Issuer and its Restricted Subsidiaries (collectively, the “Group”) to provide a guarantee or security or may require that the guarantee or security be limited by an amount or otherwise. If any such limit applies, the guarantees and security provided will be limited to the maximum amount, which the relevant member of the Group may provide having regard to applicable law (including any jurisprudence) and subject to fiduciary duties of management. The relevant Guarantor will use reasonable endeavors to assist in demonstrating that adequate corporate benefit accrues to each Guarantor or security provider;
- the giving of a guarantee, the granting and the terms of security or the perfection of the security granted will not be required to the extent that it would incur any legal fees, registration fees, stamp duty, taxes and any other fees or costs directly associated with such security or guarantee which are disproportionate to the benefit obtained by the creditors;
- where there is material incremental cost involved in creating security over all assets owned by a member of the Group in a particular category (e.g., real estate) the principle stated above shall apply and, subject to these Agreed Security Principles, only the material assets in that category (e.g., material real estate) shall be subject to security;
- in certain jurisdictions it may be either impossible or impractical to grant guarantees or create security over certain categories of assets in which event such guarantees will not be granted and security will not be taken over such assets;
- any assets subject to third party arrangements which prevent those assets from being granted as Collateral will be excluded from any relevant Security Document; *provided* that, if the relevant asset is material and the relevant member of the Group determines (acting in good faith) that such endeavors will not jeopardize commercial relationships with third parties, the relevant member of the Group will use reasonable endeavours to obtain any necessary consent or waiver;
- members of the Group will not be required to give guarantees or enter into Security Documents if it is not within the legal capacity of the relevant members of the Group or if, in the reasonable opinion of legal counsel to the directors of the relevant members of the Group, the same would conflict with the fiduciary duties of those directors or contravene any applicable legal or regulatory prohibition or result in personal or criminal liability on the part of any officer or result in any significant risk of legal liability for the directors of any member of the Group;
- additional guarantee limitation provisions may be included in any supplemental indenture if required by any officer of any member of the Group in connection with the accession of that member of the Group as a Guarantor in order to protect that officer from potential liability or other legal risk;
- the terms of the security should not be such that they are unduly burdensome or materially restrict the running of the business and will be limited to those required by local law to create or perfect security and will not impose commercial obligations;

- information, such as lists of assets, will be provided if, and only to the extent, required by local law and local market practice to be provided to perfect or register the relevant security interests and, unless required to be provided by local law or local market practice more frequently, will be provided annually;
- the perfection of security interests granted will not be required if it would have a material adverse effect on the ability of the relevant Guarantor to conduct its operations and business in the ordinary course as otherwise permitted by the relevant finance documents;
- no perfection action will be required in jurisdictions where the Issuer or a Guarantor is not located; and
- pledges over shares in joint ventures or the assets owned by such joint venture vehicles will not be required (other than in respect of intra-group joint ventures).

As described above, all of the Shared Collateral will also secure the liabilities under the Senior Facilities as well as certain Hedging Obligations and may also secure certain future Indebtedness on a first-priority basis. The proceeds from the enforcement of the Collateral after all first-priority obligations have been satisfied may not be sufficient to satisfy the obligations owed to the holders of the Notes.

No appraisals of the Collateral have been made in connection with this Offering of the Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See “*Risk Factors—Risks Related to the Notes and Our Structure—It may be difficult to realize the value of the Collateral securing the Notes and the Guarantees.*”

The Proceeds Loans

On the Completion Date, the Issuer will loan the proceeds of the offering of Notes issued on the Issue Date to the Issue Date Guarantor (the “*Notes Proceeds Loan*”) pursuant to a proceeds loan agreement (the “*Notes Proceeds Loan Agreement*”). The Notes Proceeds Loan Agreement will provide that the Issue Date Guarantor will pay to the Issuer interest and principal as it becomes payable on the Notes (including any additional amounts due thereunder). The Notes Proceeds Loan will bear interest at a rate at least equal to the interest rate of the Notes and interest on the Notes Proceeds Loan will be payable semi-annually in arrears at least one, and no more than five, Business Days prior to the corresponding interest payment under the Notes. Principal payments of the Notes Proceeds Loan will be payable at least one, and no more than five, Business Days prior to a corresponding payment of the Issuer to redeem or defease the Notes or as consideration payable under a Change of Control Offer or Asset Disposition Offer (each as defined below), each in accordance with the Indenture. The Issue Date Guarantor will on-lend a portion of the Notes Proceeds Loan to certain of its Subsidiaries to repay Indebtedness of those Subsidiaries. The terms of the Notes Proceeds Loan Agreement and the agreement governing such on-lending of portions of the Notes Proceeds Loan will permit the prepayment of all such loans in whole or in part at any time. As a result, the initial amount of the Notes Proceeds Loan and such on-lending may be reduced, potentially to zero, prior to the maturity of the Notes.

Payments by the Issue Date Guarantor and any subsequent borrower under the Notes Proceeds Loan will be subject to significant restrictions imposed by the Intercreditor Agreement. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*” The Notes Proceeds Loan will be pledged on a second-priority basis to secure the obligations of the Issuer and the Guarantors under the Notes and the Notes Guarantees.

Priority

The relative priority with regard to the security interests in the Collateral that are created by the Security Documents (the “*Security Interests*” and each, a “*Security Interest*”) as between (a) the lenders under the Senior Facilities, (b) the counterparties under certain Hedging Obligations, (c) the Trustee, the Agents and the Holders of the Notes under the Indenture and (d) the creditors of certain other Indebtedness permitted to be secured by the Collateral, respectively, will be established by the terms of the Intercreditor Agreement, the Indenture, the Senior Facilities Agreement and the Security Documents. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*” In addition, pursuant to the Intercreditor Agreements or Additional Intercreditor Agreements entered into after the Issue Date, the Collateral may be pledged to secure other Indebtedness. See “*—Release of Liens,*” “*—Certain Covenants—Impairment of Security Interest*” and “*—Certain Definitions—Permitted Collateral Liens.*”

Security Documents

Under the Security Documents, HoldCo and the Issuer will grant security over the First-Priority Collateral to secure the payment when due, of the Issuer's and the Guarantors' payment obligations under the Notes, the Notes Guarantees and the Indenture, and the Issuer and the Issue Date Guarantor will grant security over the Shared Collateral to secure the payment when due of the Issuer's and the Guarantors' payment obligations under the Senior Facilities and certain Hedging Obligations, on a first-priority basis, and the Notes, the Notes Guarantees and the Indenture on a second-priority basis. The Security Documents will be entered into by the relevant security provider and the relevant Security Agent as agent for the secured parties. When entering into the Security Documents, the relevant Security Agent will act in its own name, but for the benefit of the secured parties (including itself, the Trustee and the holders of Notes from time to time). Under the Intercreditor Agreement, the Shared Security Agent will also act as an agent of the lenders under the Senior Facilities and the counterparties under certain Hedging Obligations in relation to the Security Interests created in favor of such parties.

The Indenture and the Intercreditor Agreement will provide that, to the extent permitted by applicable laws, only the relevant Security Agent will have the right to enforce the Security Documents on behalf of the Trustee and the holders of the Notes. As a consequence of such contractual provisions, Holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the relevant Security Agent for the Collateral.

The Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Notes and the Indenture, as applicable, will be secured by Security Interests in the Collateral until all obligations under the Notes and the Indenture have been discharged. However, the Security Interests with respect to the Notes and the Indenture may be released under certain circumstances as provided under “—*Release of Liens.*”

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Security Documents. See “*Risk Factors—Risks Related to the Notes and Our Structure.*”

Enforcement of Security Interest; Limitations

The Indenture and the Intercreditor Agreement will restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the lenders under the Senior Facilities Agreement and certain hedging counterparties. In general, the rights of the Shared Security Agent (acting on its behalf or on behalf of the Holders of the Notes) to take enforcement action under the Security Documents in respect of the Shared Collateral are subject to certain standstill and payment blockage provisions and other limitations on enforcement. These limitations are described under “*Description of Certain Financing Arrangements—Intercreditor Agreement*” and “*Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations.*” The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Collateral in compliance with the Indenture and the Intercreditor Agreement.

The creditors under the Senior Facilities, the counterparties to certain Hedging Obligations secured by the Collateral and the Trustee have and, by accepting a Note, each Holder will be deemed to have, appointed each Security Agent to act as its agent under the Intercreditor Agreement and the relevant security documents securing such Indebtedness, including the Security Documents. The creditors under the Senior Facilities, the counterparties to Hedging Obligations secured by the Collateral and the Trustee have and, by accepting a Note, each Holder will be deemed to have, authorized the Security Agents to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the security documents securing such Indebtedness, together with any other incidental rights, power and discretions; and (ii) execute each relevant Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agents on its behalf.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that the Issuer and the Trustee will be authorized (without any further consent of the Holders of the Notes) to enter into the Intercreditor Agreement to give effect to the provisions described in the section entitled “*Description of Certain Financing Arrangements—Intercreditor Agreement.*”

The Indenture will also provide that each Holder of the Notes, by accepting such Note, will be deemed to have:

- (1) appointed and authorized the Security Agents and the Trustee to give effect to the provisions in the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents;
- (2) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents; and
- (3) irrevocably appointed the Security Agents and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents.

See the sections entitled “*Risk Factors—Risks Related to the Notes and Our Structure—The security interests in the Collateral will be granted to the Security Agents rather than directly to the holders of the Notes, and the ability of the Security Agents to enforce certain of the Collateral may be restricted by local law*” and “*Description of Certain Financing Arrangements—Intercreditor Agreement*.”

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the covenant described under “*Certain Covenants—Additional Intercreditor Agreements*.”

Release of Liens

The Issuer and its Subsidiaries will be entitled to release the Security Interests in respect of the Collateral under any one or more of the following circumstances:

- (1) in connection with any sale or other disposition of Collateral to (a) a Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to “*Certain Covenants—Merger and Consolidation*”), if such sale or other disposition does not violate the covenant described under “*Certain Covenants—Limitation on Sale of Assets and Subsidiary Stock*” or is otherwise permitted in accordance with the Indenture or (b) any Restricted Subsidiary (including any transaction subject to “*Certain Covenants—Merger and Consolidation*”; provided that this clause 1(b) shall not be relied upon in the case of a transfer of Capital Stock or of accounts receivable (including intercompany loan receivables and hedging receivables) to a Restricted Subsidiary (except to a Receivables Subsidiary) unless the relevant property and assets remain subject to, or otherwise become subject to a Lien in favor of the Notes following such transfer, sale or disposal;
- (2) in the case of a Guarantor that is released from its Notes Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;
- (3) as described under “*Amendments and Waivers*”;
- (4) upon payment in full of principal, interest and all other obligations on the Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided in “*Defeasance*” and “*Satisfaction and Discharge*”;
- (5) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary; or
- (6) as otherwise permitted in accordance with the Indenture.

In addition, the Security Interests created by the Security Documents will be released (a) in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement and (b) as may be permitted by the covenant described under “*Certain Covenants—Impairment of Security Interest*.”

At the request of the Issuer or the relevant pledgor, the relevant Security Agent and the Trustee (but only if required) will take all necessary action required to effectuate any release of Collateral securing the Notes and the Notes Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the relevant Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release).

Optional Redemption

Except as described below and except as described under “*Redemption for Taxation Reasons*,” the Notes are not redeemable until February 15, 2018. On and after February 15, 2018, the Issuer may redeem all or, from time to time, part of the Notes upon not less than 10 nor more than 60 days’ notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on February 15 of the years indicated below:

Year	Redemption Price
2018	104.250%
2019	102.125%
2020 and thereafter	100.000%

Prior to February 15, 2018, the Issuer may on any one or more occasions redeem up to 40% of the original principal amount of the Notes issued under the Indenture (including the original principal amount of any Additional Notes), upon not less than 10 nor more than 60 days’ notice, with funds in an aggregate amount not exceeding the Net Cash Proceeds of one or more Equity Offerings at a redemption price of 108.50% of the principal amount of the Notes so redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that:

- (1) at least 60% of the original principal amount of the Notes (including the original principal amount of any Additional Notes) issued under the Indenture remain outstanding after each such redemption; and
- (2) the redemption occurs within 180 days after the closing of such Equity Offering.

In addition, prior to February 15, 2018, the Issuer may redeem all or, from time to time, part of the Notes upon not less than 10 nor more than 60 days’ notice at a redemption price equal to 100% of the principal amount of the Notes, plus the Applicable Premium, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

“Applicable Premium” means, with respect to any Note the greater of:

- (a) 1% of the principal amount of such Note; and
- (b) the excess (to the extent positive) of:
 - (i) the present value at such redemption date of (1) the redemption price of such Note at 2018 (such redemption price (expressed in percentage of principal amount) being set forth in the table above under the first paragraph of this section (excluding accrued and unpaid interest)), *plus* (2) all required interest payments due on such Note to and including February 15, 2018 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over
 - (ii) the outstanding principal amount of such Note,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

For the avoidance of doubt, calculation of Applicable Premium shall not be an obligation or duty of the Trustee or any Paying Agent.

“Bund Rate” as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Board of Directors or a member of Senior Management of the Issuer) most nearly equal to the period from the redemption date to February 15, 2018; *provided, however*, that if the period from the redemption date to February 15, 2018, is not equal to the constant maturity of a direct obligation of the

Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to February 15, 2018, is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

General

We may repurchase the Notes at any time and from time to time in the open market or otherwise.

Notice of redemption will be provided as set forth under “—*Selection and Notice*” below.

If the Issuer effects an optional redemption of Notes, it will, for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, inform the Irish Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

In connection with any redemption of Notes (including with the proceeds from an Equity Offering), any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent.

Sinking Fund

Other than a Special Mandatory Redemption, the Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Redemption at Maturity

On February 15, 2023, the Issuer will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount plus accrued and unpaid interest thereon and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee, the Principal Paying Agent or the Registrar will select Notes for redemption on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under “*Book-Entry; Delivery and Form*,” based on a method that most nearly approximates a *pro rata* selection as the relevant clearing system deems fair and appropriate), unless otherwise required by law or applicable stock exchange or depository requirements. Neither the Trustee, the Principal Paying Agent nor the Registrar will be liable for any selections made in accordance with this paragraph.

For so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer shall publish notice of redemption in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*) and in addition to such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. Such notice of redemption may instead be published on the website of the Irish Stock Exchange (www.ise.ie).

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an

appropriate notation will be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Redemption for Taxation Reasons

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "*Withholding Taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

- (1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or
- (2) any amendment to, or change in an official application, administration or written interpretation of such laws, treaties, regulations or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published practice) (each of the foregoing in clauses (1) and (2), a "*Change in Tax Law*"),

a Payor (as defined below) is, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts with respect to the Notes (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be publicly announced and become effective on or after the Issue Date (or if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply (a) to a Guarantor only after such time as such Guarantor is obligated to make at least one payment on the Notes and (b) *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a change or amendments occurring after the time such successor Person becomes a party to the Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "*Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld) to the effect that the Issuer has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without liability or further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes

All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each, a "*Payor*") in respect of the Notes or with respect to any Notes Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

- (1) any jurisdiction from or through which payment on any such Note is made or any political subdivision or governmental authority thereof or therein having the power to tax; or
- (2) any other jurisdiction in which a Payor is organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "*Relevant Taxing Jurisdiction*"),

will at any time be required by law to be made from any payments made by or on behalf of the Payor or the Paying Agent with respect to any Note or any Notes Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the “*Additional Amounts*”) as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such deduction or withholding from such *Additional Amounts*), will not be less than the amounts which would have been received in respect of such payments on any such Note in the absence of such withholding or deduction; *provided, however*, that no such *Additional Amounts* will be payable for or on account of:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note, the Indenture or a Notes Guarantee;
- (2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a reasonable written request of the Payor addressed to the Holder, after reasonable notice (at least 30 days before any such withholding or deduction such be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax but only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;
- (3) any Taxes, to the extent that such Taxes are imposed as a result of the presentation of the Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to *Additional Amounts* had the Note been presented on the last day of such 30 day period);
- (4) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on the Notes or with respect to any Notes Guarantee;
- (5) any estate, inheritance, gift, sales, excise, transfer, personal property or similar Tax;
- (6) any Taxes that are required to be deducted or withheld on a payment to an individual pursuant to the Directive or any law implementing, or complying with, or introduced in order to conform to, such Directive;
- (7) any Taxes imposed in connection with a Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;
- (8) any Taxes required to be deducted or withheld pursuant to section 1471(b) of the U.S. Internal Revenue Code or otherwise imposed pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code, in each case, as of the Issue Date (or, in each case, any amended or successor version that is substantively comparable), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental agreement relating thereto; or
- (9) any combination of the items (1) through (8) above.

In addition, no *Additional Amounts* shall be paid with respect to a Holder who is a fiduciary or a partnership or any person other than the beneficial owner of the Notes, to the extent that the beneficiary or settler with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to *Additional Amounts* had such beneficiary, settler, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies of other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the Holders upon reasonable request, and will be made available at the offices of the Paying Agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Note or any Notes Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this "*Description of the Notes*" there is mentioned, in any context:

- (1) the payment of principal;
- (2) purchase prices in connection with a purchase of Notes;
- (3) interest; or
- (4) any other amount payable on or with respect to any of the Notes or any Notes Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and indemnify the Holder for any present or future stamp, issue, registration, court or documentary taxes, or similar charges or levies (including any related interest or penalties with respect thereto) or any other excise, property or similar taxes or similar charges or levies (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, delivery, registration, enforcement of, or receipt of payments with respect to any Notes, any Notes Guarantee, the Indenture, or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Notes after this Offering).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or beneficial owner, and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Notes (or any Notes Guarantee) is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms of the covenant described under this heading "Change of Control," each Holder will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or integral multiples of €1,000 in excess thereof; *provided* that Notes of €100,000 or less may only be redeemed in whole and not in part) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obligated to repurchase Notes as described under this heading, "Change of Control," in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes and given notice of redemption as described under "*Optional Redemption*" and that all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes and given notice of redemption as described under "*Optional Redemption*" and all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the "*Change of Control Offer*") to each Holder of any such Notes, with a copy to the Trustee:

- (1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");
- (2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

- (3) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest;
- (4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;
- (5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and
- (6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portion thereof properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;
- (3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Issuer in the Change of Control Offer;
- (4) in the case of Global Notes, deliver, or cause to be delivered, to the Trustee (or an authenticating agent) the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and
- (5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Principal Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee (or an authenticating agent) will, at the cost of the Issuer, promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

For so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Issuer will publish notices relating to the Change of Control Offer in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*) or to the extent and in the manner permitted by such rules, post such notices on the official website of the Irish Stock Exchange (www.ise.ie).

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. Holders' right to require the Issuer to repurchase Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

The Issuer's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness under the Senior Facilities Agreement. In addition, certain events that may constitute a change of control under the Senior Facilities Agreement and require a mandatory prepayment of Indebtedness under such agreement may not constitute a Change of Control under the Indenture. Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "*Risk Factors—Risks Related to the Notes and Our Structure—We may not be able to repurchase the Notes upon a change of control, and the occurrence of certain important corporate events may not constitute a change of control.*"

The definition of "Change of Control" includes a disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Restricted Subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding principal amount of the Notes.

Certain Covenants

Limitation on Indebtedness

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Issuer and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if on the date of such Incurrence, after giving *pro forma* effect to the Incurrence of such Indebtedness (including *pro forma* application of the proceeds thereof) for the most recently ended four full fiscal quarters for which internal financial statements for the Issuer are available immediately preceding the date on which such Indebtedness is Incurred, the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would have been at least 2.0 to 1.0. Notwithstanding the foregoing, and subject to the last proviso of the second paragraph of this covenant, non-Guarantor Restricted Subsidiaries may only Incur Indebtedness pursuant to this first paragraph if, at the time of such Incurrence and after giving effect to the Incurrence of such Indebtedness and the application of the proceeds thereof, on a *pro forma* basis, the aggregate amount of Indebtedness of non-Guarantor Restricted Subsidiaries Incurred pursuant to (i) this paragraph and (ii) clauses (5) and (11) of paragraph two of this covenant would not exceed €60.0 million.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness ("*Permitted Debt*"):

- (1) Indebtedness Incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (i) €10.0 million, *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
- (2)
 - (a) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary, so long as the Incurrence of such Indebtedness is permitted to be Incurred by another provision of this covenant; provided that, if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes or a Notes Guarantee, then the Guarantee shall be subordinated to or *pari passu* with the Notes or such Notes Guarantee to the same extent as the Indebtedness being guaranteed; or

- (b) without limiting the covenant described under “—*Limitation on Liens*,” Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;
- (3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided, however*, that:
 - (a) if the Issuer or a Guarantor is the obligor on any such Indebtedness and the obligee is not the Issuer or a Guarantor, such Indebtedness is unsecured and if the aggregate principal amount of such Indebtedness of the Issuer or such Guarantor exceeds €20.0 million ((i) except in respect of intercompany current liabilities incurred in the ordinary course of business in connection with cash management operations of the Issuer and the Restricted Subsidiaries and (ii) only to the extent legally permitted (the Issuer and the Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness)), it is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, in the case of the Issuer, or the applicable Notes Guarantee, in the case of a Guarantor, pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement; and
 - (b) (x) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and (y) any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary of the Issuer, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Issuer or such Restricted Subsidiary, as the case may be;
- (4)
 - (a) Indebtedness represented by the Notes (other than any Additional Notes) and the related Notes Guarantees (including any future Notes Guarantee);
 - (b) any Indebtedness of the Issuer and its Restricted Subsidiaries (other than Indebtedness Incurred under the Senior Facilities or Indebtedness described in clause (3) of this paragraph) outstanding on the Issue Date;
 - (c) any Indebtedness of the Target and its Restricted Subsidiaries outstanding on the Completion Date after giving effect to the Transactions (as described under “*Use of Proceeds*” in this Offering Memorandum);
 - (d) Refinancing Indebtedness Incurred in respect of any Indebtedness described in clauses (4)(a), 4(b), 4(c), this clause 4(d), (5) and (13) of this paragraph or Incurred pursuant to the first paragraph of this covenant;
 - (e) Management Advances; and
 - (f) any loan or other instrument contributing the proceeds of the Notes.
- (5) subject to the final proviso to this paragraph, Indebtedness (i) of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (ii) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which a Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary; *provided* that, with respect to this clause (5), at the time of such acquisition or other transaction and after giving *pro forma* effect to such acquisition or other transaction and to the related Incurrence of Indebtedness, (x) either (A) the Issuer would have been able to Incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant or (B) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would not be less than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness;
- (6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements not for speculative purposes (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer);
- (7) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or

improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of 7.5% of Total Assets or €30.0 million; *provided* that the Indebtedness exists on the date of such purchase, lease, rental or improvement or is created within 270 days thereafter;

- (8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, value added tax ("VAT") or other tax (including interest and penalties with respect thereto) or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or in respect of any governmental requirement, (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, (*provided, however*, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing), (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, including customary credit card facilities, in the ordinary course of business;
- (9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earnouts 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 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 the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such 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 the Issuer and its Restricted Subsidiaries in connection with such disposition;
- (10)
 - (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;
 - (b) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;
 - (c) 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 the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and
 - (d) 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 of bad debt purposes, in each case Incurred or undertaken in the ordinary course of business;
- (11) subject to the final proviso to this paragraph, Indebtedness of the Issuer and its Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of 6.2% of Total Assets or €25.0 million;
- (12) Indebtedness Incurred (a) by a Receivables Subsidiary in a Qualified Receivables Financing and (b) under Receivables Financing (which, for the avoidance of doubt, includes any recourse receivables financing or securitization arrangements) in an aggregate amount, in the case of this clause (b), not to exceed €20.0 million; *provided*, in each case of clauses (b), that such Indebtedness is Incurred on financing terms and with covenants, termination events and other provisions of such Receivables Financing on market terms (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer);
- (13) Indebtedness of the Issuer and the Guarantors in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer 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 the Issuer, in each case, subsequent to the Issue Date (excluding the Equity Contributions); *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under “—*Limitation on Restricted Payments*” to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described under “—*Limitation on Restricted Payments*” in reliance thereon; and

- (14) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness consisting of local lines of credit, overdraft facilities or local working capital facilities in an aggregate principal amount at any one time outstanding, including all Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (14), not to exceed the greater of 4.9% of Total Assets or €20.0 million;

provided, however, non-Guarantor Restricted Subsidiaries may only Incur Indebtedness pursuant to clauses (5) and (11) of this paragraph if, at the time of such Incurrence and after giving effect to the Incurrence of such Indebtedness and the application of the proceeds therefrom, on a *pro forma* basis, the aggregate amount of Indebtedness of non-Guarantor Restricted Subsidiaries Incurred pursuant to (i) clauses (5) and (11) of this paragraph and (ii) the first paragraph of this covenant would not exceed €60.0 million.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, 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 one (or more, if applicable) of the clauses of the second paragraph or the first paragraph of this covenant;
- (2) all Indebtedness outstanding on the Completion Date under the Senior Facilities shall be deemed initially Incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) or (4)(c) of the second paragraph of this covenant, and may not be reclassified;
- (3) Guarantees of, or obligations in respect of letters of credit, bankers’ acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (4) 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 clause (1), (7), (11) or (13) of the second paragraph above or the first paragraph above and the letters of credit, bankers’ acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;
- (5) the principal amount of any Disqualified Stock of the Issuer 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;
- (6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;
- (7) the amount of 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; and
- (8) accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this “—*Limitation on Indebtedness*.” The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any

Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Issuer as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this “*—Limitation on Indebtedness,*” the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the euro equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower Euro Equivalent), in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of “Refinancing Indebtedness”; (b) the Euro Equivalent of the principal amount of any such Indebtedness (i) outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date and (ii) of the Target and its Restricted Subsidiaries outstanding on the Completion Date shall be calculated based on the relevant currency exchange rate in effect on the Completion Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in euro will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Layered Debt

The Issuer will not Incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer unless such Indebtedness is also contractually subordinated in right of payment to the Notes to the same extent and in the same manner as such Indebtedness is subordinated to such other Indebtedness of the Issuer.

The Issuer will not permit any Guarantor to, and no Guarantor will, Incur any additional Indebtedness that is contractually subordinated in right of payment to any Indebtedness of such Guarantor unless such additional Indebtedness is *pari passu* with the Notes Guarantee of such Guarantor or is also by its terms made to be contractually subordinated in right of payment to the Notes Guarantee of such Guarantor.

No Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured, by virtue of being secured with different collateral, by virtue of being secured on a first or junior Lien basis or by virtue of application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any other payment or distribution on or in respect of the Issuer’s or any Restricted Subsidiary’s Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) except:
 - (a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in Subordinated Shareholder Funding; and

- (b) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a pro rata basis);
- (2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));
- (3) make any principal 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 (a) any such payment, 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 payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”);
- (4) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding); or
- (5) make any Restricted Investment in any Person,

(each such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) is referred to herein as a “*Restricted Payment*”), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);
- (b) the Issuer is not able to Incur an additional €1.00 of Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under “—*Limitation on Indebtedness*” after giving effect, on a pro forma basis, to such Restricted Payment; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5), (10), (11) and (17) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):
 - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter commencing immediately prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);
 - (ii) 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 the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Issue Date (other than (v) the Equity Contribution, (w) Subordinated Shareholder Funding or Capital Stock in each case sold to a Subsidiary of the Issuer, (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 the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (z) Excluded Contributions);
 - (iii) 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 the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the

Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (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 the Issuer or any Restricted Subsidiary upon such conversion or exchange) but excluding (w) the Equity Contribution, (x) Disqualified Stock or Indebtedness issued or sold to a Subsidiary of the Issuer, (y) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the second succeeding paragraph, and (z) Excluded Contributions;

- (iv) 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 the Issuer or any Restricted Subsidiary (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date;
- (v) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or in the case that all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary, 100% of such amount received in cash and the fair market value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of "Permitted Investment"; and
- (vi) subject to the limitations in clause (2) of the definition of "Consolidated Net Income," 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary; to the extent that such dividend or distribution does not reduce the amount of Investments outstanding under clause (11) of the definition of "Permitted Investment,"

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included in the foregoing clauses (iv), (v) or (vi).

The foregoing provisions will not prohibit any of the following (collectively, "*Permitted Payments*"):

- (1) any Restricted Payment 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 pursuant to clause (12) of this paragraph) for, or out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than the Equity Contribution or as the issuance of Disqualified Stock or Designated Preference Shares or as an Excluded Contribution) of the Issuer; *provided, however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the first paragraph of this covenant;
- (2) 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 Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;
- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified or Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that in each case is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;
- (4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:
 - (a) (i) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*," but only if the Issuer shall have first complied with the terms described under "*—*"

Limitation on Sales of Assets and Subsidiary Stock” and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

- (b) following the occurrence of a Change of Control (or other similar event described therein as a “change of control”), but only (i) if the Issuer shall have first complied with the terms described under “—*Change of Control*” and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or
 - (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such transaction or series of transactions) and (ii) 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 such Acquired Indebtedness;
- (5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;
 - (6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or 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 the Issuer, any Restricted Subsidiary or 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 (x) €5.0 million, plus €3.0 million multiplied by the number of calendar years that have commenced since the Completion Date, *plus* (y) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue 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 (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), *plus* (z) the Net Cash Proceeds of key man life insurance policies, to the extent such Net Cash Proceeds in (y) and (z) are not included in any calculation under clause (c)(i) or (c)(ii) of the first paragraph describing this covenant and are not Excluded Contributions or the Equity Contribution;
 - (7) 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 of the covenant described under “—*Limitation on Indebtedness*”;
 - (8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;
 - (9) dividends, loans, advances or distributions to any Parent or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):
 - (a) the amounts required for any Parent, without duplication, to pay any Parent Expenses or any Related Taxes; or
 - (b) amounts constituting or to be used for purposes of making payments of fees and expenses Incurred (i) in connection with the Transactions or disclosed in this Offering Memorandum or (ii) to the extent specified in clauses (2), (3), (5), (7) and (11) of the second paragraph under “—*Limitation on Affiliate Transactions*”;
 - (10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay,

dividends on the common stock or common equity interests of the Issuer or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (i) (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization; *provided* that in the case of this clause (i) after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 4.5 to 1.0; and (ii) (A) 5% of Market Capitalization and (B) 5% of the IPO Market Capitalization; *provided* that in the case of this clause (ii) after giving pro forma effect to such loans, advances, dividends and distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 4.75 to 1.00;

- (11) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €25.0 million and 6.2% of Total Assets;
- (12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer 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 or a member of Senior Management of the Issuer);
- (13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate amount of Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (13);
- (14) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing, a Receivables Financing or any other receivables financing permitted to be incurred under the covenant described under “—*Limitation on Indebtedness*”;
- (15) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) 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 or Affiliate issued after the Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (15) shall not exceed the Net Cash Proceeds received by the Issuer 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 such Parent or Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;
- (16) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;
- (17) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), any dividend, distribution, loan or other payment to any Parent; *provided* that, on the date of any such dividend, distribution, loan or other payment, the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries does not exceed 4.25 to 1.00 on a *pro forma* basis after giving effect thereto; and
- (18) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary or any Parent to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares); *provided however*, that the total aggregate amount of Restricted Payments made under this clause (18) does not exceed €5.0 million in the aggregate outstanding at any time.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the assets or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as

the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors of the Issuer acting in good faith.

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Issuer), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the “*Initial Lien*”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the obligations under the Notes and the Indenture are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under “—*Security—Release of Liens*.”

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer 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:

- (A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;
- (B) make any loans or advances to the Issuer or any Restricted Subsidiary; or
- (C) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Senior Facilities), (b) any other agreement or instrument, in each case described in (a) or (b), in effect at or entered into on the Issue Date, (c) any other agreement or instrument with respect to the Target or any of its Subsidiaries, in each case, in effect at or entered into on the Completion Date or (d) the Indenture, the Notes, the Intercreditor Agreement or the Security Documents;
- (2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or 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 the Issuer or any Restricted Subsidiary, or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Issuer or the Successor Guarantor (each as defined under “—*Merger and Consolidation*”), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Issuer or the Successor Guarantor;
- (3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of

this paragraph or this clause (3) (an “*Initial Agreement*”) or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders 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 the Board of Directors or a member of Senior Management of the Issuer);

- (4) 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, license or similar contract, or the assignment or transfer of any lease, license or other contract;
 - (b) contained in mortgages, charges, pledges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges or other security agreements; or
 - (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;
- (5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired in the nature of clause (C) of the preceding paragraph, or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;
- (6) 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;
- (7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;
- (8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;
- (9) 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;
- (10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;
- (11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—*Limitation on Indebtedness*” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than (i) the encumbrances and restrictions contained in the Senior Facilities, together with the security documents associated therewith, and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) or (b) constituting an Additional Intercreditor Agreement;
- (12) restrictions effected in connection with a Qualified Receivables Financing or a Receivables Financing that, in the good faith determination of the Board of Directors or a member of Senior Management of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing or Receivables Financing;
- (13) any encumbrance or restriction existing by reason of any lien permitted under “—*Limitation on Liens*”; or
- (14) any restriction arising pursuant to an agreement between the Issuer or any of its German Subsidiaries and the lenders under the Senior Facilities Agreement regarding the conversion of claims under a profit and loss pooling agreement (*Ergebnisabführungsvertrag*) between the Issuer or any of its German Subsidiaries entered into for purposes of forming a German fiscal unity (*Organschaft*) into loans.

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

- (1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Disposition is not less than the fair market value of the Capital Stock, property or other assets subject to such Asset Disposition (as determined by the Issuer's Board of Directors); and
- (2) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:
 - (i) cash (including any Net Cash Proceeds received from the conversion within 180 days of such Asset Disposition of securities, notes or other obligations received in consideration of such Asset Disposition);
 - (ii) Cash Equivalents;
 - (iii) the assumption by the purchaser of (x) any liabilities recorded on the Issuer's or such Restricted Subsidiary's consolidated balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary is released from any guarantee of such Indebtedness as a result of such Asset Disposition;
 - (iv) Replacement Assets;
 - (v) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;
 - (vi) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor, and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;
 - (vii) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary, having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of 6.2% of Total Assets and €25.0 million (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or
 - (viii) a combination of the consideration specified in clauses (i) through (vii) of this paragraph (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Cash Proceeds of the Asset Disposition, within 365 days of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Cash Proceeds, may be used by the Issuer or such Restricted Subsidiary to:

- (1) prepay, repay, purchase or redeem (i) any Senior Indebtedness of the Issuer or a Guarantor or Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Refinancing Indebtedness in respect thereof; *provided, however,* that, in connection with any prepayment, repayment, purchase or redemption of Indebtedness pursuant to this clause (i), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchase or redeemed; or (ii) any Pari Passu Indebtedness (other than Indebtedness owed to the Issuer or a Restricted Subsidiary); *provided* that the Issuer shall prepay, repay, purchase or redeem Pari Passu Indebtedness pursuant to this clause (ii) only if the Issuer makes (at such time or in compliance with this covenant) an offer to Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum total aggregate principal amount of the Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness (other than the Notes);
- (2) purchase Notes pursuant to an offer to all Holders of the Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date);
- (3) invest in any Replacement Assets;

- (4) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;
- (5) make a capital expenditure;
- (6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;
- (7) consummate any combination of the foregoing; or
- (8) enter into a binding commitment to apply the Net Cash Proceeds pursuant to clause (1), (3), (4), (5) or (6) of this paragraph or a combination thereof, *provided* that, a binding commitment shall be treated as a permitted application of the Net Cash Proceeds from the date of such commitment until the earlier of (x) the date on which such investment is consummated, and (y) the 180th day following the expiration of the aforementioned 365 day period, if the investment has not been consummated by that date.

The amount of such Net Cash Proceeds not so used as set forth in this paragraph constitutes “Excess Proceeds.” Pending the final application of any such Net Cash Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the terms of the Indenture.

On the 366th day after an Asset Disposition (or the 546th day if a binding commitment, as described in clause (8) above has been entered into), or at such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds €20.0 million, the Issuer will be required within 10 Business Days thereof to make an offer (“*Asset Disposition Offer*”) to all Holders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the 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, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof in the case of the Notes.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer or the relevant Restricted Subsidiary may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders 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 Notes and Pari Passu Indebtedness to be repaid or purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “*Asset Disposition Offer Period*”). No later than five Business Days after the termination of the Asset Disposition Offer Period (the “*Asset Disposition Purchase Date*”), the Issuer will purchase the principal amount of Notes and, to the extent it elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant (the “*Asset Disposition Offer Amount*”) or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of €100,000 and in

integral multiples of €1,000 in excess thereof. The Issuer will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Issuer will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note (or amend the applicable Global Note), and the Trustee (or an authenticating agent), upon delivery of an Officer's Certificate from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount with a minimum denomination of €100,000. Any Note not so accepted will be promptly mailed or delivered (or transferred by book-entry) by the Issuer to the Holder thereof.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "Affiliate Transaction") involving aggregate value in excess of €7.5 million unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer 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;
- (2) in the event such Affiliate Transaction involves an aggregate value in excess of €15.0 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the disinterested members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above; and
- (3) in the event such Affiliate Transaction involves an aggregate consideration in excess of €25.0 million, the Issuer has received a written opinion from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Issuer and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate.

The provisions of the preceding paragraph will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*" (other than pursuant to clause (9)(b)(ii) of the third paragraph of the covenant described under "*—Limitation on Restricted Payments*") or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2), (11), (17) and (18) of the definition thereof);
- (2) 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, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Entity, 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, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;
- (3) any Management Advances, and any waiver or transaction with respect thereto;
- (4) any transaction between or among the Issuer and any Restricted Subsidiary (or an entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;

- (5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary of the Issuer or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);
- (6) (i) the Transactions, (ii) the entry into and performance of obligations of the Issuer 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 Issue Date, 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 Holders in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement;
- (7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any of its Restricted Subsidiaries is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; *provided*, that payments under such Tax Sharing Agreement shall not exceed, and shall not be duplicative of, the amounts described under clause (7) of the definition of the term "Parent Expenses" and that the related tax liabilities of the Issuer and its Restricted Subsidiaries are relieved thereby;
- (8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an officer of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (9) any transaction between or among the Issuer or any Restricted Subsidiary and any Affiliate (other than an Unrestricted Subsidiary) of the Issuer or an Associate or similar entity, including any joint venture, that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;
- (10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer 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 of the Issuer 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 Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable;
- (11) (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of management, consulting, monitoring or advisory fees and related expenses permitted under the Indenture and (b) customary payments by the Issuer or any Restricted Subsidiary to any 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 loans, capital market transactions, acquisitions or divestitures, which payments (or agreements providing for such payments) in respect of this clause (11) are approved by a majority of the Board of Directors in good faith;
- (12) any transactions which the Issuer or a Restricted Subsidiary delivers a written opinion (in form and substance reasonably satisfactory to the Trustee) to the Trustee from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;
- (13) investments by any of the Initial Investors in securities of any of the Issuer's Restricted Subsidiaries (and the payment of reasonable out of pocket expenses of the Initial Investors in connection therewith) so long as (i) the investment complies with clause (1) of the preceding paragraph, (ii) the investment is being offered generally to other investors on the same or more favorable terms and (iii) the investment constitutes less than 5% of the issue amount of such securities;
- (14) pledges of Capital Stock of Unrestricted Subsidiaries; and

- (15) any transaction effected as part of (i) a Qualified Receivables Financing or (ii) a Receivables Financing permitted by clause 12(b) or (c) of the second paragraph of the covenant described under “—*Limitation on Indebtedness.*”

Reports

So long as any Notes are outstanding, the Issuer will furnish to the Trustee the following reports:

- (1) within 120 days (or, in the case of the fiscal year ending December 31, 2014, 150 days) after the end of the Issuer’s fiscal year beginning with the fiscal year ended December 31, 2014, annual reports containing:
(i) information with a level and type of detail that is substantially comparable in all material respects to information in the sections entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Our Business*” (other than the “*Overview*”, “*Our Strengths*” and “*Our Strategy*” sub-sections thereof) in this Offering Memorandum; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (other than the Acquisition and unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent two fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements; (iv) a description of the management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; (v) a description of material risk factors and material subsequent events; and (vi) Consolidated EBITDA; *provided* that the information described in clauses (iv), (v) and (vi) may be provided in the footnotes to the audited financial statements;
- (2) within 60 days (or, in the case of the fiscal quarter ending March 31, 2015, 90 days) following the end of each of the first three fiscal quarters in each fiscal year of the Issuer, beginning with the quarter ended March 31, 2015, quarterly financial statements containing the following information: (i) the Issuer’s unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year to date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations (other than the Acquisition) that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations, Consolidated EBITDA and material changes in liquidity and capital resources of the Issuer; (iv) a discussion of material changes in material debt instruments since the most recent report; and (v) material subsequent events and any material changes to the risk factors disclosed in the most recent annual report; *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to the unaudited financial statements; and
- (3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or a change in auditors of the Issuer, a report containing a description of such event.

In addition, to the extent not satisfied by the foregoing, the Issuer shall furnish to the Holders 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 Notes are not freely transferable under the Securities Act.

The Issuer shall also make available to Holders and prospective holders of the Notes copies of all reports furnished to the Trustee on the Issuer’s website and if and so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and to the extent that the rules and regulations of the Irish Stock Exchange so require, copies of such reports furnished to the Trustee will also be made available at the specified office of the listing agent in Ireland.

All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. Except as provided below, no report need include separate financial statements for any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20% of the Issuer's (a) total revenue or Consolidated EBITDA for the most recent four quarters for which annual or quarterly financial reports have been delivered to the Trustee or (b) consolidated assets as of the last day of the most recent quarter for which annual or quarterly financial reports have been delivered to the Trustee.

At any time that any of the Issuer's subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "Reports" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer. For purposes of this covenant and any calculation to be made under the Indenture, the Issuer may use financial statements of a predecessor of the Issuer or the Target for reporting or making calculations with respect to periods commencing prior to the Completion Date.

All reports provided pursuant to this "Reports" covenant shall be made in the English language.

Subject to compliance with the final paragraph of this covenant, in the event that the Issuer or any Parent becomes subject to the Admission and Disclosure Standards applicable to issuers of securities admitted to trading on the Main Market of the London Stock Exchange (or the equivalent standards applicable to issuers of securities admitted to trading on the Frankfurt Stock Exchange or the Luxembourg Stock Exchange), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the London Stock Exchange pursuant to such Admission and Disclosure Standards (or the Frankfurt Stock Exchange or Luxembourg Stock Exchange equivalent, as applicable). Upon complying with the foregoing requirement, and provided that such requirements require the Issuer to prepare and file annual reports, information, documents and other reports with the London Stock Exchange, the Frankfurt Stock Exchange or the Luxembourg Stock Exchange, as applicable, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

Subject to compliance with the final paragraph of this covenant, in the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). The Issuer may comply with any requirement to provide reports or financial statements under this covenant by providing any report or financial statements of a direct or indirect Parent of the Issuer so long as such reports (if an annual or quarterly report) include in footnote form, condensed consolidating financial information together with the with separate columns for: (i) such Parent; (ii) the Issuer and the Restricted Subsidiaries on a combined basis; (iii) Guarantors on a combined basis; and (iv) any other Subsidiaries of the Parent on a combined basis; (v) consolidating adjustments; and (vi) the total consolidated amounts. Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

Merger and Consolidation

The Issuer

The Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation) or (2) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of

the properties or assets of the Issuer and the Restricted Subsidiaries taken as a whole, in either case, in one or more related transactions, to another Person, unless:

- (1) either: (a) the Issuer is the surviving Person; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) (the “Successor Issuer”) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made is an entity organized or existing under the laws of any member state of the European Union, Switzerland, Canada or any province of Canada, any state of the United States or the District of Columbia, Norway or Switzerland;
- (2) the Person formed by or surviving any such consolidation or merger with the Issuer (if other than the Issuer) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition has been made expressly assumes all the obligations of the Issuer under the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee), the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which the Issuer is a party;
- (3) immediately after giving *pro forma* effect to such transaction or transactions (and treating any Indebtedness which becomes an obligation of the surviving Person as a result of such transaction as having been incurred by the surviving Person at the time of such transaction or transactions), no Default or Event of Default exists;
- (4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption “—*Limitation on Indebtedness*” or (ii) have a Fixed Charge Coverage Ratio not less than it was immediately prior to giving effect to such transaction; and
- (5) the Issuer delivers to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer’s Certificate and Opinion of Counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this covenant and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture constitutes the legal, valid and binding obligation of the Issuer or the Person formed by or surviving any such consolidation or merger (as applicable) enforceable in accordance with its terms (provided that any such opinion of counsel may assume matters of fact, including as a factual matter that one or more conditions precedent have occurred).

In the event of any transaction described in and complying with the conditions listed in the immediately preceding paragraph in which the Issuer is not the continuing Person, the successor Person formed or remaining or to which such transfer is made shall succeed to, and be substituted for, and may exercise every right and power of the Issuer, and the Issuer will be discharged from all obligations and covenants under the Indenture.

The Guarantors

The Guarantors (other than a Guarantor whose Notes Guarantee is to be released in accordance with the terms of the Notes Guarantee and the Indenture as described under “—*The Notes Guarantees*”) will not, directly or indirectly:

(i) consolidate or merge with or into another Person (whether or not such Guarantor, is the surviving corporation) or (ii) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of such Guarantor and its Subsidiaries that are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

- (1) either (a) such Guarantor is the surviving Person; or (b) the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) (the “*Successor Guarantor*”) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition has been made expressly assumes all the obligations of such Guarantor under its Notes Guarantee, the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee), the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is a party;
- (2) immediately after giving *pro forma* effect to such transaction or transactions (and treating any Indebtedness which becomes an obligation of the surviving corporation as a result of such transaction as having been incurred by the surviving corporation at the time of such transaction or transactions), no Default or Event of Default exists; and
- (3) the Issuer delivers to the Trustee an Officer’s Certificate and Opinion of Counsel, in each case, stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with this covenant and that all

conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents and the Notes Guarantee constitute legal, valid and binding obligations of the Guarantor or the Person formed by or surviving any such consolidation and merger (as applicable) enforceable in accordance with their terms (provided that any such opinion of counsel may assume matters of fact, including as a factual matter that one or more conditions precedent have occurred).

In addition, neither the Issuer nor any Guarantor will, directly or indirectly, lease all or substantially all of the properties and assets of it and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

This “Merger and Consolidation” covenant will not apply to (a) any consolidation or merger of any Restricted Subsidiary of the Issuer that is not a Guarantor into the Issuer or a Guarantor, (b) any consolidation or merger among Guarantors, (c) any consolidation or merger among Restricted Subsidiaries of the Issuer that are not Guarantors and (d) any consolidation or merger among the Issuer and any Guarantor; *provided* in the case of this clause (d) that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor is an entity organized or existing under the laws of any member state of the European Union, Canada, any province of Canada, any state of the United States or the District of Columbia, Norway or Switzerland, and such Guarantor shall expressly assume all of the obligations of the Issuer under the Notes, the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee), the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which the Issuer is a party and, to the extent applicable, clauses (2) and (5) of the first paragraph of this covenant and clauses (1) and (3) of the third paragraph of this covenant will be complied with. Clauses (3) and (4) of the first paragraph of this covenant and clause (2) of the third paragraph of this covenant will not apply to any merger or consolidation of the Issuer or any Guarantor with or into an Affiliate solely for the purpose of reincorporating the Issuer or such Guarantor in another jurisdiction, to change its domicile or to change its legal form.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a “*Suspension Event*”), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the “*Reversion Date*”), the provisions of the Indenture summarized under the following captions will not apply to the Notes:

- (1) “—*Limitation on Restricted Payments*”;
- (2) “—*Limitation on Indebtedness*”;
- (3) “—*Limitation on Restrictions on Distributions from Restricted Subsidiaries*”;
- (4) “—*Limitation on Affiliate Transactions*”;
- (5) “—*Limitation on Sales of Assets and Subsidiary Stock*”; and
- (6) the provisions of clause (4) of the first paragraph of the covenant described under “—*Merger and Consolidation—The Issuer*,”

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The “*Limitation on Restricted Payments*” covenant will be interpreted as if it has been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*.” In addition, the Indenture will also permit, without causing a Default or Event of Default, the

Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade Status. The Issuer shall notify the Trustee that the conditions set forth in the first paragraph under this caption has been satisfied, *provided* that, no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Impairment of Security Interest

The Issuer shall not, and shall not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the proviso below, that the Incurrence 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 Trustee and the Holders, and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the relevant Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral, except that (i) the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens, (ii) the Issuer and its Restricted Subsidiaries may undertake a Permitted Reorganization, (iii) the Collateral may be discharged and released in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement, (iv) the applicable Security Documents may be amended from time to time to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency therein and (v) the Issuer and its Restricted Subsidiaries may amend the Security Interests in any manner that does not adversely affect holders of the Notes in any material respect; *provided, however*, that in the case of clause (ii), the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the relevant Person and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person, in form and substance reasonably satisfactory to the Trustee, which confirms the solvency of the Person granting such Security Interest, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid 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, release, modification or replacement. In the event that the Issuer complies with the requirements of this covenant, the Trustee and each relevant Security Agent shall (subject to customary protection and indemnification) consent to such amendments without the need for instructions from the Holders.

Additional Guarantees

The Issuer will not cause or permit any Restricted Subsidiary to Guarantee the Indebtedness outstanding under the Senior Facilities, any Credit Facility or any other Public Debt, respectively, in each case of the Issuer or a Guarantor, unless such Restricted Subsidiary is or becomes a Guarantor on the date on which the Notes Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee which Notes Guarantee will be subordinated to any Senior Indebtedness of such Restricted Subsidiary; *provided, however*, that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Notes Guarantee is contrary to the Agreed Security Principles. At the option of the Issuer, any Notes Guarantee may contain limitations on Guarantor liability to the extent reasonably necessary to recognize certain defenses 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 defenses affecting the rights of creditors generally) or other considerations under applicable law.

Future Notes Guarantees granted pursuant to this provision shall be released as set forth under “—*The Notes Guarantees—Notes Guarantees Release.*” A Notes Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release either (i) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture if such Guarantor had not been designated as a Guarantor or (ii) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture as at the date of such release if such

Guarantor were not designated as a Guarantor as at that date. At the request and expense of the Issuer, the Trustee and the relevant Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Notes Guarantee in accordance with these provisions, subject to customary protection and indemnification.

The validity and enforceability of the Notes Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in “*Risk Factors—Risks Related to the Notes and Our Structure—Each Guarantee and the security interests in the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.*”

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any (x) Indebtedness permitted pursuant to the first paragraph of the covenant described under “—*Limitation on Indebtedness*” or clause (1), (4), (5), (6), (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*” and (y) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (x), the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agents shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an “*Additional Intercreditor Agreement*”) or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including containing substantially the same terms with respect to release of Guarantees and priority and release of the Security Interests; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agents or, in the opinion of the Trustee or Security Agents, as applicable, adversely affect the rights, duties, liabilities, indemnities or immunities of the Trustee or Security Agents under the Indenture or the Intercreditor Agreement.

The Indenture also will provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agents shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes, (6) implement any Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the Holders in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agents to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under “—*Amendments and Waivers*,” and the Issuer may only direct the Trustee and the Security Agents to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agents or, in the opinion of the Trustee or a relevant Security Agent, adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agents, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described under “—*Limitation on Restricted Payments*.”

The Indenture also will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Trustee and the Security Agents to enter into any such Additional Intercreditor Agreement. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at our offices or at the offices of the listing agent.

Limitation on Activities prior to the Completion Date

Prior to the Completion Date, the Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business activities or undertake any other activity, except that activity (i) reasonably relating to the Acquisition, the Notes, the Indenture, the Senior Facilities, any related Hedging Obligations, the Escrow Agreement, if any, the Security Documents and the Intercreditor Agreement; (ii) undertaken with the purpose of fulfilling any other obligations relating to the Acquisition under the Notes, the Indenture, the Senior Facilities, any related Hedging Obligations, the Escrow Agreement, if any, the Security Documents or the Intercreditor Agreement; (iii) the establishment of the Issuer and any Subsidiary of the Issuer; and (iv) other activities not specifically enumerated above that are *de minimis* in nature.

Events of Default

Each of the following is an “Event of Default” under the Indenture:

- (1) default in any payment of interest on any Note issued under the Indenture when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by the Issuer or any of its Restricted Subsidiaries to comply for 60 days after notice by the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes with its other agreements contained in the Indenture;
- (4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:
 - (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness (“*payment default*”); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity (the “*cross acceleration provision*”), and the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €25.0 million or more;
- (5) certain events of bankruptcy, insolvency or court protection of the Issuer, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the “*bankruptcy provisions*”);
- (6) failure by the Issuer, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €25.0 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 (the “*judgment default provision*”);
- (7) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) with respect to Collateral having a fair market value in excess of €5.0 million for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any such security interest created thereunder shall be declared invalid or unenforceable or the Issuer or any Restricted Subsidiary shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days; and
- (8) any Notes Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Notes Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial

proceeding or any Guarantor denies or disaffirms in writing its obligations under its Notes Guarantee and any such Default continues for 10 days.

However, a default under clauses (3), (4) or (6) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of 25% in principal amount of the outstanding Notes under the Indenture notify the Issuer of the default and, with respect to clauses (3), (4) and (6) the Issuer does not cure such default within the time specified in clauses (3), (4) or (6), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by notice to the Issuer or the Holders of at least 25% in principal amount of the outstanding Notes under the Indenture by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Notes under the Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (4) above has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (ii) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture by notice to the Trustee may, on behalf of all Holders, waive all past or existing Defaults or Events of Default (except with respect to non-payment of principal, premium, interest or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee customary indemnification and/or security satisfactory to it in its sole discretion against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such Holder has previously given the Trustee notice that an Event of Default is continuing;
- (2) Holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;
- (3) such Holders have offered the Trustee indemnity and/or security satisfactory to it against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of such indemnity and/or security; and
- (5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Indenture will provide that, in the event an Event of Default has occurred and is continuing of which a responsible officer of the Trustee is aware, the Trustee will be required in the exercise of its powers to use the degree of care that a

prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to customary indemnification and/or security satisfactory to the Trustee against all losses and expenses (including legal fees) caused by taking or not taking such action. Prior to the occurrence of an Event of Default, the Trustee will have no obligation to monitor compliance by the Issuer with the Indenture. The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as the Trustee determines that withholding notice is in the interests of the Holders. The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year (beginning with the fiscal year ending December 31, 2015), an Officer's Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "*Initial Default*") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of this Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Amendments and Waivers

Subject to certain exceptions, the Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, without the consent of Holders holding not less than 90% (or, in the case of clause (8), 75%) of the then outstanding principal amount of the Notes affected, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

- (1) reduce the principal amount of Notes whose Holders must consent to an amendment, waiver or modification;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any Note;
- (3) reduce the principal of or extend the Stated Maturity of any Note;
- (4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described under "*—Optional Redemption*";
- (5) make any Note payable in money other than that stated in the Note;
- (6) impair the right of any Holder to receive payment of principal of and interest or Additional Amounts, if any, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;
- (7) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer agrees to pay Additional Amounts, if any, in respect thereof;
- (8) release any security interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Indenture;

- (9) waive a Default or Event of Default with respect to the non-payment of principal, premium or interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);
- (10) release any Guarantor from any of its obligations under its Notes Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or
- (11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee, the relevant Security Agent and the other parties thereto, as applicable, may amend or supplement any Notes Documents to:

- (1) cure any ambiguity, omission, defect, error or inconsistency;
- (2) provide for the assumption by a successor Person of the obligations of the Issuer or any Restricted Subsidiary under any Notes Document;
- (3) add to the covenants or provide for a Notes Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;
- (4) make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Notes Documents;
- (5) make such provisions as necessary (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) for the issuance of Additional Notes;
- (6) to provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or “—*Certain Covenants—Additional Guarantees*,” to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (7) to conform the text of the Indenture, the Security Documents or the Notes to any provision of this “*Description of the Notes*” to the extent that such provision in this “*Description of the Notes*” was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents or the Notes;
- (8) to evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or a relevant Security Agent to any Notes Document;
- (9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the relevant Security Agent for the benefit of the Holders or parties to the Senior Facilities, in any property which is required by the Security Documents or the Senior Facilities (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the relevant Security Agent, or to the extent necessary to grant a security interest in the Collateral for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under “—*Certain Covenants—Impairment of Security Interest*” is complied with; or
- (10) as provided in “—*Certain Covenants—Additional Intercreditor Agreements*.”

In formulating its decision on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Notwithstanding anything to the contrary in the paragraph above, in order to effect an amendment authorized by subsections (3) and (4) in respect of providing for a Notes Guarantee, it shall only be necessary for the supplemental indenture providing for the accession of such additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such additional Guarantor and (iii) the Trustee.

For so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Issuer will publish notice of any amendment, supplement and waiver in Ireland in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*). Such notice of any amendment, supplement and waiver may instead be published on the website of the Irish Stock Exchange (www.ise.ie).

Acts by Holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and each Guarantor under the Notes and the Indenture (“*legal defeasance*”) and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantors’ obligations under the covenants described under “—*Certain Covenants*” (other than clauses (1) and (2) of “—*Certain Covenants—Merger and Consolidation—The Issuer*”) and “—*Change of Control*” and the default provisions relating to such covenants described under “—*Events of Default*” above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision, the guarantee provision (other than in respect of the Issuer) and the security default provision described under “—*Events of Default*” (“*covenant defeasance*”).

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under “—*Certain Covenants—Merger and Consolidation—The Issuer*”), (4), (5) (with respect only to Significant Subsidiaries), (6), (7) or (8) under “—*Events of Default*.”

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the “*defeasance trust*”) with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

- (1) an Opinion of Counsel in the United States to the effect that Holders of the relevant Notes 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 Counsel in the United States 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 stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

- (3) an Officer's Certificate 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 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) the Issuer delivers to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Principal Paying Agent for cancellation; or (b) all Notes not previously delivered to the Principal Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Principal Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Principal Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the 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.

Concerning the Trustee and Certain Agents

U.S. Bank Trustees Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Issuer, its Subsidiaries and Affiliates.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any

time (a) has or acquires a conflict of interest that is not eliminated, or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, Taxes or expenses (including legal fees) Incurred without gross negligence, wilful default or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

For so long as any of the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, notices of the Issuer with respect to the Notes will be published on the website of the Irish Stock Exchange (www.ise.ie). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered by or on behalf of the Issuer to Euroclear and Clearstream. Such notices may instead be published in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*) or if, in the opinion of the Issuer such publication is not practicable, in an English language newspaper having general circulation in Europe.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. If a notice or communication is given in via Euroclear or Clearstream, it is duly given on the day the notice is given to Euroclear or Clearstream.

Prescription

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Notes will be prescribed six years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors under or in connection with the Notes and the Notes Guarantees, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note (as applicable), the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any Notes Guarantee, or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Listing

Application has been made to list the Notes on the Official List of the Irish Stock Exchange and to admit the Notes to trading on the Global Exchange Market thereof. There can be no assurance that the application to list the Notes on the Official List of the Irish Stock Exchange and to admit the Notes on the Global Exchange Market will be approved and settlement of the Notes is not conditioned on obtaining such listing.

Enforceability of Judgments

Since substantially all of the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes, the Issuer and the Guarantors will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States. The Indenture will provide that the Issuer and each Guarantor, will appoint CT Corporation System, as their agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Notes Guarantees brought in any U.S. federal or New York state court located in the City of New York.

Governing Law

The Indenture and the Notes, and the rights and duties of the parties thereunder, shall be governed by and construed in accordance with the laws of the State of New York. The Intercreditor Agreement and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England.

Certain Definitions

“Acquired Indebtedness” means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) 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 the Issuer or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

“Acquisition” means the acquisition of the Target by the Issue Date Guarantor pursuant to the Acquisition Agreement.

“Acquisition Agreement” means the sale and purchase agreement dated as of December 22, 2014, by and among certain sellers identified therein and the Issuer with respect to the entire share capital of the Target.

“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.

“Agreed Security Principles” means the agreed security principles appended to the Senior Facilities Agreement, as of the Issue Date, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.

“*Asset Disposition*” 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, property or other assets (each referred to for the purposes of this definition as a “*disposition*”) by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall be deemed not to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (3) a disposition of inventory, trading stock, security equipment or other equipment or assets in the ordinary course of business;
- (4) a disposition of obsolete, damaged, retired, surplus or worn out equipment or assets or equipment, facilities or other assets that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;
- (5) transactions permitted under “—*Certain Covenants—Merger and Consolidation*” or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Issuer or the issuance of directors’ qualifying shares and shares issued to individuals as required by applicable law;
- (7) any dispositions 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 the Board of Directors or a member of Senior Management of the Issuer) of less than €10.0 million;
- (8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under “—*Certain Covenants—Limitation on Restricted Payments*” and the making of any Permitted Payment or Permitted Investment or asset sales to the extent the proceeds thereof are used to make Restricted Payments or Permitted Investments;
- (9) the granting of Liens not prohibited by the covenant described above under the caption “—*Certain Covenants—Limitation on Liens*”;
- (10) 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 or any sale of assets received by the Issuer or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;
- (11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;
- (12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;
- (13) 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;
- (14) sales or dispositions of receivables in connection with (i) any Qualified Receivables Financing, (ii) Receivables Financing permitted by clause 12(b) or (c) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or (iii) any factoring transaction or otherwise in the ordinary course of business;
- (15) any issuance, sale or disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
- (16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer 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;

- (17) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (18) 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 the Issuer or 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 the Issuer 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 (18), does not exceed €25.0 million;
- (19) an issuance or sale by a Restricted Subsidiary of Preferred Stock or redeemable Capital Stock that is permitted by the covenant described above under “—*Certain Covenants—Limitation on Indebtedness*”;
- (20) any disposition 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 disposition is applied in accordance with the “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” covenant; and
- (21) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture.

“*Associate*” means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary of the Issuer.

“*Board of Directors*” means with respect to (1) the Issuer its managing directors (Geschäftsführer) as a group or any corporation, (2) the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (3) any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (4) any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

“*Business Day*” means each day that is not a Saturday, Sunday or other day on which banking institutions in Frankfurt, Germany, Dublin, Ireland, New York, New York or London, United Kingdom are authorized or required by law to close.

“*Capital Stock*” of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“*Capitalized Lease Obligations*” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS (as in effect on the Issue Date for purposes of determining whether a lease is a capitalized lease). The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with 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:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union, 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 two years from the date of acquisition;
- (2) certificates of deposit, time deposits, eurodollar or other recognized 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 the Senior Facilities or by any bank or trust company (a) whose commercial paper is rated at least “A-2” or the equivalent thereof (or has an equivalent long-term rating) by S&P or at least “P-2” or the equivalent thereof (or has an equivalent long-term rating) by Moody’s or at least “F2” or the equivalent thereof (or has an equivalent long-term rating) by Fitch (or if at the time none of the foregoing is issuing comparable

ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (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 €250 million;

- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;
- (4) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by S&P, at least “P-2” or the equivalent thereof by Moody’s or at least “F2” or the equivalent thereof by 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;
- (5) readily marketable direct obligations issued by the United States of America, any state of the United States of America, Canada, any province of Canada, any member of the European Union, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Fitch, Moody’s or S&P (or, if at the time, none of the foregoing is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;
- (6) Indebtedness or preferred stock issued by Persons with a rating of “BBB-” or higher from S&P or “Baa3” or higher from Moody’s (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;
- (7) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above; and
- (9) for purposes of clause (2) of the definition of “Asset Disposition,” the marketable securities portfolio owned by the Issuer and its Subsidiaries on the Issue Date, and by the Target and its Subsidiaries on the Completion Date.

“*Change of Control*” means the occurrence of any of the following:

- (1) the Issuer becoming 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 Issue 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 Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent; or
- (2) 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 the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

“*Clearstream*” means Clearstream Banking, *société anonyme*, as currently in effect or any successor securities clearing agency.

“*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.

“*Completion Date*” means the date of completion of the Acquisition.

“*Consolidated EBITDA*” for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense;

- (2) Consolidated Income Taxes;
- (3) consolidated depreciation expense (including lease depreciation charges);
- (4) consolidated amortization or impairment expense (including acquisition goodwill);
- (5) any expenses, charges or other costs (including bank fees) related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), in each case, as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer;
- (6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;
- (7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under “—*Certain Covenants—Limitation on Affiliate Transactions*”;
- (8) other non-cash charges or expenses, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) and any items classified by the Issuer as special, extraordinary, exceptional, unusual or non-recurring items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash expected to be paid in any future period);
- (9) the proceeds of any loss of profit, business interruption or equivalent insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;
- (10) payments received, or that become receivable with respect to, expenses that are covered by the indemnification provisions in any agreement entered into by such Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income; and
- (11) any Receivables Fees and discounts on the sale of accounts receivables in connection with any Qualified Receivables Financing or Receivables Financing representing, in the Issuer’s reasonable determination, the implied interest component of such discount for such period.

“*Consolidated Income Taxes*” means Taxes or other payments, including deferred taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

“*Consolidated Interest Expense*” means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income (expense) of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

- (1) interest expense attributable to Capitalized Lease Obligations;
- (2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses) and any other consideration given by the Issuer and its Restricted Subsidiaries during the relevant period, and relating to that period, in connection with any acceptance credit, bill discounting debt factoring or other like arrangement;
- (3) non-cash interest expense;
- (4) (i) commissions, discounts and other fees and charges owed with respect to financings not included in clause (2) above and (ii) commitment, non-utilization fees, annual agency fees and other recurring fees, to the extent not otherwise included;
- (5) costs associated with (i) Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations) and (ii) exchange rate gains or losses arising due to the re-translation of balance sheet items;

- (6) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a subsidiary, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;
- (7) the consolidated interest expense that was capitalized during such period; and
- (8) interest actually paid by the Issuer or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person,

minus (i) accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (iii) interest with respect to Indebtedness of any Holding Company of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS and (iv) any Additional Amounts with respect to the Notes or other similar tax gross-up on any Indebtedness, which is included in interest expense under IFRS.

“*Consolidated Net Income*” means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

- (1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer’s equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below); *provided* that, for the purposes of clause (c)(i) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” such dividend, other distribution or return on investment does not reduce the amount of Investments outstanding under clause (11) of the definition of “*Permitted Investments*”;
- (2) solely for the purpose of determining the amount available for Restricted Payments under clauses (c)(i) and (c)(vi) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” any net income (but not loss) of any Restricted Subsidiary or dividends or distributions received by a Restricted Subsidiary from an Unrestricted Subsidiary if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the by operation of the terms of such Restricted Subsidiary’s charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture, (c) contractual restrictions in effect on the Issue Date with respect to a Restricted Subsidiary (including pursuant to the Senior Facilities Agreement and the Intercreditor Agreement), and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (d) restrictions specified in clause (11) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*,” except that the Issuer’s equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income or dividends or distributions from an Unrestricted Subsidiary up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);
- (3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);
- (4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements (including any one-time compensation charges), signing, retention or completion bonuses, transaction costs (including costs related to the Transactions or any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development, costs related to governmental investigations and curtailments or modifications

to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

- (5) the cumulative effect of a change in accounting principles;
- (6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*”;
- (7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;
- (8) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;
- (9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies;
- (10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;
- (11) any one-time non-cash charges or any amortization or depreciation, in each case to the extent related to the Transactions purchase accounting or any acquisition of or merger or consolidation with another Person or business or resulting from any reorganization or restructuring involving the Issuer or its Subsidiaries;
- (12) any goodwill or other intangible asset impairment charge or write-off (including of write-offs of bad debt and trade obligations) or write-down; and
- (13) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

“*Consolidated Net Leverage*” means the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations entered into for bona fide hedging purposes and not for speculative purposes (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer), and excluding Indebtedness Incurred pursuant to clause 12(b) of the second paragraph of the covenant entitled “—*Certain Covenants—Limitation on Indebtedness*”), less the amount of cash and Cash Equivalents that would be stated on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date in accordance with IFRS.

“*Consolidated Net Leverage Ratio*” means, as of any date of determination, the ratio of (x) Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (the “*Calculation Date*”), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period and may give effect to cost savings or cost reduction synergies that have occurred; *provided, however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph under “—*Certain Covenants—Limitation on Indebtedness*” or (ii) the discharge on the Calculation Date of any 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 Indebtedness*.”

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

- (1) acquisitions and Investments that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the reference period;
- (2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a pro forma basis as if such disposition occurred on the first day of such period (taking into account anticipated cost reduction synergies resulting from any such disposal, as determined in good faith by a responsible accounting or financial officer of the Issuer responsible for accounting or financial reporting);
- (3) the Consolidated Interest Expense attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a pro forma basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Consolidated Interest Expense will not be obligations of the Issuer or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period;
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period; and
- (6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness), and if any Indebtedness is not denominated in the Issuer's functional currency, that Indebtedness for purposes of the calculation of Consolidated Net Leverage shall be treated in accordance with IFRS.

“*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 does not constitute Indebtedness (“*primary obligations*”) of any other Person (the “*primary obligor*”), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
 - (a) for the purchase or payment of any such primary obligation; or
 - (b) 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
- (3) 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.

“*Credit Facility*” means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments, trust deeds or indentures (including the Senior Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, performance guarantees, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit 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 another administrative agent or agents or other banks, institutions or investors and whether provided under the original Senior Facilities Agreement or one or more other 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 Notes Guarantee 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 Facility” shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers 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 or arrangement to which such Person is a party or beneficiary.

“*Default*” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“*Designated Non-Cash Consideration*” means the fair market value (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition 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 the covenant described under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*”

“*Designated Preference Shares*” means, with respect to the Issuer or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as “Designated Preference Shares” pursuant to an Officer’s Certificate of the Issuer at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) and (c)(iii) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*” and is not in connection with the Equity Contribution.

“*Disqualified Stock*” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described under the caption “—*Certain Covenants—Restricted Payments.*” For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. 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.

“*Equity Contribution*” has the meaning given to such term in “*The Transactions.*”

“*Equity Offering*” means (x) a sale of Capital Stock of the Issuer or a Parent HoldCo (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (y) 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 Excluded Contributions) of the Issuer or any of its Restricted Subsidiaries, for the avoidance of doubt, other than, in each case, the Equity Contribution.

“*Escrowed Proceeds*” means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term “Escrowed Proceeds” shall include any interest earned on the amounts held in escrow.

“*Euroclear*” means Euroclear Bank SA/NV or any successor securities clearing agency.

“*European Government Obligations*” means any security denominated in euro that is (1) a direct obligation of any country that is a member of the European Monetary Union and whose long-term debt is rated “A-1” or higher by Moody’s or “A+” or higher by S&P or the equivalent rating category of another Nationally Recognized Statistical Rating Organization on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“*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.

“*Excluded Contribution*” means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Issuer (other than the Equity Contribution), in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Issuer.

“*Existing Senior Facilities Agreement*” means the €175,000,000 senior facilities agreement originally dated December 6, 2010, as amended from time to time, among the Target, UniCredit Bank AG as mandated lead arrangers and UniCredit Luxembourg S.A. as agent and security agent;

“*fair market value*” wherever such term is used in this “*Description of the Notes*” or the Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this “*Description of the Notes*” or the Indenture), may be conclusively established by means of an Officer’s Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“*First Lien Term Loan*” means the first lien term loan established pursuant to the Senior Facilities Agreement.

“*Fitch*” means Fitch Ratings Inc., or any of its successors or assigns that in a Nationally Recognized Statistical Ratings Organization.

“*Fixed Charge Coverage Ratio*” means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDA of such Person for the period of the four most recent fiscal quarters prior to the date of such determination for which internal consolidated financial statements are available to (y) the Fixed Charges of such Person for such four fiscal quarters.

In the event that the specified Person or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced or ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “*Calculation Date*”), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated expense and cost reductions and synergies, to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that the *pro forma* calculation of Fixed Charges shall not give effect to (i) any Indebtedness Incurred on

the Calculation Date pursuant to the provisions described in the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” (other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) thereunder) or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*.”

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions or Investments that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of anticipated expense and cost reductions and synergies, as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;
- (6) if any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness); and
- (7) Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS.

“*Fixed Charges*” means, with respect to any specified Person for any period, the sum, without duplication, of:

- (1) the Consolidated Interest Expense (including any Notes Guarantees) of such Person for such period; *plus*
- (2) all dividends, whether paid or accrued and whether or not in cash, on or in respect of all Disqualified Stock of the Issuer or any series of Preferred Stock of any Restricted Subsidiary, other than dividends on Equity Interests payable to the Issuer or a Restricted Subsidiary.

“*Guarantee*” means any (including any Notes Guarantee) or obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such 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
- (2) entered into primarily for purposes of assuring in any other manner the obligee of such 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.

“*Guarantors*” means any Restricted Subsidiary of the Issuer that Guarantees the Notes.

“*Hedging Obligations*” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

“*Holdco*” means Paternoster Holding II GmbH.

“*Holder*” means each Person in whose name the Notes are registered on the Registrar’s books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

“*Holding Company*” means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

“*IFRS*” means International Financial Reporting Standards (formerly International Accounting Standards) (“*IFRS*”) endorsed by the European Union or any variation thereof with which the Issuer or its Restricted Subsidiaries are required to comply as in effect on the Issue Date, or, solely, with respect to the covenant described under the heading “—*Certain Covenants—Reports*,” and in effect from time to time.

“*Incur*” means issue, create, assume, enter into any Guarantee of, incur or otherwise become liable for; *provided, however*, that any 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 Indebtedness pursuant to any revolving credit or similar facility shall only be “Incurred” at the time any funds are borrowed thereunder.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) 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 or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence);
- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, 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;
- (5) Capitalized Lease Obligations of such Person;
- (6) 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);
- (7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person (the amount of such Indebtedness being equal to the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or a member of Senior Management of the Issuer)) and (b) the amount of such Indebtedness of such other Persons;
- (8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements, Interest Rate Agreements and Commodity Hedging 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 “Indebtedness” shall not include (i) Subordinated Shareholder Funding, (ii) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Issue Date,

(iii) prepayments of deposits received from clients or customers in the ordinary course of business or (iv) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) 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 Indebtedness:

- (1) Contingent Obligations Incurred in the ordinary course of business, obligations under or in respect of Qualified Receivables Financings or Receivables Financings and accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due;
- (2) in connection with the purchase by the Issuer 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; or
- (3) for the avoidance of doubt, any obligations in respect of early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes or under any Tax Sharing Agreement.

“*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 the Issuer.

“*Initial Investors*” means any funds or limited partnerships managed or advised by Bain Capital Europe LLP or any of its Affiliates or direct or indirect Subsidiaries or any trust, fund, company or partnership owned, managed or advised by Bain Capital Europe LLP or any of its Affiliates or direct or indirect Subsidiaries or any entity controlled by all or substantially all of the managing directors of such fund or Bain Capital Europe LLP from time to time.

“*Initial Public Offering*” means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or any successor of the Issuer 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 recognized exchange or traded on an internationally recognized market.

“*Intercreditor Agreement*” means the intercreditor agreement dated on or about the Issue Date, by and among, *inter alios*, the Issuer, the Security Agents and the Trustee, as amended, restated or otherwise modified or varied from time to time.

“*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.

“*Investment*” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any 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, 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 the Issuer 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 the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment 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 final paragraph of the covenant described under the caption “—*Certain Covenants—Limitation on Restricted Payments.*”

For purposes of “—*Certain Covenants—Limitation on Restricted Payments.*”:

- (1) “Investment” will include the portion (proportionate to the Issuer’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 the Issuer at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; and
- (2) 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 or a member of Senior Management of the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer’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:

- (1) 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);
- (2) securities issued or directly and fully guaranteed or insured by a member of the European Union, Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);
- (3) debt securities or debt instruments with a rating of “BBB-” or higher from S&P, “Baa3” or higher by Moody’s or “BBB-” or higher from Fitch or the equivalent of such rating by such rating organization or, if no rating of Moody’s, 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 the Issuer and its Subsidiaries;
- (4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and
- (5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

“*Investment Grade Status*” shall occur when all of the Notes receive any two of the following:

- (1) a rating of “BBB-” or higher from S&P;
- (2) a rating of “Baa3” or higher from Moody’s; and
- (3) a rating of “BBB-” or higher from Fitch,

or the equivalent of such rating by either such rating organization or, if no rating of Moody’s or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization.

“*IPO Entity*” has the meaning given in the definition of Initial Public Offering.

“*IPO Market Capitalization*” means an amount equal to (i) 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 (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

“*Issue Date*” means February 17, 2015.

“*Issuer*” means Paternoster Holding III GmbH.

“*Lien*” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“*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, the Issuer or any Restricted Subsidiary:

- (1) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business and in accordance with past practice;
- (2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (3) (in the case of this clause (3)) not exceeding €5.0 million in the aggregate outstanding at any time.

“*Management Investors*” means (i) members of the management team of the Issuer or its Subsidiaries who invest, directly or indirectly, in the Issuer from time to time and (ii) any entity that may hold shares transferred by departing members of the management team of the Issuer or its Subsidiaries for future redistribution to the management team of the Issuer or its Subsidiaries. For the avoidance of doubt, the expression “management team” shall include, but not limited to, any managers, officers and (executive and non-executive) directors of the Issuer and its Subsidiaries)

“*Market Capitalization*” means an amount equal to (i) 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 (ii) 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.

“*Moody’s*” means Moody’s Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Nationally Recognized Statistical Rating Organization*” means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment 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 Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) 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 Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition (other than Capitalized Lease Obligations), in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Issuer or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) 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 Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

“*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 agreements).

“*Notes Documents*” means the Notes (including Additional Notes), the Indenture, the Security Documents, the Escrow Agreement, the Intercreditor Agreement and any Additional Intercreditor Agreements.

“*Offering Memorandum*” means this offering memorandum in relation to the Notes.

“*Officer*” means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer 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 Indenture by the Board of Directors of such Person.

“*Officer’s Certificate*” means, with respect to any Person, a certificate signed by one Officer of such Person.

“*Opinion of Counsel*” means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

“*Parent*” means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

“*Parent Expenses*” means:

- (1) 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 Indenture or any other agreement or instrument relating to Indebtedness of the Issuer 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;
- (2) 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 the Issuer and its Subsidiaries;
- (3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;
- (4) fees and expenses payable by any Parent in connection with the Transactions;
- (5) general corporate overhead expenses and administrative costs, including (a) professional fees and expenses, regulatory costs and other operational expenses of any Parent related to the ownership or operation of the business of the Issuer or any of its Restricted Subsidiaries, (b) costs and expenses with respect to the ownership, directly or indirectly, of the Issuer and its Restricted Subsidiaries by any Parent, (c) any Taxes of any Parent to the extent arising from an investment in the equity interests or equity-like interests of such Parent, or shareholder loans extended to or by such Parent, in connection with the Transactions or another investment in the Issuer and its Restricted Subsidiaries, (d) 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 (e) to reimburse reasonable out of pocket expenses of the Board of Directors of such Parent;
- (6) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Transactions or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed €1.0 million in any fiscal year, *plus* (i) prior to the second anniversary of the Completion Date, management fees in an amount not to exceed €2.5 million per year and (ii) in each year following the second anniversary of the Completion Date, management fees in an amount not to exceed the greater of €2.25 million and 3.20% of Consolidated EBITDA per year;
- (7) any Taxes, to the extent such Taxes are referable to the income of the Issuer and its Restricted Subsidiaries and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent referable to the income of such Unrestricted Subsidiaries; *provided, however*, that the amount of such payments in any fiscal year do not exceed the amount that the Issuer and its Subsidiaries would be required to pay in respect of such taxes on a consolidated basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries; and
- (8) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness;

- (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary;
- (b) 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
- (c) 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 the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

“*Parent HoldCo*” means any Person of which the Issuer at any time is or becomes a Subsidiary, and any holding companies established by any Permitted Holder for purposes of holding its investment in the Issuer or any other Parent HoldCo; *provided* that such Person is the owner, directly or indirectly, of at least 90% of the total voting power of the Voting Stock of the Issuer after giving effect to the Equity Offering relevant to such Person’s status as a Parent HoldCo.

“*Pari Passu Indebtedness*” means (a) any Indebtedness of the Issuer that ranks equally in right of payment with the Notes or (b) with respect to any Notes Guarantee of a Guarantor, any Indebtedness that ranks equally in right of payment with such Notes Guarantee.

“*Paying Agent*” means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

“*Permitted Collateral Liens*” means:

- (a) Liens on the Collateral (other than security interests in the Escrowed Property) that are described in one or more of clauses (3), (4), (5), (6), (8), (9), (11), (12), (14), (18), (20), (23) and (24) of the definition of “*Permitted Liens*”;
- (b) Liens on the First-Priority Collateral (other than security interests in the Escrowed Property) to secure:
 - (i) the Notes (including any Additional Notes permitted to be Incurred under the Indenture) and any related Notes Guarantees;
 - (ii) Indebtedness of the Issuer permitted to be Incurred under (A) The first paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or (B) clause (1), (2) (in the case of clause (2) to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4), (5), (6), (7) (other than with respect to Capitalized Lease Obligations), (11) or (13) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” ((A) and (B) together, the “*PCL Debt Baskets*”), in each case to the extent that such Indebtedness constitutes *Pari Passu Indebtedness* of the Issuer; *provided* that such Liens rank equal to or junior to the Liens securing the Notes;
 - (iii) Indebtedness of the Issuer permitted to be Incurred under the PCL Debt Baskets to the extent that such Indebtedness constitutes Subordinated Indebtedness of the Issuer; *provided* that such Liens rank junior to the Liens securing the Notes;
 - (iv) Indebtedness of a Guarantor in the form of a Guarantee of *Pari Passu Indebtedness* of the Issuer, *provided* that such Liens rank equal with or junior to the Liens securing the Notes Guarantees;
 - (v) Indebtedness of a Guarantor in the form of a Guarantee of Subordinated Indebtedness of the Issuer, *provided* that such Liens rank junior to the Liens securing the Notes Guarantees; and
 - (vi) any Refinancing Indebtedness in respect of Indebtedness set forth in the foregoing clauses (i) to (v); *provided* that any Lien securing such Refinancing Indebtedness shall have the same priority, relative to the Lien on such Collateral securing the Notes, as the Lien securing the original Indebtedness refinanced by such refinancing Indebtedness;
- (c) Liens on the Collateral (other than the First-Priority Collateral) to secure:
 - (i) the Notes (including any Additional Notes permitted to be Incurred under the Indenture) and any related Notes Guarantees;
 - (ii) Indebtedness of the Issuer permitted to be Incurred under the PCL Debt Baskets; *provided* that (x) if such Indebtedness is *Pari Passu Indebtedness* of the Issuer, such Liens rank equal to or junior to the Liens

securing the Notes, and (y) if such Indebtedness is Subordinated Indebtedness of the Issuer, such Liens rank junior to the Liens securing the Notes;

- (iii) Indebtedness of a Guarantor permitted to be Incurred under the PCL Debt Baskets; *provided*, that, (x) if such Indebtedness is Senior Indebtedness of such Guarantor, such Liens rank (1) equal with all other Liens on such Collateral securing Senior Indebtedness or (2) equal with or junior to the Liens on such Collateral securing the Notes; (y) if such Indebtedness is Pari Passu Indebtedness of such Guarantor, such Liens rank equal with or junior to the Liens on such Collateral securing the Notes and (z) if such Indebtedness is Subordinated Indebtedness of such Guarantor, such Liens rank junior to the Liens on such Collateral securing the Notes;
- (iv) Indebtedness permitted to be Incurred under the PCL Debt Baskets of a Restricted Subsidiary that is not a Guarantor; *provided* that such Liens rank (1) equal with all other Liens on such Collateral securing Senior Indebtedness or Indebtedness of any Restricted Subsidiary that is not a Guarantor or (2) equal with or junior to the Liens on such Collateral securing the Notes; and
- (v) any Refinancing Indebtedness in respect of Indebtedness set forth in the foregoing clauses (i) to (iv); *provided* that any Lien securing such Refinancing Indebtedness shall have the same priority, relative to the Lien on the same Collateral securing the Notes, as the Lien securing the original Indebtedness refinanced by such refinancing Indebtedness;

provided that each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) described in this paragraph (c) will have acceded to the Intercreditor Agreement or entered into an Additional Intercreditor Agreement.

Notwithstanding any of the foregoing paragraph (c), (i) Indebtedness incurred under clauses (1) or (6) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” may have super senior priority status in respect of the proceeds from the enforcement of Collateral compared with other Senior Indebtedness secured by such Collateral and (ii) lenders of Senior Indebtedness under Credit Facilities may provide for the ordering of payments under the various tranches of such Credit Facilities.

“*Permitted Holders*” means, collectively, (1) the Initial Investors, (2) the Management Investors, (3) any Related Person of any Persons specified in clauses (1) and (2), (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Issuer, acting in such capacity and (5) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing (including any Persons mentioned in the following sentence) are members; provided that, in the case of such group and without giving effect to the existence of such group or any other group, the Initial Investors and such Persons referred to in the following sentence, collectively, have exclusive legal and beneficial ownership of more than 50% of the total voting power of the voting Stock of the Issuer or any of its direct or indirect parent companies wholly owned by such group. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“*Permitted Investment*” means (in each case, by the Issuer or any of its Restricted Subsidiaries):

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) if such Person will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person if such Person as a result of such Investment in such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;
- (3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business, including Investments in connection with any Qualified Receivables Financing or Receivables Financing;
- (5) Investments in payroll, travel, relocation, entertainment 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;
- (6) Management Advances;

- (7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer 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 reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*”;
- (9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (i) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;
- (10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with “—*Certain Covenants—Limitation on Indebtedness*”;
- (11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of 7.4% of Total Assets and €30.0 million; *provided* that, if an Investment is made pursuant to this clause 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 under “—*Certain Covenants—Limitation on Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause;
- (12) 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 under the covenant described under “—*Certain Covenants—Limitation on Liens*”;
- (13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;
- (14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of clauses (4), (6) or (14) the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Affiliate Transactions*”;
- (15) Guarantees of Indebtedness of the Issuer or its Restricted Subsidiaries permitted to be Incurred by the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;
- (16) Investments in loans under the Senior Facilities, the Notes and any Additional Notes;
- (17) Investments in joint ventures or a Similar Business, taken together with all other Investments made pursuant to this clause (17) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €20.0 million and 4.9% of Total Assets; *provided* that, if an Investment is made pursuant to this clause (17) 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 under “—*Certain Covenants—Limitation on Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause; and
- (18) Investments in Unrestricted Subsidiaries, taken together with all other Investments made pursuant to this clause (18) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €20.0 million and 4.9% of Total Assets; *provided* that, if an Investment is made pursuant to this clause (18) 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 under “—*Certain Covenants—Limitation on Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause.

“*Permitted Liens*” means, with respect to any Person:

- (1) Liens on assets or property of any Restricted Subsidiary securing (i) any Senior Indebtedness of a Guarantor (and any Guarantee by the Issuer of such Senior Indebtedness that constitutes *Pari Passu* Indebtedness of the Issuer) permitted by the covenant described under “—*Certain Covenants—Limitation on Indebtedness*”; or (ii) Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted by the covenant described under “—*Certain Covenants—Limitation on Indebtedness*”;
- (2) 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, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government 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;
- (3) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s and repairmen’s or other similar 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;
- (4) 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;
- (5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers’ acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;
- (6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, 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 the Issuer 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 Issuer and its Restricted Subsidiaries;
- (7) Liens on assets or property of the Issuer or any Restricted Subsidiary (other than Collateral) securing Hedging Obligations permitted under the Indenture and relating to Indebtedness permitted to be Incurred under the Indenture and which is secured by a Lien on the same assets or property that secures such Indebtedness;
- (8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated 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;
- (10) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under clause (7) of the covenant described above under “—*Certain Covenants—Limitation on Indebtedness*” and (b) any such Lien may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;
- (11) Liens arising by virtue of any statutory or common law provisions relating to banker’s Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

- (12) Liens arising from New York Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;
- (13) (a) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date, or (b) with respect to the Target and its Subsidiaries, Liens existing on, or provided for or required to be granted under written agreements existing on, the Completion Date;
- (14) 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 the Issuer 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 the Issuer or any Restricted Subsidiary), including Liens created, incurred or assumed in connection with, or in contemplation of such acquisition or transaction; *provided*, 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;
- (15) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;
- (16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *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 Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;
- (17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances 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 the Issuer or any Restricted Subsidiary of the Issuer has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;
- (19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (21) Liens on (i) Receivables Assets Incurred in connection with a Qualified Receivables Financing or (ii) a Receivables Financing permitted under “—*Certain Covenants—Limitation on Indebtedness*”;
- (22) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;
- (23) 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;
- (24) Liens given pursuant to Section 8a of the German Old Age Employees Part Time Act (*Altersteilzeitgesetz*) or Section 7e of the Fourth Book of the German Social Code (*Sozialgesetzbuch IV*);
- (25) any Lien arising under the general terms and conditions of banks with whom any member of the group maintains a banking relationship in the ordinary course of business including liens of members of the group under the German general terms and conditions of banks and saving banks (*Allgemeine Geschäftsbedingungen der Banken und Sparkassen*);
- (26) 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;

- (27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;
- (28) any security granted over the marketable securities portfolio described in clause (9) of the definition of “Cash Equivalents” in connection with the disposal thereof to a third party;
- (29) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Issuer or a Restricted Subsidiary;
- (30) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;
- (31) (a) Liens created for the benefit of or to secure, directly or indirectly, the Notes, and (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Indenture or the Senior Facilities Agreement and (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders of the Notes and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement; and
- (32) Liens, *provided* that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (32) does not exceed €20.0 million.

“*Permitted Reorganization*” means

- (x) any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any of its Restricted Subsidiaries (a “*Reorganization*”) that is made on a solvent basis; *provided* that:
 - (a) any payments or assets distributed in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries; and
 - (b) if any shares or other assets form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral; and
- (y) any transaction contemplated by the Tax Structure Report (including any optional step)

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“*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.

“*Public Debt*” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

“*Public Market*” means any time after:

- (1) an Equity Offering has been consummated; and
- (2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €40.0 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“*Public Offering*” means any 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 or Regulation S under the Securities Act to professional market investors or similar persons).

“*Purchase Money Obligations*” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), 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.

“Qualified Receivables Financing” means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors or a member of Senior Management of the Company shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Board of Directors or a member of Senior Management of the Company), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors or a member of Senior Management of the Company) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

“Rating Agencies” means Moody’s, Fitch and S&P or, in the event Moody’s, Fitch or S&P no longer assigns a rating to the Notes, any other “nationally recognized statistical rating organization” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Issuer as a replacement agency.

“Receivable” means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined on the basis of IFRS.

“Receivables Assets” means any assets that are or will be the subject of a Qualified Receivables Financing.

“Receivables Fees” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

“Receivables Financing” means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Company or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Receivables Subsidiary” means a Wholly Owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any other Restricted Subsidiary of the Issuer, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary of the Issuer, directly or

indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

- (2) with which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding (except in connection with a Qualified Receivables Financing) other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and
- (3) to which neither the Issuer nor any other Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*refinance*" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "refinances," "refinanced" and "refinancing" as used for any purpose in the Indenture shall have a correlative meaning.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

- (1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced or, if shorter, the Stated Maturity of the Notes;
- (2) such Refinancing 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 Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and
- (3) if the Indebtedness being refinanced is expressly subordinated to the Notes or Notes Guarantees, such Refinancing Indebtedness is subordinated to the Notes or such Notes Guarantees, as applicable, on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced;

provided further, however, that Refinancing Indebtedness shall not include (i) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness; *provided* that it is used to refinance the amounts to discharge in full such Credit Facility or other Indebtedness within 180 days of the relevant termination, discharge or repayment.

"*Related Person*" with respect to any Permitted Holder, means:

- (1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person;
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

- (4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

“*Related Taxes*” means any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding 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:

- (a) being incorporated or otherwise being established 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 Issuer or any of the Issuer’s Subsidiaries);
- (b) issuing or holding Subordinated Shareholder Funding;
- (c) being a holding company parent, directly or indirectly, of the Issuer or any of the Issuer’s Subsidiaries;
- (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer’s Subsidiaries; or
- (e) having made any payment with respect to any of the items for which the Issuer is permitted to make payments to any Parent pursuant to “—*Certain Covenants—Limitation on Restricted Payments.*”

“*Replacement Assets*” means non-current properties and assets that replace the properties and assets that were the subject of an Asset Disposition or non-current properties and assets that will be used in the Issuer’s business or in that of the Restricted Subsidiaries (including the Target and its Subsidiaries) as of the Completion Date or any and all other businesses that in the good faith judgment of the Board of Directors or any member of Senior Management of the Issuer are related thereto.

“*Representative*” means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

“*Restricted Investment*” means any Investment other than a Permitted Investment.

“*Restricted Subsidiary*” means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

“*Revolving Credit Facility*” means the revolving credit facility established pursuant to the Senior Facilities Agreement.

“*S&P*” means Standard & Poor’s Ratings Services, a division of McGraw Hill, Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*Securities Act*” means the U.S. Securities Act of 1933, as amended and the rules and regulations of the SEC promulgated thereunder, as amended.

“*Security Documents*” means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

“*Senior Facilities*” means the First Lien Term Loan, the Revolving Credit Facility and other borrowings under the Senior Facilities Agreement.

“*Senior Facilities Agreement*” means the agreement governing the Senior Facilities, dated as of February 17, 2015, as amended from time to time, among the Issue Date Guarantor, as borrower, Credit Suisse AG, London Branch, Barclays Bank PLC, Deutsche Bank AG, London Branch and The Royal Bank of Canada as mandated lead arrangers, Credit Suisse AG, London Branch as agent and security agent.

“*Senior Indebtedness*” means, whether outstanding on the Issue Date or thereafter Incurred, all amounts payable by, under or in respect of all other Indebtedness of the Issuer or any Guarantor, including premiums and accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the

Issuer or a Guarantor at the rate specified in the documentation with respect thereto whether or not a claim for post filing interest is allowed in such proceeding) and fees relating thereto; *provided, however*, that Senior Indebtedness will not include:

- (a) any Indebtedness Incurred in violation of the Indenture;
- (b) any obligation of the Issuer or any Guarantor to any Restricted Subsidiary;
- (c) any liability for taxes owed or owing by the Issuer or any Restricted Subsidiary;
- (d) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including Guarantees thereof or instruments evidencing such liabilities);
- (e) any Indebtedness, guarantee or obligation of the Issuer or any Guarantor that is expressly subordinate or junior in right of payment to any other Indebtedness, Guarantee or obligation of the Issuer or such Guarantor;
- (f) any *Pari Passu* Indebtedness; or
- (g) any Capital Stock.

“*Senior Management*” means the officers, directors, and other members of senior management of the Issuer or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer or any Parent.

“*Significant Subsidiary*” means any Restricted Subsidiary that meets any of the following conditions:

- (1) the Issuer’s and its Restricted Subsidiaries’ investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;
- (2) the Issuer’s and its Restricted Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or
- (3) the Issuer’s and its Restricted Subsidiaries’ proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

“*Similar Business*” means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates (including the Target and its Subsidiaries) on the Completion Date and (b) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

“*Standard Securitization Undertakings*” means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Qualified Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“*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, including those described in “—*Change of Control*” and the covenant under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“*Subordinated Indebtedness*” means (a) any Indebtedness of the Issuer that is expressly subordinate in right of payment to the Notes, including any Subordinated Shareholder Funding, and (b) any Indebtedness of a Guarantor that is expressly subordinate in right of payment to such Guarantor’s Notes Guarantee.

“*Subordinated Shareholder Funding*” means, collectively, any funds provided to the Issuer by any 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 any of the foregoing Persons, 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:

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;
- (2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (3) contains no change of control, asset sale 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 Stated Maturity of the Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and
- (5) pursuant to its terms or the terms of the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to the “Subordinated Liabilities” (as defined therein, *mutatis mutandis*).

“*Subsidiary*” means, with respect to any Person:

- (1) 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
- (2) any partnership, joint venture, limited liability company or similar entity of which:
 - (a) 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
 - (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“*Successor Parent*” means, 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 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 Issue Date).

“*Tax Sharing Agreement*” means any tax sharing or profit and loss pooling or similar agreement with customary or arm’s-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture, and any arrangements or transactions made between the Issuer and/or any of its Subsidiaries and/or any Parent in order to satisfy the obligations arising under any such Tax Sharing Agreement (including, for the avoidance of doubt, distributions for purposes of compensating accounting losses in relation to a profit and loss pooling agreement and/or upstream loans to any parent to

enable a parent to compensate the Issuer or such Subsidiary for losses incurred which may need to be compensated by a parent under any profit and loss pooling agreement.

“*Tax Structure Report*” means the tax structure report prepared by an external tax advisor in connection with the Transactions.

“*Taxes*” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

“*Temporary Cash Investments*” means any of the following:

- (1) any investment in:
 - (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (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 the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or
 - (b) direct obligations of any country recognized by the United States of America rated at least “A” by S&P, “A” by Fitch or “A-1” by Moody’s (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (2) 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:
 - (a) any lender under the Senior Facilities Agreement;
 - (b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above; or
 - (c) any bank or trust company organized 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 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least “A-” by S&P or Fitch or “A3” by Moody’s (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;
- (4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least “BBB-” by S&P or “Baa3” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt

is rated at least “A-” by S&P or Fitch or “A3” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

- (8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and
- (9) 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 Issuer Act of 1940, as amended.

“*Total Assets*” means the consolidated total assets of the Issuer and its Restricted Subsidiaries as shown on the balance sheet of the Issuer prepared on the basis of IFRS.

“*Transactions*” shall have the meaning assigned to such term in this Offering Memorandum under the caption “*The Transactions*.”

“*U.S. GAAP*” means generally accepted accounting principles in the United States of America as in effect from time to time.

“*Unrestricted Subsidiary*” means:

- (1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer other than the Issuer (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:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and
- (2) such designation and the Investment of the Issuer in such Subsidiary complies with “—*Certain Covenants—Limitation on Restricted Payments*.”

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Issuer could Incur at least €1.00 of additional Indebtedness under the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or (y) the Fixed Charge Coverage Ratio would not be less 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 Trustee by promptly filing with the 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.

“*Uniform Commercial Code*” means the New York Uniform Commercial Code.

“*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.

“*Wholly Owned Subsidiary*” means a Restricted Subsidiary of the Issuer, all of the Capital Stock of which (other than directors’ qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or another Wholly Owned Subsidiary.

BOOK-ENTRY; DELIVERY AND FORM

General

Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “**Rule 144A Global Note**”). Notes sold to non-U.S. persons outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by one or more global notes 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 will be deposited, on the closing date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Note (the “**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 participants through customers’ securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, the Notes will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained 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 those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their name, will not have received physical delivery of the Notes in certificated form and will not be considered the registered owners or “holders” of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. Accordingly, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither we nor the Trustee, the Paying Agent, the Common Depositary, the nominee of the common depositary for Euroclear and Clearstream nor any of their respective agents will have any responsibility, or be liable, for any aspect of the records, or for payments made, relating to the Book-Entry Interests.

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 Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of 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 or waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the Global Notes for definitive registered Notes in certificated form (the “**Definitive Registered Notes**”), and to distribute such Definitive Registered Notes to their participants.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

- (1) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or
- (2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an event of default under the Indenture.

Euroclear and Clearstream have advised the Issuer that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that the Issuer issues or causes to be issued Notes in definitive registered form to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event described in clauses (1) and (2), the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or the Issuer, as applicable (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 Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a Transfer Agent, the Issuer will issue and the Trustee or an authenticating agent appointed by the Trustee will authenticate a replacement Definitive Registered Note if the Trustee's and the Issuer's requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and the Issuer to protect the Issuer, the Trustee or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer or Trustee may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer in their discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

To the extent permitted by law, the Issuer, the Trustee, the Registrar, the Transfer Agents and the Paying Agent 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 Registrar, and such registration is a means of evidencing title to the Notes.

The Issuer will not impose any fees or other charges in respect of the 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/or Clearstream.

Redemption of Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, or their respective nominees, 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). The Issuer understands that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate.

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 Paying Agent. The Paying Agent will, in turn make said payments to or to the order of the common depositary or its nominee for Euroclear and Clearstream. Euroclear and/or Clearstream will distribute such payments to participants in accordance with their respective customary 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 "Description of the Notes—Withholding Taxes." If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Notes—Withholding Taxes" above, we will pay additional amounts as may be necessary in order for 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 Indenture, the Issuer, the Trustee, the Security Agents, the Registrar, the Transfer Agents and the Paying Agent will treat the registered holders of the Global Notes (for example, Euroclear or Clearstream (or their respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Security Agents, the Registrar, the Transfer Agents and the Paying Agents or any of its agents has or will have any responsibility or liability for:

- 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 or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or
- Euroclear, Clearstream or any participant or indirect participant.

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 holders of interests to such Notes through Euroclear and/or Clearstream in euro.

Transfers

Transfers between participants in Euroclear and/or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes 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 forth in the Indenture.

The Global Notes will bear a legend to the effect set forth under "Transfer Restrictions." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Transfer Restrictions."

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A 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 (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "Description of the Notes—Transfer and Exchange" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Transfer Restrictions."

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.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. None of us, the Trustee, the Paying Agent, the transfer agent and the Initial Purchasers is responsible for those operations or procedures.

The Issuer understands as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in the 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 organizations. 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 custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act 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 and/or Clearstream system, 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 Notes represented by the Global Notes are expected to be listed on the ISE and admitted for trading on the ISE's Global Exchange Market. The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification numbers and common code numbers for the Notes are set out under "Listing and General Information—Clearing Information." Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's 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, 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 the Issuer, the Trustee, the Registrar, the Transfer Agents or the Paying Agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and 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

Certain German Tax Considerations

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of the Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes (for example, tax considerations concerning non-resident holders presenting Notes for an over-the-counter payment (*Tafelgeschäft*) to a German Disbursing Agent (as defined below)), and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Offering Memorandum, which are subject to change, possibly with retroactive or retrospective effect.

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

Taxation of Current Income and Capital Gains

Tax Residents

This subsection “Tax Residents” refers to persons who are tax residents of Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Income derived from capital investments under the Notes as well as capital gains (which include currency gains and losses, if any) from the disposal, redemption, repayment or assignment of the Notes held by an individual holder who is tax resident in Germany are in general subject to German income tax at a flat-tax rate of 25% (plus solidarity surcharge and church tax, if applicable, thereon) (*Abgeltungsteuer*) if the Notes are held as private investment (*Privatvermögen*). Individual holders who are tax resident in Germany are entitled to a maximum annual allowance (*Sparer Pauschbetrag*) of €801 (€1,602 for married couples filing jointly), whereby actually incurred higher expenses directly attributable to a capital investment are not deductible.

The personal income tax liability of an individual holder who is tax resident in Germany on income from capital investments under the Notes will, in principle, be satisfied by the tax withheld (as described under section “—Withholding Tax” below). To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or of no German Disbursing Agent (as defined below) being involved in the payment process, the individual holder must include his or her income and capital gains derived from the Notes in his or her annual tax return and will then also be taxed at a rate of 25% (plus solidarity surcharge and, where applicable, church tax thereon). Further, an individual holder may apply for a taxation of all investment income of a given year at his or her lower individual tax rate based upon an assessment to tax with any amounts over-withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted. Losses incurred with respect to the Notes can only be offset with investment income of the individual holder realized in the same or following assessment periods.

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated October 9, 2012 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated as a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible if the Notes are held as private investment (*Privatvermögen*). The same rules should be applicable according to the said tax decree, if the Notes expire worthless so that losses may not be tax-deductible at all. Losses suffered in a sale of Notes will only be recognized according to the view of the tax authorities, if the proceeds received in the sale exceed the respective transaction costs.

Where Notes form part of a trade or business of an individual or corporate holder or the income from the Notes qualifies as income from the letting and leasing of property, the withholding tax, if any, will not satisfy the personal or corporate income tax liability. Rather, the income is subject to individual or corporate income tax (plus solidarity surcharge and, where applicable, church tax). Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. The respective holder will have to include income and related (business) expenses in the annual tax return and the balance will be taxed at the holder’s applicable tax rate. Withholding tax levied, if any, will be credited as advance payment against the personal or corporate income tax liability of the holder or, to the extent exceeding this personal or corporate income tax liability, will be refunded. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. The trade tax liability depends on the municipal trade tax factor (*Gewerbesteuerhebesatz*). If the holder is an individual or an

individual partner of a partnership, the trade tax may generally be completely or partly credited against the personal income tax pursuant to a lump sum tax credit method.

Non-Tax Residents

Interest, including accrued interest, and capital gains (which include currency gains and losses, if any) from the disposal, redemption, repayment or assignment of the Notes received by holders who are not tax-resident in Germany (*i.e.*, holders whose residence, habitual abode, statutory seat and place of effective management and control is not located in Germany) are generally not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (ii) the income otherwise constitutes German source income. In cases (i) and (ii) a tax regime similar to that explained above under subsection “—Tax Residents” applies. Subject to certain requirements a holder who is not tax-resident in Germany may benefit from tax reductions or tax exemptions provided by an applicable tax treaty.

Withholding Tax

Ongoing payments received by an individual holder of the Notes who is a German tax resident will be subject to German withholding tax if the Notes are kept or administered in a custodial account with or presented for an over-the-counter payment to a German financial institution (*i.e.*, a bank, a financial service institution, a securities trading company or a securities trading bank, including a German branch of a foreign financial institution but not a foreign branch of a German financial institution) or the Issuer (each, a “**German Disbursing Agent**,” *auszahlende Stelle*)).

The withholding tax rate is 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%) according to the flat tax regime (*Abgeltungsteuer*). If the individual holder is subject to church tax, a church tax surcharge will also be withheld. For German Disbursing Agents an electronic information system for church withholding tax purposes applies in relation to investment income received after December 31, 2014, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The same treatment applies to capital gains (*i.e.*, the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly and factually related to the disposal and the cost of acquisition taking into account currency gains and losses, if any) and interest accrued on the Notes (“**Accrued Interest**,” *Stückzinsen*) derived by an individual holder who is a German resident irrespective of any holding period provided the Notes have been held in a custodial account with the same German Disbursing Agent since the time of their acquisition. If interest coupons or interest claims are disposed of separately (*i.e.*, without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the redemption of interest coupons or interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept in a custodial account with the same German Disbursing Agent since the time of their acquisition or if the Notes have been transferred into the custodial account of the German Disbursing Agent only after their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%, plus church tax, if applicable) on 30% of the disposal proceeds (plus Accrued Interest, if any), unless the current German Disbursing Agent has been provided with evidence of the actual acquisition costs of the Notes by the previous German Disbursing Agent or by a statement of a bank or financial services institution within the European Union, European Economic Area or certain other countries in accordance with Art. 17 para. 2(i) of the EU Council Directive 2003/48/EC dated June 3, 2003 on the Taxation of Savings Income in the form of interest payments (the “**EU Savings Tax Directive**”) (for example, Switzerland or Andorra). If the withholding tax on a disposal, redemption, repayment or assignment of the Notes has been calculated on the basis of 30% of the disposal proceeds (rather than from the actual gain), a German tax resident individual holder may and in case the actual gain is higher than 30% of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs.

In computing any German withholding tax, the German Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realized by the individual holder of the Notes via the German Disbursing Agent (for example, losses from the sale of other securities with the exception of shares). The German Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the German Disbursing Agent. In addition, subject to certain requirements and restrictions the German Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual

holder in the custodial account with the German Disbursing Agent. Foreign withholding taxes levied pursuant to the EU Savings Directive may only be credited in the course of the assessment.

Upon the individual holder filing an exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, the German Disbursing Agent will take a maximum annual allowance (*Sparer Pauschbetrag*) of €801 (€1,602 for married couples filing jointly) into account when computing the amount of tax to be withheld from the gross payment to be made by the German Disbursing Agent. No withholding tax will be deducted if the holder of the Notes has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will generally not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporate holder who is a German tax resident (including via a commercial partnership, as the case may be, and provided that in the case of corporations of certain legal forms the status of corporation has been evidenced by a certificate of the competent tax office) while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and losses incurred). The same may apply where the Notes form part of a trade or business (of an individual or of a commercial partnership) subject to further requirements being met.

Interest and capital gains received by non-tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is not located in Germany) are, in general, not subject to German withholding tax and the solidarity surcharge thereon. However, where the interest or capital gain is subject to German taxation (as outlined above under “—Non-Tax Residents”) and the Notes are held in a custodial account with a German Disbursing Agent, withholding tax will be levied under certain circumstances.

Where Notes are not kept in a custodial account with a German Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or an interest coupon are paid over-the-counter by a German Disbursing Agent to a non-resident, withholding tax will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty (*Doppelbesteuerungsabkommen*).

Inheritance and Gift Tax

A gratuitous transfer of Notes by reason of death or as a gift will be subject to German inheritance or gift tax if the decedent or donor or the heir, donee or other beneficiary (which in all cases can be, amongst others, an individual or a corporation) is at the time of the transfer a resident or deemed to be a resident of Germany. If neither the holder nor the recipient is a resident or deemed to be a resident of Germany at the time of the transfer, no German inheritance or gift taxes will be levied unless the Notes are attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed in Germany. Exceptions from this rule apply to certain German citizens who previously maintained a residence in Germany.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany. Holders of the Notes should clarify themselves (or with their tax advisors) whether church tax is payable in addition as set out above.

The European Commission and certain EU member states (including Germany) are currently intending to introduce a financial transaction tax (“**FTT**”—see also below “The Proposed Financial Transactions Tax (FTT)”) (presumably on secondary market transactions involving at least one financial intermediary). If the FTT is introduced, transfers of Notes in which a financial intermediary established or deemed to be established in a participating member state may be subject to FTT at a rate that will be determined separately by each participating member state.

EU Savings Tax Directive

Under the EU Savings Tax Directive, each EU member state must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in another EU member state or to certain limited types of entities established in another EU member state. The competent authority of the EU member state of the paying agent (within the meaning of the EU Savings Tax Directive) is then required to communicate this information to the competent authority of the EU member state of which the beneficial owner of the interest is a resident. However, for a transitional period, Austria is instead required (unless during that period they elect otherwise) to withhold tax from such

payments currently at a rate of 35% (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

A number of non-EU countries including Switzerland, and certain dependent or associated territories of certain EU member states, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a EU member state (a withholding system in the case of Switzerland at a rate of 35% with the option of the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding). In addition, the EU member states have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a EU member state to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories of non-EU countries and territories.

By legislative regulations dated January 26, 2004, the German Federal Government enacted provisions implementing the information exchange on the basis of the EU Savings Tax Directive into German law.

On March 24, 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 starting January 1, 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 expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

The Proposed Financial Transactions Tax (FTT)

The European Commission has published a proposal for a Directive for a common financial transactions tax (**FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (**Participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals 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 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.

The FTT proposal remains subject to negotiation between the Participating Member States and it may be altered prior to any implementation, the timing of which remains unclear, however, it is expected that the FTT will not apply prior to January 1, 2016. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Certain United States Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes by a U.S. holder (defined below), but does not purport to be a complete analysis of all potential tax effects. This summary is based upon the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the Internal Revenue Service (“**IRS**”) have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder’s particular circumstances, or to holders subject to special rules, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional

currency is not the U.S. dollar, tax-exempt organizations, regulated investment companies, individual retirement accounts and other tax-deferred accounts, real estate investment trusts, S corporations, partnerships or other pass through entities (or investors in such entities) and persons holding the Notes as part of a “straddle,” “hedge,” “conversion transaction” or other integrated transaction, and persons who own a direct or indirect equity interest in the Issuer. This discussion does not address U.S. Federal estate, gift or alternative minimum tax considerations, the impact of the unearned income Medicare contribution tax, or non-U.S., state or local tax considerations. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue and at their “issue price” (as defined below) and who hold the Notes as capital assets within the meaning of section 1221 of the Code. The discussion assumes that the Notes will be issued on the issue date reflected on the cover page of this Offering Memorandum for U.S. federal income tax purposes.

For purposes of this discussion, a “U.S. holder” is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation created (or an entity that is treated as a corporation for U.S. federal income tax purposes) or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person. If any entity treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

This summary is for informational purposes only. Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws and state, local, foreign or other tax laws.

Characterization of the Notes

In certain circumstances (see “Description of the Notes—Optional Redemption” and “Description of the Notes—Change of Control”) we may be obligated to make payments on the Notes in excess of stated principal and interest. We intend to take the position that the foregoing contingencies are remote and thus should not cause the Notes to be treated as contingent payment debt instruments. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. holder’s method of accounting for U.S. federal income tax purposes. Our position is binding on a U.S. holder, unless the U.S. holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged this position, and the Notes were treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate higher than their yield to maturity, to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement or redemption of a Note, and to recognize foreign currency exchange gain or loss with respect to such income. This disclosure assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments of Stated Interest

Payments of stated interest on the Notes (including any Additional Amounts paid in respect of withholding taxes and without reduction for any non-U.S. tax withheld) generally will be taxable to a U.S. holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. holder’s method of accounting for U.S. federal income tax purposes.

A U.S. holder of a Note that uses the cash method of accounting for U.S. federal income tax purposes and that receives a payment of stated interest will be required to include in ordinary income the U.S. dollar value of the euro interest payment (translated at the “spot rate” on the date such payment is received) regardless of whether the payment is in fact converted to U.S. dollars. A cash method U.S. holder will not recognize exchange gain or loss with respect to the receipt of such payment, but may have exchange gain or loss attributable to the actual disposition of the euros so received.

A U.S. holder of a Note that uses the accrual method of accounting for U.S. federal income tax purposes will be required to include in income the U.S. dollar value of the amount of interest income in euros that has accrued with respect to a Note during an accrual period. The U.S. dollar value of such accrued income will be determined by translating such income

at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within each taxable year. A U.S. holder of a Note may elect, however, to translate such accrued interest income using the rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the rate of exchange on the last day of the taxable year. If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. holder may translate such interest at the “spot rate” on the date of receipt. The above election will apply to other obligations held by the U.S. holder and may not be changed without the consent of the IRS. A U.S. holder of a Note that uses the accrual method of accounting for U.S. federal income tax purposes will recognize exchange gain or loss with respect to accrued interest income on the date such interest is received. The amount of exchange gain or loss recognized will equal the difference, if any, between the U.S. dollar value of the euro payment received (translated at the “spot rate” on the date such payment is received) in respect of such accrual period and the U.S. dollar value of interest income that has accrued during such accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars. Such gain or loss will generally constitute ordinary income or loss and be treated as U.S. source income or as an offset to U.S. source income, respectively.

Original Issue Discount

The Notes may be issued with original issue discount (“**OID**”) for U.S. federal income tax purposes. The Notes will be treated as issued with OID and subject to special U.S. federal income tax rules if the excess of such Notes’ stated redemption price at maturity over their issue price is at least a *de minimis* amount (0.25% of such Notes’ stated redemption price at maturity multiplied by the number of complete years to their maturity). Generally, the “issue price” of the Notes will be the first price at which a substantial amount of such Notes are first sold to persons other than bondhouses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The “stated redemption price at maturity” of the Notes is the total of all payments provided by such Notes that are not payments of “qualified stated interest.” A “qualified stated interest” payment is generally any one of a series of stated interest payments on the Notes that is unconditionally payable at least annually at a single fixed rate or a qualified floating rate.

U.S. holders of Notes issued with OID must include OID in income (as ordinary income) calculated on a constant-yield method before the receipt of cash attributable to the income, and will generally have to include in income increasingly greater amounts of OID over the life of the Notes. The amount of OID includible in income by a U.S. holder is the sum of the daily portions of OID with respect to the Note for each day during the taxable year or portion of the taxable year in which the U.S. holder holds the Note. 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. Accrual periods with respect to a Note may be of any length selected by the U.S. holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Note’s adjusted issue price at the beginning of the accrual period and the Note’s 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 (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The adjusted issue price of a Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any OID will be determined for any accrual period in euros and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. holder, as described above. In such event, upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or disposition of such Note), a U.S. holder of such Note will recognize foreign currency gain or loss that will be treated as ordinary income or loss and be treated as U.S. source income or as an offset to U.S. source income, respectively.

Foreign Tax Credit

Subject to the discussion of exchange gain or loss below, interest income and OID, if any, on a Note generally will constitute foreign source income and generally will be considered “passive category income” or, in the case of certain U.S. holders, “general category income” in computing the foreign tax credit allowable to U.S. holders under U.S. federal income tax laws. Any non-U.S. withholding tax paid by a U.S. holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder’s particular circumstances. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of Notes

Generally, upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the disposition (less any amount attributable to accrued but unpaid interest not previously included in income, which will be taxable as such) and such U.S. holder's adjusted tax basis in the Note. If a U.S. holder receives foreign currency on such a sale, exchange, redemption, retirement or other taxable disposition of a Note, the amount realized generally will be based on the U.S. dollar value of the foreign currency translated at the "spot rate" on the date of disposition. In the case of a Note that is traded on an established securities market, a cash basis U.S. holder and, if it so elects, an accrual basis U.S. holder will determine the U.S. dollar value of the amount realized by translating such amount at the "spot rate" on the settlement date of the disposition.

A U.S. holder's adjusted tax basis in a Note will generally equal the cost of such Note to such U.S. holder increased by the amount of OID previously included in the U.S. holder's income with respect to the Note, if any, less any payments made with respect to the Note that are not qualified stated interest payments. If a U.S. holder uses foreign currency to purchase a Note, the cost of the Note will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a Note that is traded on an established securities market, a cash basis U.S. holder, and, if it so elects, an accrual basis U.S. holder, will determine the U.S. dollar value of the cost of such Note by translating the amount paid at the "spot rate" of exchange on the settlement date of the purchase. The conversion of U.S. dollars to a foreign currency and the immediate use of that currency to purchase a Note generally will not result in taxable gain or loss for a U.S. holder.

The special election available to accrual basis U.S. holders in regard to the purchase and sale of Notes traded on an established securities market, which is discussed in the two preceding paragraphs, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Subject to the discussion of exchange gain or loss below, gain or loss recognized upon the sale, exchange, redemption, retirement or other taxable disposition of a Note generally will be U.S. source gain or loss and generally will be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, redemption, retirement or other disposition the Note has been held by such U.S. holder for more than one year. Long-term capital gain realized by a non-corporate U.S. holder will generally be subject to taxation at a reduced rate. The deductibility of capital losses is subject to limitation. Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale, exchange, redemption or other taxable disposition of the Notes.

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. holder may recognize gain or loss that is attributable to fluctuations in currency exchange rates with respect to the principal amount of such Note. For these purposes, the principal amount of a Note is the U.S. holder's purchase price of the Note in euros. Gain or loss attributable to fluctuations in exchange rates with respect to the principal amount of such Note generally will equal the difference between (i) the U.S. dollar value of the principal amount of the Note, determined on the date such payment is received for the Note or such Note is disposed of, and (ii) the U.S. dollar value of the principal amount of the Note, determined on the date the U.S. holder acquired such Note. Such gain or loss will be treated as ordinary income or loss and generally will be treated as U.S. source income or as an offset to U.S. source income, respectively. In addition, exchange gain or loss may be realized with respect to accrued interest and accrued OID, if any, as discussed under "—Payments of Stated Interest" and "—Original Issue Discount." However, upon a sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. holder will realize exchange gain or loss with respect to principal and accrued interest and accrued OID, if any, only to the extent of the total gain or loss realized on the disposition.

Additional Notes

The Issuer may issue Additional Notes as described under "Description of the Notes." These Additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such case, the Additional Notes may be considered to have OID (or a greater amount of OID) which may affect the market value of the original Notes if the Additional Notes are not otherwise distinguishable from the original Notes.

Exchange Gain or Loss with Respect to Foreign Currency

A U.S. holder will have a tax basis in any euros received as interest or upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, equal to the U.S. dollar value thereof at the "spot rate" on the date the interest is received or, in the case of a payment received in consideration of the sale or other disposition, on the date used to compute exchange gain or loss with respect to such disposition (as discussed under "—Sale, Exchange, Redemption, Retirement or

Other Taxable Disposition of Notes”). Any gain or loss realized by a U.S. holder on a sale or other disposition of the euros, including their exchange for U.S. dollars, will be ordinary income or loss and generally will be income from sources within the United States for U.S. foreign tax credit purposes.

Tax Return Disclosure Requirement

Treasury regulations issued under the Code meant to require the reporting of certain tax shelter transactions cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the 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 foreign currency note or foreign currency received in respect of a foreign currency note to the extent that any such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. U.S. holders should consult their tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Information Reporting and Backup Withholding

In general, payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder that is not an exempt recipient may be subject to backup withholding (at a 28% rate) unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder’s U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

Certain U.S. holders may be required to report information relating to an interest in our Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. holders should consult their tax advisors regarding any reporting requirements relating to their ownership and disposition of the Notes.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as “**FATCA**”), a “foreign financial institution” may be required to withhold U.S. tax on certain pass through payments made after December 31, 2016 to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign pass-through payments are filed generally would be “grandfathered” unless materially modified after such date. To date, no such regulations have been issued. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA would apply to payments on the Additional Notes only if there is a significant modification of the Additional Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. However, if Additional Notes are issued after the expiration of the grandfathering period, such Additional Notes have the same ISIN or Common Code as the Original Notes and Additional Notes, and such Additional Notes are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Additional Notes, as subject to withholding under FATCA. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. Holders should consult their own tax advisors on how these rules may apply to their investment in the Additional Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Additional Notes, there generally will be no additional amounts payable to compensate for the withheld amount.

Certain General Tax Considerations—Payments by a Guarantor

If a Guarantor makes any payments in respect of the Notes (or other amounts due under the Notes) it is possible that such payments may be subject to withholding tax at applicable rates, subject to such relief as may be available under the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

PLAN OF DISTRIBUTION

We intend to offer the Notes through the Initial Purchasers. Credit Suisse Securities (Europe) Limited, Barclays Bank PLC, Deutsche Bank AG, London Branch and RBC Europe Ltd. are the Initial Purchasers.

Subject to the terms and conditions contained in the purchase agreement between the Issuer, the Guarantors and the Initial Purchasers dated the date of this Offering Memorandum, we have agreed to sell to the Initial Purchasers and the Initial Purchasers have agreed to purchase from us, severally and not jointly, Notes in an aggregate principal amount equal to the entire principal amount of the Notes. The obligations of the Initial Purchasers under the purchase agreement, including their agreement to purchase the Notes from the Issuer, are several and not joint. The purchase agreement provides that the Initial Purchasers are obligated, severally and not jointly, to purchase all of the Notes, if any are purchased. In the event that an Initial Purchaser fails or refuses to purchase the Notes which it has agreed to purchase, the purchase agreement provides that the purchase commitments of the other Initial Purchasers may be increased or that the purchase agreement may be terminated.

The Initial Purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other important conditions contained in the purchase agreement, including the receipt by the Initial Purchasers of evidence that the Senior Facilities have been, or will be applied, in the manner described in the “Use of Proceeds.” The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Initial Purchasers have advised us that they propose to offer the Notes initially at the offering price listed on the cover page of this Offering Memorandum and may also offer the Notes to selling group members at the offering price less a selling concession. After the initial offering, the Initial Purchasers may change the offering price and any other selling terms of the Notes at any time without notice.

The Initial Purchasers may offer and sell the Notes through certain of their affiliates.

We have agreed to pay the Initial Purchasers certain customary fees for their services in connection with this Offering and to reimburse them for certain out-of-pocket expenses. We also have agreed to indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, or to contribute to payments that the Initial Purchasers may be required to make in respect of those liabilities.

United States

The Notes and the Guarantees have not been registered under the U.S. Securities Act and may not be offered or sold in the United States or to U.S. persons unless the Notes and the Guarantees are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available. Accordingly, each of the Initial Purchasers, severally and not jointly, has agreed that it will not offer or sell the Notes and the Guarantees except (i) to “qualified institutional buyers” (as defined in Rule 144A) (“**QIBs**”) in reliance on Rule 144A and (ii) to persons other than “U.S. persons” (as defined in Regulation S) outside the United States in offshore transactions (as defined in Regulation S) in reliance on Regulation S.

In addition, until the expiration of 40 days after the later of the commencement of the offering and the closing date, an offer or sale of Notes and the Guarantees within the United States by a broker/dealer (whether or not participating in this Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act or pursuant to another exemption from registration under the U.S. Securities Act. For a description of certain further restrictions on resale or transfer of the Notes see “Plan of Distribution” and “Transfer Restrictions.”

United Kingdom

In the purchase agreement, each Initial Purchaser, severally and not jointly, has also represented and warranted to us that:

- (1) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

- (2) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or instrument to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply.

General

No Sale of Similar Securities

The Issuer has agreed, subject to certain limited exceptions, that it or its affiliates and subsidiaries will not, directly or indirectly, sell or offer to sell any of the Notes or any instrument relating to debt or preferred equity securities for a period of 45 days from the date the Notes are issued without first obtaining the written consent of Credit Suisse Securities (Europe) Limited.

New Issue of Notes

The Notes are a new issue of securities with no established trading market. We have applied to have the Notes listed on the Official List of the Irish Stock Exchange and for admission to trading on the Global Exchange Market of the ISE, though we cannot assure you that the Notes will be approved for listing or that such listing will be maintained. The Initial Purchasers have advised us that they presently intend to make a market in the Notes after completion of this Offering. However, the Initial Purchasers are under no obligation to do so and may discontinue any market making activities at any time without notice. In addition, any such market making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, or that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you.

Stamp Tax

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of securities.

Price Stabilization and Short Positions

In connection with the Offering, Credit Suisse Securities (Europe) Limited (the “**Stabilizing Manager**”) (or persons acting on its behalf) may purchase and sell Notes in the open market. These transactions may include over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids. Over-allotment involves sales in excess of the offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the 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/dealer when the Notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions. These transactions may be effected in the over-the-counter market or otherwise.

These activities may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the prices that otherwise might exist in the open market. Neither we nor the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, there is no obligation on the Stabilizing Manager to engage in such transactions and neither we nor the Initial Purchasers make any representation that the Stabilizing Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. Any stabilizing action, if commenced, must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes.

Initial Settlement

It is expected that delivery of the Notes will be made against payment therefore on or about the date specified on the cover page of this Offering Memorandum, which will be the business day following the date of pricing of the Notes (this settlement cycle is being referred to as “T+5”). Under Rule 15(c)6-1 under the U.S. 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. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next succeeding business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of

the Notes who wish to trade the Notes on the date of pricing or the next succeeding business day should consult their own advisor.

Other Relationships

The Initial Purchasers and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. From time to time, certain of the Initial Purchasers or their respective affiliates have provided, and may in the future provide, investment banking, commercial banking, financial advisory and other services to us, our affiliates and our shareholders, in the ordinary course of business, for which they have received or may receive customary fees and commissions. The Initial Purchasers or their affiliates may also receive allocations of the Notes. In addition, the Initial Purchasers, or their respective affiliates, are lenders under our Revolving Credit Facility and New Term Loan B Facility and have committed to fund a €200.0 million senior unsecured bridge facility to provide financing for the Acquisition in the event the Offering is not consummated. In addition, such entities may act as counterparties in the hedging arrangements we expect to enter into in connection with the Transactions, and will receive customary fees for their services in such capacities. Furthermore, Deutsche Bank AG, London Branch acted as sell-side advisor to Triton in connection with the Acquisition. Finally, Credit Suisse AG, London Branch, will act as the agent and shared security agent under the Senior Facilities, and receive customary fees and indemnities in connection therewith.

In the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and instruments of ours or our affiliates. If the Initial Purchasers or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and short positions in such securities and instruments.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes and the Guarantees offered hereby.

The Notes and the Guarantees are subject to restrictions on transfer as summarized below. By purchasing Notes, you will be deemed to have made the following acknowledgements, representations to and agreements with the Issuer and the Initial Purchasers:

- (1) You acknowledge that:
 - (a) the Notes have not been and will not be registered under the U.S. Securities Act or securities laws of any other jurisdiction and, unless so registered, the Notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any other jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (“**QIBs**”) in accordance with Rule 144A under the Securities Act (“**Rule 144A**”) and outside the United States in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S**”); and
 - (b) the Issuer is offering and selling the Notes to the Initial Purchasers for re-offer and resale only:
 - in the United States, to QIBs; and
 - outside the United States, in offshore transactions in compliance with Regulation S,it being understood that we use the terms “offshore transactions” and “United States” with the meanings given to them in Regulation S.
- (2) You acknowledge that this Offering Memorandum relates to an offering that is exempt from registration under the U.S. Securities Act and may not comply in important respects with SEC rules that would apply to an offering document relating to a public offering of securities.
- (3) You represent that you are not an affiliate (as defined in Rule 144 under the U.S. Securities Act) of the Issuer, that you are not acting on our behalf and that either:
 - (a) you are a QIB and are purchasing Notes for your own account or for the account of another QIB, and you are aware that the Initial Purchasers are selling the Notes to you in reliance on Rule 144A; or
 - (b) you are purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S.
- (4) You acknowledge that none of the Issuer, the Initial Purchasers or any person representing the Issuer or the Initial Purchasers has made any representation to you with respect to the Issuer or the offering of the Notes, other than the information contained in this Offering Memorandum. Accordingly, you acknowledge that no representation or warranty is made by the Initial Purchasers or any person representing the Initial Purchasers as to the accuracy or completeness of such materials. You represent that this Offering Memorandum has been delivered to you and that you are relying only on this Offering Memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning the Issuer and the Notes as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask questions of and request information from the Issuer and the Initial Purchasers.
- (5) You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the Notes pursuant to Rule 144A or any other available exemption from registration under the U.S. Securities Act.
- (6) In the case of Rule 144A Notes, you agree on your own behalf and on behalf of any investor account for which you are purchasing Notes, and each subsequent holder of the Notes by its acceptance of the Notes will agree, that until the end of the Resale Restriction Period (as defined below), the Notes may be offered, sold or otherwise transferred only:
 - (a) to the Issuer, a Guarantor or any subsidiary thereof;
 - (b) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, an exemption from the registration requirements of the U.S. Securities Act or in any transaction not subject thereto;

- (c) for so long as the Notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A;
- (d) pursuant to offers and sales that occur outside the United States in accordance with Regulation S under the U.S. Securities Act; or
- (e) under any other available exemption from the registration requirements of the U.S. Securities Act,

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or account's control and to compliance with any applicable state securities laws and any applicable local laws and regulations.

You also acknowledge that to the extent that you hold the Notes through an interest in a global note, the Resale Restriction Period (as defined below) may continue until one year after the issuer, or any affiliate of the issuer, was the owner of such note or an interest in such global note, and so may continue indefinitely.

(7) You also acknowledge that:

- (a) the above restrictions on resale will apply from the Issue Date until the date that is one year after the later of the Issue Date, the closing date of the issuance of any additional Notes and the last date that we or any of our affiliates was the owner of the Notes or any predecessor of the Notes ("**Resale Restriction Period**"), and will not apply after the applicable Resale Restriction Period ends;
- (b) if a holder of Notes proposes to resell or transfer Notes under clause (6)(d) and (6)(e) before the applicable Resale Restriction Period ends, the seller must deliver to the Issuer and the Trustee a letter from the purchaser in the form set forth in the Indenture which must provide, among other things, that the purchaser is an institutional accredited investor that is acquiring the Notes not for distribution in violation of the U.S. Securities Act;
- (c) the Issuer and the Trustee reserve the right to require in connection with any offer, sale or other transfer of Notes under (i) clauses (6)(d) and (e) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Issuer and the Trustee, and under (ii) EACH OF THE CASES in clauses 6(a) through (d) to require that a certificate of transfer in the form appearing on the reverse of the note is completed and delivered by the transferor to the trustee; and
- (d) each Note will contain a legend substantially 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 "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND IN THE CASE OF RULE 144A NOTES: (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTES, PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THE NOTES (OR ANY PREDECESSOR OF THE NOTES) ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY

TO THE EFFECT OF THIS LEGEND; SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE; AND AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT".

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

- (8) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.
- (9) You acknowledge until 40 days following the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the U.S. Securities Act.
- (10) You acknowledge that the Trustee will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.
- (11) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of Notes are no longer accurate, you will promptly notify the Issuer and the Initial Purchasers. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.
- (12) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer, the Guarantors or any of the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth in the front of this Offering Memorandum under "Notice to New Hampshire Residents," "Notice to Prospective Investors," "Notice to Certain European Investors" and under "Plan of Distribution."

LEGAL MATTERS

Certain legal matters relating to the validity of the Notes, the Guarantees and certain other legal matters are being passed upon for us by Kirkland & Ellis International LLP with respect to matters of U.S. federal law, New York state law and German law. Certain legal matters relating to the Offering will be passed upon for the Initial Purchasers by Cravath, Swaine & Moore LLP with respect to matters of U.S. federal and New York state law and by Linklaters LLP, with respect to matters of English and German law.

INDEPENDENT AUDITORS

The consolidated financial statements of Wittur International Holding GmbH as of and for the years ended December 31, 2013 and 2012, included in this Offering Memorandum have been audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (“**PwC**”), as stated in the auditor’s reports appearing herein. The auditor’s report on the 2013 Audited Consolidated Financial Statements contains a reference to a supplementary audit.

The auditor’s reports of PwC for the consolidated financial statements of Wittur International Holding GmbH, as of and for the years ended December 31, 2013 and 2012, each make reference to the group management report. The group management reports are not reprinted in this Offering Memorandum.

The examination of and the auditor’s report upon such group management report are required under German generally accepted auditing standards. Those examinations were not made in accordance with generally accepted auditing or attestation standards in the United States of America. Accordingly, PwC does not express any opinion on this information or on the consolidated financial statements included in this Offering Memorandum, in each case in accordance with U.S. generally accepted auditing standards or U.S. attestation standards.

AVAILABLE INFORMATION

Each purchaser of Notes from an Initial Purchaser will be furnished a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

- (1) such person has been afforded an opportunity to request from us and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (3) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Notes or the Guarantees offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by either us or the Initial Purchasers.

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b), make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act upon the written request of any such holder or beneficial owner. Any such request should be directed to the Target at Rohrbachstrasse 26-30, 85259 Sulzemoos-Wiedenzhausen, Germany, Attention: Chief Financial Officer.

We are currently not subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture, we will agree to furnish periodic information to the holders of the Notes. See “Description of the Notes—Certain Covenants—Reports.” Copies of the Indenture (which includes the form of the Notes) and the Intercreditor Agreement may also be obtained by request to the Issuer.

So long as the Notes are admitted to trading on the Global Exchange Market and to listing on the Official List of the Irish Stock Exchange, and the rules and regulations of such stock exchange so require, copies of such information will also be available for review during the normal business hours on any business day at the specified office of the listing agent in Ireland.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a company established under the laws of Germany and the Guarantors are companies established under the laws of Austria, Germany, Italy, Spain, Sweden, Turkey and the United Kingdom.

None of the Issuer's and the Guarantors' directors, officers and other executives are residents or citizens of the United States. Furthermore, none of the Issuer's and the Guarantors' assets are located within the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons, the Issuer or the Guarantors or to enforce against them, the Issuer or the Guarantors judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws despite the fact that, pursuant to the terms of the Indenture, the Issuer and the Guarantors have appointed, or will appoint, an agent for the service of process in New York.

The European Union

Austria

According to the Austrian Enforcement Act (*Exekutionsordnung*), foreign judgments are only enforceable if reciprocity is warranted by a bilateral or multilateral treaty between the countries involved or by an ordinance (*Verordnung*) of the Austrian government (in which ordinance the Austrian government confirms the reciprocity). As reciprocal recognition and enforcement of judgments, other than arbitration awards, within the meaning of section 79 of the Austrian of the Austrian Enforcement Act between Austria and the U.S is currently not ensured by bilateral treaties or otherwise, judgments of a United States court are not recognized and enforceable in Austria. Therefore, a judgment rendered by any court in the United States (whether a Federal court or a State court) against an Austrian Guarantor or against an Austrian collateral provider whether or not predicated solely upon U.S. securities laws will not be enforceable in Austria. Accordingly, the subject matter upon which a judgment has been obtained in a United States federal or state court must be re-litigated before Austrian courts in accordance with applicable Austrian Civil Procedure Laws (*Zivilprozessverfahren*). Only after having obtained a final judgment before Austrian courts, enforcement procedures can be initiated under the Austrian Enforcement Act.

England and Wales

There is currently no treaty between the United States and England providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the U.S. and the United Kingdom are both parties to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards). 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 recognized or enforceable in England. In order to enforce any such U.S. judgment in England and Wales, proceedings must first be initiated in England by way of a civil law action on the judgment debt before a court of competent jurisdiction in England and Wales. To enforce the judgment debt, the English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is described below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it). Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (among other things) the following:

- the U.S. court had jurisdiction over the original proceedings according to English conflicts of laws principles or rules of English private international law;
- the U.S. judgment was final and conclusive on the merits in the sense of being final and unalterable in the court which pronounces it and being for a debt for a definitive sum of money;
- the U.S. judgment was not for a sum payable in respect of taxes, or other charges of a like nature or in respect of a penalty or fine or otherwise based on a non-English law that an English court considers to relate to penal, revenue or other public law;
- the U.S. judgment does not contravene public policy or statute in England and Wales;
- the U.S. judgment has not been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and is not otherwise in breach of the Protection of Trading Interests Act 1980;
- the U.S. judgment has not been obtained by fraud or in breach of English principles of natural or substantial justice;
- the U.S. judgment is not a judgment on a matter previously determined by an English court or another court whose judgment is entitled to recognition in England or conflicts with an earlier judgment of such court;

- the English enforcement proceedings were commenced within the relevant limitation period; and
- the U.S. judgment was not obtained contrary to an agreement for the settlement of disputes under which the dispute in question was to be settled otherwise than by proceedings in a United States court (to whose jurisdiction the judgment debtor did not submit).

Subject to the foregoing, investors may be able to enforce in England judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. Notwithstanding this, we cannot assure you that those judgments will be recognized or enforceable in England.

In addition, we cannot assure you whether an English court would accept jurisdiction and impose civil liability if the original action was commenced in England, instead of the United States and predicated solely upon U.S. federal securities laws.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the court discretion to prescribe the manner of enforcement. It may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any set off or counterclaim against the judgment creditor.

Germany

The Issuer and certain Guarantors are incorporated under the laws of Germany. Our directors and executive officers live outside the United States. The assets of our directors and executive officers and almost all our assets are located outside the United States. As a result, although we have appointed an agent for service of process under the Indenture, it may be difficult for you to serve process on those persons or us in the United States or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States.

We have been advised by our German counsel that there is doubt as to the enforceability in Germany of civil liabilities based on the state securities laws of the United States, either in an original action or in an action to enforce a judgment obtained in U.S. courts. The United States and Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a final judgment given by any court in the United States, whether or not predicated solely upon U.S. securities laws, would not automatically be enforceable in Germany. Under current practice, a final and conclusive judgment by a U.S. court, however, may be recognized and thereby given binding effect in Germany in an action before a court of competent jurisdiction in accordance with the proceedings set forth by the German Code of Civil Procedure (*Zivilprozessordnung*). In such an action, a German court generally will not reinvestigate the merits of the original matter decided by a U.S. court, except as noted below. The recognition and enforcement of the U.S. judgment by a German court is conditional upon a number of factors, including the following requirements which are set out in Section 328 of the German Code of Civil Procedure:

- the U.S. court having had jurisdiction of the case in accordance with German law principles of jurisdictional competence;
- the document introducing the proceedings was duly served and made known to the defendant in a timely manner that allowed for adequate defense;
- the judgment is not contrary to (i) any prior judgment which became *res judicata* rendered by a German court or (ii) any prior judgment which became *res judicata* rendered by a foreign court which is to be recognized in Germany and the procedure leading to the respective judgment under (i) or (ii) is not in contradiction to any such prior judgment or a proceeding previously commenced in Germany;
- the effects of its recognition will not be in conflict with material principles of German law, including, without limitation, fundamental rights under the constitution of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany. They are regarded to be in conflict with material principles of German law;
- the reciprocity of enforcement of judgments is guaranteed; and
- the judgment became *res judicata* in accordance with the law of the place where it was pronounced.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an *exequatur* decision from a competent German court in accordance with the above principles.

Subject to the foregoing, purchasers of securities may be able to enforce judgments in civil and commercial matters obtained from U.S. courts in Germany. We cannot, however, assure you that attempts to enforce judgments in Germany will be successful.

German courts usually deny the recognition and enforcement of punitive damages (which do not serve a compensatory purpose) as they are regarded to be in conflict with fundamental principles of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization, liquidation, moratorium, general principles of good faith (*Treu und Glauben*), clawback (*Anfechtung*) as well as other similar laws affecting creditor's rights generally. In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. In as far as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to trial compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No equivalent pre-trial discovery process exists under German law.

If the party in whose favor a final judgment is rendered brings a new lawsuit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against such party or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment not in line with the judgment rendered by a federal or state court of the United States.

Italy

Wittur Italia Holding S.r.l. is a guarantor entity incorporated as a *società a responsabilità limitata* under the laws of the Republic of Italy and Wittur S.p.A. is a guarantor entity incorporated as a *società per azioni* under the laws of the Republic of Italy (collectively, the “**Italian Entities**” or the “**Italian Guarantors**”). The directors, officers and other executives of the Italian Entities are neither residents nor citizens of the United States (the “**Italian Persons**”). Furthermore, most of the assets of the Italian Entities or the Italian Persons are located outside the United States.

As a result, any judgment obtained in the United States against the Italian Guarantors or any such other person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. federal or state securities laws, may not be collectible in the United States. Furthermore, although the Italian Guarantors will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action in relation to the Notes, the Note Guarantees and the Indenture or under U.S. securities laws, it may not be possible for investors to effect service of process on the Italian Guarantors or on such other persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws. If a judgment is obtained in a U.S. court against the Italian Guarantors, or any of its respective directors or executive officers, investors will need to enforce such judgment in jurisdictions where the relevant company or individual has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the Republic of Italy you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

We have been advised by counsel in the Republic of Italy that the recognition and enforcement of a judgment rendered by a U.S. federal or New York state court in the Republic of Italy is governed by Article 64 of the Private International Law Act (*i.e.*, Law 218 of May 31, 1995) (the “PIL Act”) (and certain other provisions of the PIL Act). Pursuant to the PIL Act, any judgment issued by a U.S. federal or New York state court should automatically be recognized in the Republic of Italy provided that the following requirements are met:

- the relevant U.S. federal or New York state court that passed the judgment had jurisdiction under the principles on jurisdiction of Italian law;
- the defendant had received the summons in accordance with the laws of the state where the proceedings have taken place, and the defendant had not been deprived of his fundamental rights of defense;

- the parties had appeared in the proceedings in accordance with the local procedural law, or the default proceedings (*in contumacia*) were declared in accordance with that law;
- the judgment rendered by the U.S. federal or New York state court must be final and binding (*passato in giudicato*) according to the law of the state in which it was rendered;
- the judgment rendered by the U.S. federal or New York state court is not in conflict with any earlier final and binding judgment issued by an Italian court;
- there is no pending proceeding before any Italian court in relation to the same subject matter and between the same parties which started prior to the commencement of the proceedings before the relevant U.S. federal or New York state court; and
- the judgment rendered by the U.S. federal or New York state court is not contrary to Italian public policy.

In addition, according to Article 67 of the PIL Act, if a judgment rendered by a U.S. federal or New York state court is not complied with, its recognition is challenged or it is necessary to enforce such judgment, a proceeding must be instituted in the competent Court of Appeal in the Republic of Italy to that end. The competent Court of Appeal does not consider the merits of the case but reviews exclusively the existence of all the requirements set out above (including requiring that the judgment rendered by the U.S. federal or New York state court is not contrary to public policy in Italy).

Spain

Claims may become time-barred (15 years being the general term established for obligations *in personam* under article 1,964 of the Spanish Civil Code (*Código Civil*)) or may be or become subject to the defense of set-off or counterclaim.

The terms “enforceable”, “enforceability”, “valid”, “legal”, “binding” and “effective” (or any combination thereof) mean that all the obligations assumed by the relevant party under the relevant documents are of a type that may be enforced by Spanish courts; the terms do not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms. In particular, enforcement before the courts will in any event be subject to:

- the nature of the remedies available in the courts; and
- the availability of defenses such as (without limitation), set-off (unless validly waived), fraud (*fraude de ley*), abuse in the exercise of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress, abatement and counter-claim.

In general terms, under Spanish law, any guarantee must guarantee another obligation to which it is ancillary, which must be clearly identified in the relevant guarantee agreement. Therefore, the guarantee, due to its incidental nature (*principio de accesoriedad*) follows the underlying obligation in such a way that nullity or termination of the underlying obligation entails nullity of the guarantee and termination of the underlying obligation entails termination of the guarantee. In the event that the guarantors are able to prove that there are no existing and valid guaranteed principal obligations (*obligación principal garantizada*), Spanish courts may consider that the guarantors’ obligations under the relevant guarantees are not enforceable.

Under Spanish law, there are some provisions on equity capitalization which have been taken into account when guarantees are enforced. For example, when payments under a guarantee cause the net equity (*patrimonio neto*) of Wittur Elevator Components, S.A.U. (the “**Spanish Guarantor**”) to fall below half of its share capital, the Spanish Guarantor will be obliged to be wound up (*disolución*), unless its share capital is increased or decreased in the required amount to re-establish the balance between its net equity and its share capital (*capital social*), and provided it is not required to file for insolvency.

Under Spanish law, guarantees of the type issued by the Spanish Guarantor to guarantee the Notes (the “**Spanish Guarantee**”) may only be granted by those entities that are incorporated as stock companies under the laws of Spain (*sociedades anónimas* or “**S.A.**”). This is due to the fact that any subsidiary incorporated as limited liability companies under the laws of Spain (*sociedades de responsabilidad limitada* or “**S.L.**”) is subject to the prohibition contained in article 402 of the Spanish Royal Decree Law 1/2010, of 2 July, on Spanish companies (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el Texto Refundido de la Ley de Sociedades de Capital* (the “**Spanish Companies Act**”)), which states that a limited liability company cannot execute or secure a bond issuance or other issuance of securities.

The Spanish Companies Act prohibits financial assistance to stock companies (*sociedades anónimas* or *S.A.*) in relation to the acquisition of their own shares or the shares of their direct or indirect holding company.

Therefore, the obligations under the Spanish Guarantee granted by a Spanish Guarantor:

- shall not extend to any use of the proceeds of the Notes for the purpose of acquiring shares representing the share capital of such Spanish Guarantor or shares representing the share capital of its direct or indirect holding company, as it is the case of the Acquisition, or refinancing a previous debt incurred for the acquisition of shares representing the share capital of such Spanish Guarantor or shares representing the share capital of its direct or indirect holding company, as it is the case of part of the Existing Senior Facilities Agreement; and
- shall be deemed not to be undertaken or incurred by the Spanish Guarantor to the extent that the same would constitute unlawful financial assistance within the meaning of article 150 of Spanish Companies Act, and, in that case, all provisions of such Spanish Guarantee shall be construed accordingly in the sense that, in no case can any Spanish Guarantee given by the Spanish Guarantor secure repayment of the above mentioned funds.

Therefore, the obligations and liabilities assumed by the Spanish Guarantor under the Spanish Guarantee shall be deemed to have been given only in relation to the use of proceeds of the Notes which are not used neither for (i) the funding of the Acquisition, (ii) the refinancing of the Existing Senior Facilities Agreement, to the extent that such funds were used for a previous acquisition of shares of the Spanish Guarantor or its direct or indirect holding company, nor (iii) the payment of the fees and expenses incurred in connection with the above transactions.

For the purposes of first paragraph above, a reference to a “holding company” of the Spanish Guarantor shall mean the company (if any) which, directly or indirectly, owns the majority of the voting rights of such Spanish Guarantor or that may have a dominant influence on such Spanish Guarantor. It shall be presumed that one company has a dominant influence on another company when:

- any of the scenarios set out in section 1 of article 42 of the Spanish Commercial Code (*Código de Comercio*) are met; or
- when at least half plus one of the members of the managing body of the Spanish Guarantor are also members of the managing body or top managers (*altos directivos*) of the dominant company or of another company controlled by such dominant company.

The holders of the Notes from time to time will not be the secured parties under the security interest, governed by Spanish law, which will be granted to secure the obligations and liabilities under the Senior Facilities Agreement. Under Spanish law, a security interest created as security for the benefit of third parties who are not direct parties to the relevant agreement creating the security interest are unenforceable by such parties. Notwithstanding, the Intercreditor Agreement provides for the creation of a parallel debt structure (as an abstract obligation independent from the obligation under the Notes) whereby, subject to the terms of the Intercreditor Agreement, all the Debtors (as defined therein), including the Issuer, undertake to pay to the Security Agent any amount payable by them under the Notes. This allows the Security Agent to be the beneficiary of such security interest governed by Spanish law. Upon enforcement of the security interest governed by Spanish law, the price obtained from the auction shall be delivered by the notary public directly to the Security Agent for its distribution amongst the creditors in accordance with the provisions of the Intercreditor Agreement. The use of parallel debt in Spanish deals is a new concept, and there has not been any court precedent to ensure its validity and enforceability. Also, the registration of the security interests governed by Spanish law may be rejected if the relevant registrar considers that this structure is not valid or enforceable.

Sweden

We have been advised by Swedish counsel that enforceability of a judgment rendered by a foreign court in civil and commercial matters, is generally considered conditional upon that enforceability of such judgment is expressly provided for under Swedish law or upon a treaty providing for the reciprocal recognition and enforcement of judgments. The United States and Sweden do not have a convention or treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters (although the United States and Sweden are both parties to the New York Convention on Arbitral Awards). This means that a judgment rendered by any federal or state court in the United States based on civil liability would not be directly enforceable in Sweden.

In order to enforce any such judgment in Sweden, proceedings must therefore be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in Sweden, or an administrative tribunal or executive or other public authority of the Kingdom of Sweden. In such an action, a judgment rendered by any federal or state court in the United States may be regarded as evidence in respect of, for example, factual circumstances or the content of U.S. law.

Turkey

Pursuant to Articles 50-59 of the International Private and Procedure Law (Law no.5718), in order to enforce a foreign court judgement, an enforcement proceeding must be initiated before a competent Turkish court. To be recognized and enforced in these enforcement proceedings, the foreign judgment must meet all of the following requirements:

- there must be a relevant de jure or de facto reciprocity of recognition of judgments between the courts of Turkey on the one hand, and the foreign jurisdiction where the judgment has been obtained on the other. The legal basis for such reciprocity can be evidenced by (i) a treaty between Turkey and the foreign jurisdiction providing for the reciprocal enforcement of court judgments, (ii) a provision in the laws of the foreign jurisdiction permitting the enforcement in that jurisdiction of the judgments rendered by Turkish courts or (iii) de facto enforcement in the foreign jurisdiction of the judgments rendered by Turkish courts;
- the foreign judgment must be final and binding, with no recourse to appeal (or similar review processes) in the jurisdiction where the judgment has been obtained;
- the subject matter of the dispute must not fall under the exclusive jurisdiction of the Turkey;
- the foreign judgment must not be incompatible with a Turkish judgment between the same parties and pertaining to the same issues. Moreover, and in certain circumstances, the foreign judgment must not be incompatible with an earlier judgment obtained in the same foreign jurisdiction regarding the relevant matter at hand and enforceable in Turkey (i.e. an earlier foreign judgment that satisfies the enforceability criteria discussed here);
- the judgment must not have been rendered by a foreign court that has deemed itself competent even though it has no actual relationship with the parties or the subject matter at hand;
- the judgment must be of a civil nature;
- the foreign judgment must not violate any Turkish public policy rules; and
- due process must have been followed in the jurisdiction where the foreign judgment has been obtained, whereby the party against whom the enforcement of the judgment is sought, must have been “duly served” or must have been made fully aware of the proceedings and given the full opportunity to represent/defend itself in the trial or he/she should not object the enforcement request before Turkish courts.

There is currently no treaty between the United States and Turkey providing for the reciprocal enforcement of judgments. There is no published precedent confirming de facto reciprocity between United States and Turkey. There is uncertainty as to enforceability of US court judgements in Turkey in the future since de facto reciprocity is decided by the relevant court on a case-by-case basis and may vary based on each independent state. Moreover, in practice, it would be difficult to execute a foreign court decision in Turkey, if the foreign court decision does not include a clear monetary order.

In any suit or action against a Turkish Guarantor in the Turkish courts a foreign plaintiff may be required to deposit security for court costs (*cautio judicatum solvi*), provided however that the court may at its discretion waive such requirement for security if the plaintiff is considered to be (i) a national of one of the contracting states of the Convention Relating to Civil Procedures signed at The Hague on 1 March 1954 (ratified by Turkey by Law No. 1574) or (ii) a national of a state that has signed a bilateral treaty with Turkey which is duly ratified and contains, *inter alia*, a waiver of the *cautio judicatum solvi* requirement on a reciprocal basis.

CERTAIN LIMITATIONS ON THE VALIDITY AND THE ENFORCEABILITY OF THE GUARANTEES AND THE SECURITY INTERESTS AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The validity and enforceability of the Guarantees and the Collateral will be subject to certain limitations on enforcement and may be limited under applicable law or subject to certain defenses that may limit its validity and enforceability. The following is a brief description of limitations on the validity and enforceability of the Guarantees and the Collateral and of certain insolvency law considerations with respect to the jurisdictions in which Guarantees or Collateral are being provided or in which the Guarantors or providers of Collateral are organized or have their registered office. The descriptions below do not purport to be complete or discuss all of the limitations or considerations that may affect the Notes, the Guarantees or other security interests. Proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future Guarantor of the Notes and/or other jurisdictions where the relevant entity conducts economic activity. 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 Notes, the Guarantees and the security interests on the Collateral. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations. Please see "Risk Factors—Risks Related to the Notes and Our Structure" and "Risk Factors—Risks Related to Our Financial Profile." If additional collateral is required to be granted in the future pursuant to the Indenture, such collateral will also be subject to limitations and enforceability and validity, which may differ from those discussed below.

European Union

The Issuer, certain Guarantors and certain providers of Collateral are organized under the laws of Member States 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 court that shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) where the company concerned has its "**centre of main interests**" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where such company has its centre of main interests is generally a question of fact on which the courts of different EU Member States, despite decisions of the ECJ on such matters, may have differing and even conflicting views.

The term "centre of main interests" is not a static, but rather a fact and circumstances-based concept and may therefore change from time to time. Although there is a rebuttable 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, 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 which "is therefore ascertainable by third parties." In that respect, factors such as the location at which board meetings are held and the location where the company conducts the majority of its business, including the perception of the company's creditors of the center of the company's business operations, may all be relevant in determining where the company has its centre of main interests, with the company's centre of main interests at the time of initiation of the relevant insolvency proceedings being not only decisive for the international jurisdiction of the courts of a certain Member State, but also for the insolvency laws applicable to these insolvency proceedings because each court would, subject to certain exemptions, apply its local insolvency laws (*lex fori concursus*).

If the centre of main interests of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of such company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings opened in one Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be opened in another Member State. If the centre of main interests of a debtor 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 secondary (or "territorial") insolvency proceedings only in the event that such debtor has an "establishment" in the territory of such other Member State within the meaning of Article 2(h) of the EU Insolvency Regulation. 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 secondary insolvency proceedings are restricted to the assets of the debtor located in the territory of such other Member State. If the main insolvency proceedings have been opened by the court of the EU Member State where the centre of main interests of the debtor is situated, and are outstanding, then the secondary proceedings can only be one of the winding-up proceedings listed in Annex B to the EU Insolvency Regulation. If the company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction

to open secondary insolvency proceedings in respect of such issuer or guarantor under the EU Insolvency Regulation. 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 if 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 secondary 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. Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will always, subject to certain exemptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court which has assumed jurisdiction for the insolvency proceedings of the debtor.

In the event that the Issuer or any provider of collateral experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings will be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer and the collateral provided by the Issuer or any other company. The insolvency, administration and other laws of the jurisdictions in which the respective companies are organized or operate may be materially different from, or conflict with, each other and there is no assurance as to how the insolvency laws of the potentially involved jurisdictions will be applied in relation to one another.

The EU Insolvency Regulation does not contain specific rules dealing with the insolvency of a multinational group of companies which generally means that separate proceedings must be opened for each individual member of the group and that these proceedings may be entirely independent of each other and governed by different jurisdictions. The lack of specific provisions for group insolvency may diminish the prospects of successful restructuring of the group of companies as a whole and may lead to a break-up of the group in its constituting parts. The European Commission has released a draft proposal for a regulation amending the EU Insolvency Regulation providing, *inter alia*, for a coordination of the insolvency proceedings concerning different members of the same group. It is currently unclear if and when, and whether in its proposed or modified form, this proposal might be adopted as regulation.

Austria

Certain Guarantors are or may be organized under the laws of Austria, may have their centre of main interests in Austria or may at least have assets located in Austria. In the event of insolvency, insolvency proceedings may, therefore, be opened against such Guarantors in Austria which are governed by the Austrian Insolvency Act (*Insolvenzordnung*).

Noteholders' rights might also be affected by the Austrian Business Reorganisation Act (*Unternehmensreorganisationsgesetz*), which does not govern insolvency proceedings but regulates the reorganization of companies in financial distress.

The Austrian Insolvency Act regulates on the one hand bankruptcy proceedings in which the debtor's assets or company as a whole are sold and the proceeds are distributed among its creditors. On the other hand it also provides for restructuring proceedings enabling the debtor to discharge its liabilities through quota payments and to continue its activities under certain conditions.

The Business Reorganization Act, which regulates reorganization proceedings for enterprises threatened by insolvency, is not designed to assist creditors in satisfying their debts, but rather to support the reorganization of the debtor's enterprise. The insolvency laws of Austria may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions including in respect of priority of creditors' claims, the ability to obtain post-petition interest and the duration of the insolvency proceedings. As a result, your ability to recover payments due on the Notes may be limited to an extent exceeding the limitations arising under other insolvency laws.

Insolvency

In the event of insolvency of a Guarantor or provider of collateral organized under the laws of Austria and/or having its centre of main interests in Austria at the time the application for the opening of insolvency proceedings is filed, Austrian insolvency law would most likely govern such proceedings.

The following is a brief description of certain aspects of the insolvency laws of Austria.

Austrian Insolvency Proceedings

In respect of the insolvency of companies, the Austrian Insolvency Act provides the legal framework for three forms of insolvency proceedings (actually one uniform proceeding with three names depending on the procedural route taken):

- bankruptcy proceedings (*Konkursverfahren*), for which a bankruptcy administrator (*Masseverwalter*) is appointed;
- restructuring proceedings without self-administration (*Sanierungsverfahren ohne Eigenverwaltung*), for which a bankruptcy administrator is also appointed and in which only a few provisions differ from those for a bankruptcy proceedings; and
- restructuring proceedings with self-administration (*Sanierungsverfahren unter Eigenverwaltung*), which are designed as a special form of restructuring proceedings and for which a restructuring administrator (*Sanierungsverwalter*) is appointed to monitor the activities of the debtor. In such case, certain transactions are either subject to the restructuring administrator's approval or may be performed only by the restructuring administrator.

While bankruptcy proceedings aim at the debtor's liquidation (the sale of the whole insolvency estate and distribution of sales proceeds), restructuring proceedings aim at the preservation of the debtor as a going concern. To that end, a restructuring plan (*Sanierungsplan*) must be prepared by the debtor and presented to its unsecured creditors for approval. Such restructuring plan presented in the course of restructuring proceedings with self-administration must offer satisfaction of all preferred claims and at least 30% of the insolvency claims payable within two years. In case of a restructuring plan to be adopted in the course of restructuring proceedings without self-administration, the minimum quota is lowered to 20%.

If the adopted restructuring plan is fulfilled, the debtor is discharged of all its past debts.

A debtor is deemed insolvent if one or both of the following applies: (i) if it is illiquid, i.e. it is unable to pay its debts as and when they fall due and payable, provided that such payment delay is not only temporary where there is a high probability that liquid funds will be available in the near future (the cash flow test). Courts allow the debtor a grace period, which (depending on the court) may take up to three months to overcome its payment delays before they consider the debtor illiquid; and/or (ii) if the debtor is over-indebted, i.e. : liabilities on the debtor's balance sheet exceed the assets, in the presence of a negative going concern forecast (*negative Fortbestandsprognose*) (the balance sheet test). Insolvency proceedings (*Insolvenzverfahren*) must be opened by a court in the event that the debtor is insolvent.

The effective date of insolvency is the date on which the debtor is, as a matter of fact, insolvent. The effective date is crucial with respect to a number of issues, including managing directors' obligation to file for the opening of insolvency proceedings and the beginning of hardening periods.

The debtor is obliged, "without culpable delay," to apply for the opening of insolvency proceedings no later than 60 days after the insolvency effective date. During this 60-day period, the managing directors may make reasonable efforts to prepare for a filing of restructuring proceedings or agree with the creditors on an out-of court settlement. Typically, the insolvency proceedings are opened immediately upon application by the debtor. Further, in the case that a debtor is at imminent risk of being unable to pay its debts when they fall due (*drohende Zahlungsunfähigkeit*), the debtor may (but is not obliged to) apply for the opening of restructuring proceedings. A creditor may also file for the opening of insolvency proceedings but will have to demonstrate that the debtor is insolvent or over-indebted. In the case of an imminent risk of insolvency, a creditor may, however, not initiate the opening of insolvency proceedings.

The initiation of insolvency proceedings brings about substantive and procedural law effects as of the beginning of the day (0:00 a.m.) that follows the publication of the court's order to open such proceedings in the official online insolvency data base (www.edikte.justiz.gv.at). As of this point in time, the managing directors lose the power to dispose over the insolvency estate—except in respect to legal acts in the course of ordinary business undertaken in restructuring proceedings with self-administration—and legal acts by the managing directors performed thereafter are ineffective as far as the creditors are concerned. In particular, the following are the most important effects:

Contracts may be terminated. As a general rule, bilateral agreements are not automatically terminated in case of the opening of insolvency proceedings. However, in a case where a bilateral agreement has not been fully fulfilled by both the debtor and the other party to such agreement, the insolvency administrator has the choice whether to continue and fulfil such agreement or to prematurely terminate such agreement within a certain time period to be set by the court upon application of one of the parties.

Further, any appointment as a legal representative (*Vollmachtsnehmer*) or as an agent (*Auftragnehmer*) granted by a debtor will cease to be valid upon the opening of insolvency proceedings over its assets.

Additionally, the insolvency administrator has certain preferential rights to terminate employment contracts in case the debtor's enterprise or a part thereof is closed or downsized during insolvency proceedings.

A debtor's contractual partner must not terminate contracts concluded with the debtor for a period of six months if such termination could endanger the continuation of the debtor's business.

Pursuant to section 25b para 2 of the Austrian Insolvency Act, a contractual stipulation providing for the right to withdraw from the agreement or for an automatic termination in the event of opening of insolvency proceedings (*Insolvenzverfahren*) against the other party is not enforceable by the debtor's contractual partner.

Any individual enforcement action brought against the debtor's assets by any of its unsecured creditors is subject to an automatic stay upon the opening of insolvency proceedings.

The title owner (*Eigentümer*) or the economic owner (in case of a trust relationship (*Treuhandtschaft*)) of an asset in the possession of the debtor at the time of the opening of insolvency proceedings has a right of separation (*Aussonderungsrecht*) with regard to its assets. Such separation assets (*Aussonderungsgut*) do not form part of the insolvency estate (*Insolvenzmasse*) and the relevant creditor can (subject to a six-month stay as described below) require the surrender of its separation assets. During a period of six months after the opening of insolvency proceedings, the owners' claims for surrender of its separation asset are stayed (that is a legal respite becomes effective) if such surrender would endanger the continuation of the business conduct of the debtor provided that, among other things, such stay does not cause a severe personal or economic harm to the owner.

Creditor's rights secured by a right in rem over the debtor's assets or any part thereof (for example, by a mortgage or pledge over bank accounts, receivables, movables) are not affected by the opening of insolvency proceedings. This, however, requires prior perfection of the establishment of the security interest (subject to a six-month stay as described below). Such secured creditors have a right of preferential satisfaction (*Absonderungsrecht*) with regard to charged assets (*Absonderungsgut*) and are as such entitled to satisfy their claims out of the enforcement proceeds with regard to such charged assets. To the extent the net enforcement proceeds exceed the amount of secured claims, the excess proceeds are distributed to the unsecured creditors on a *pro rata* basis.

As is the case with the right to separation, the right of preferential satisfaction of a secured creditor may be subject to a compulsory stay for a period of six months.

Secured creditors who are not only secured by a charged asset, but also have a direct claim for payment against the debtor may participate with their claims which are not covered by the charged asset in the *pro rata* distribution of the insolvency estate in a bankruptcy proceedings or in the restructuring plan.

The rights of a secured creditor depend on the type of its right of preferential satisfaction. If no compulsory stay applies or once the six month period has expired, the secured creditor can assert its claim outside of insolvency proceedings in regular court. The proceeds from the realization serve the preferred satisfaction of the secured claims.

A creditor is entitled to exercise its rights of set-off and netting in the course of insolvency proceedings; however, leaving aside certain derivatives and other financial/treasury transactions, such rights are restricted to claims that have been compensable at the time of the opening of insolvency proceedings. A creditor's claim that has not become due at the time of the opening of insolvency proceedings, as well as a creditor's claim that is subject to a condition, are compensable by operation of law.

As a general rule, the debtor's enterprise (as well as its assets) must not be sold in the course of restructuring proceedings since restructuring proceedings aim at the preservation of the debtor as a going concern. In contrast, bankruptcy proceedings aim at the liquidation of the debtor through the sale of its assets.

A bankruptcy administrator is only appointed upon the opening of bankruptcy proceedings and restructuring proceedings without self-administration whereby the managing directors lose control over the debtor. In case of restructuring proceedings with self-administration the managing directors stay in control of the debtor; however, a restructuring administrator having a right to veto certain transactions out of the ordinary business is appointed. Under the supervision of

the insolvency court and the creditors' committee, the insolvency administrator is acting in the interest of all creditors and its main functions are evaluating the merits of insolvency claims filed by creditors; deciding on whether the debtor's business may be continued; examining whether a restructuring plan is in the common interest of all creditors; distribution of liquidation proceeds; and, in case of a bankruptcy administrator, the management of the debtor's business (for certain transactions not part of the ordinary business, the consent of the creditors' committee or insolvency court is required).

As a general rule, the insolvency estate consists of all of the debtor's assets with a monetary value at the time of the opening of insolvency proceedings and all assets which have been acquired during such proceedings.

Voidance Rights

In the event of insolvency proceedings, the insolvency administrator (*Insolvenzverwalter*) (in case of restructuring proceedings with debtor's asset management (*Sanierungsverfahren unter Eigenverantwortung*) the restructuring administrator (*Sanierungsverwalter*)) can contest legal actions and transactions which have taken place within certain suspect periods prior to the opening of insolvency proceedings over the assets of the debtor (each such period referred to herein as a "hardening period") and which relate to the assets of the insolvent (illiquid or over-indebted) debtor, provided that (i) the avoidance results in an increase of the insolvency estate (*Befriedigungstauglichkeit*), (ii) the challenged legal action or transaction has caused a direct or indirect discrimination of the other creditors (*Gläubigerbenachteiligung*), (iii) one of the special conditions outlined below is fulfilled and (iv) the avoidance claim is filed within one year after the opening of the insolvency proceedings.

Legal acts (*Rechtshandlungen*) may be contested:

- if they have caused disadvantage (*Benachteiligung*) to the creditors of the debtor, and
- if the debtor's intention to cause disadvantage must have been known (where slight negligence (*leichte Fahrlässigkeit*) of the counterparty is sufficient) to the counterparty,

provided that such legal acts have been carried out during a hardening period of two years. If the counterpart had actual knowledge of such intention to cause disadvantage, such hardening period is extended to ten years.

In case the debtor and the counterpart are members of the same affiliated group, the burden of proof is eased in favor of the contesting insolvency administrator since the respective creditor of the debtor must prove that it did not know of the debtor's intention to cause disadvantage to its creditors.

The intention to cause disadvantage is fulfilled not only if the satisfaction of another creditor is prevented but also when it is delayed or aggravated.

Purchase, barter and delivery agreements (*Kauf-, Tausch- und Lieferverträge*) may be contested:

- if they have caused disadvantage (*Benachteiligung*) to the creditors of the debtor; and
- if the debtor's intention to fraudulently convey its assets (*Vermögensverschleuderungsabsicht*) (e.g., selling the purchased shares for an unusual and unjustified low price) under such agreements must have been known to the counterpart,

provided that such agreements have been concluded during a hardening period of one year.

Transactions free of charge (*unentgeltliche Verfügungen*) may be contested, provided that such transactions have been concluded during a hardening period of two years.

If any of the following acts in relation to the providing of security interests or the satisfaction of claims occurred 60 days prior to or after the debtor had become insolvent (illiquid or overindebted) or insolvency proceedings had been opened over the debtor's assets:

- creditor has obtained a security interest regarding, or the satisfaction of, a claim to which such creditor was not entitled to receive in this way or at this time except in case such creditor has not been preferentially treated as compared to other creditors of the debtor; or
- the debtor has provided a creditor with a security interest or satisfied a claim with the intention to preferentially treat (*Begünstigungsabsicht*) such creditor if such creditor knew or must have known of the debtor's intent to preferentially treat such creditors,

such legal acts of the debtor can be contested provided that such acts were undertaken within a hardening period of one year.

If any of the following legal acts (*Rechtshandlungen*) were undertaken after the debtor had become illiquid (*zahlungsunfähig*) or insolvency proceedings had been open over the debtor's assets:

- legal acts (*Rechtshandlungen*) providing a security interest to , or the satisfaction of, a claim *vis-à-vis* an insolvency creditor and any legal transactions (*Rechtsgeschäfte*) entered into by the debtor with any third party to the direct detriment (*unmittelbarer Nachteil*) of its other creditors, if such third party counterpart knew or must have known of the debtor's insolvency (illiquidity or over-indebtedness) or the opening of insolvency proceedings; In case the debtor and the counterpart are members of the same affiliated group, the burden of proof is eased in favor of the contesting insolvency administrator since the respective creditor of the debtor must prove that it did not know of the debtor's insolvency; or
- any legal transactions (*Rechtsgeschäfte*) entered into by the debtor with any third party to the indirect detriment (*mittelbarer Nachteil*) of its other creditors , if such third party counterpart knew or must have known of the debtor's insolvency (illiquidity or over-indebtedness) or the opening of insolvency proceedings provided that the occurrence of such detriment for the insolvency estate (*Insolvenzmasse*) was objectively foreseeable. Such indirect detriment to other creditors is in particular foreseeable in the presence of an unfit restructuring concept (*offensichtlich untaugliches Restrukturierungskonzept*),

such legal acts of the debtor can be contested provided that such legal acts (*Rechtshandlungen*) were undertaken within a hardening period of six months.

Outside of insolvency proceedings, creditors can use the rights of contestation granted to them by the Austrian Act on Avoidance of Legal Transactions (*Anfechtungsordnung*). However, this act limits the right of contestation to transactions similar to those mentioned above of the Austrian Insolvency Act.

The claim for contestation can be filed by any creditor whose claim against the debtor has not been satisfied by the proceedings under the Austrian Enforcement Act (*Exekutionsordnung*) or is not likely to be satisfied by such proceedings. The relevant point in time is not the formal opening of insolvency proceedings, but the filing of the contestation claim with the competent court. The time period can be extended through notification procedure by the court. The rights of contestation under the Austrian Act on Avoidance of Legal Transaction may be exercised by any creditor.

The Austrian Business Reorganisation Act (Unternehmensreorganisationsgesetz)

The Austrian Business Reorganisation Act (*Unternehmensreorganisationsgesetz*) governs business reorganizations, which are designed to enable businesses in temporary financial distress to continue to do business after having undergone a reorganization procedure. Only the debtor may apply for the opening of a reorganization procedure, provided, however, that it is still solvent at the time of its application. The relevant criteria for the opening of a business reorganization procedure are the quota of own funds (*Eigenmittelquote*) of less than 8% and a fictitious duration of debt redemption period (*fiktive Schuldentilgungsdauer*) of more than 15 years, each as defined in, and determined in accordance with, the Business Reorganization Act. Failure to timely apply for the opening of reorganization proceedings may result in personal liability of the representatives of the relevant company. Pursuant to section 19 of the Austrian Business Reorganization Act, a contractual stipulation providing for the right to withdraw from an agreement or for its automatic termination in the event of the opening of reorganization proceedings relating to the other party is not enforceable.

Equity Replacement Law

The Austrian Substitute Equity Act (*Eigenkapitalersatz-Gesetz*) contains detailed provisions regarding equity replacing shareholder loans. It in particular stipulates that a loan granted by a "shareholder" to its subsidiary which is in a financial crisis (i.e., the subsidiary is insolvent, over-indebted or the requirements of a business reorganization procedure are met, see above at *The Austrian Business Reorganisation Act (Unternehmensreorganisationsgesetz)*) is deemed to be recharacterized as equity. In a financial crisis such recharacterized shareholder loans (i.e., principal amount and any interest accrued thereupon) may not be repaid and any security granted in connection with such loans may not be enforced until the borrowing/guaranteeing subsidiary has been reorganized or restructured. This means in particular that in an insolvency the respective claims of the shareholder lender are subordinated (i.e., there is no right for separation (*Aussonderungsrecht*) or a right for preferential satisfaction (*Absonderungsrecht*) for such claims). A "shareholder" is defined to be (i) a shareholder with controlling participation, (ii) a shareholder with a participation of at least 25%, and (iii) any person not holding a participation in the company but having a controlling influence (*beherrschenden Einfluss*) with regard to the company.

Furthermore, a person granting a loan/credit to a company is to be considered as “shareholder” if (i) it holds a participation or other rights in a person other than the company receiving the loan/credit which has a dominant (*beherrschenden*) influence regarding the company granted the loan/credit (indirect controlling participation), or (ii) it indirectly holds a participation in the company receiving the loan/credit of at least 33%, or (iii) it holds a controlling direct or indirect participation in a company which holds a participation of at least 25% in the company receiving the loan/credit.

Prior to the enactment of the Austrian Substitute Equity Act, the Austrian Supreme Court had developed even stricter rules on equity substituting shareholder loans. Following this, it is unclear whether, in addition to the provisions of the Austrian Substitute Equity Act, such rules (or certain of its rules) developed by the Austrian Supreme Court are still applicable/relevant and would be applied by Austrian courts.

Limitation on the Validity and Enforceability of Guarantees by Austrian Guarantors

Capital Maintenance Rules

Wittur Austria GmbH, Wittur GmbH (Austria) and Wittur Austria Holding GmbH are each incorporated in the form of an Austrian company with limited liability (*Gesellschaft mit beschränkter Haftung*). Consequently, the granting of guarantees as well as the assumption of certain obligations of other group companies by them is subject to certain mandatory Austrian capital maintenance rules (“**Austrian Capital Maintenance Rules**”), including, without limitation, section 82 et seq. of the Austrian Act on Limited Liability (*Gesetz über Gesellschaften mit beschränkter Haftung*).

Austrian Capital Maintenance Rules aim at preserving the capital of, among others, a company with limited liability against unlawful distributions by such company to its shareholders. According to Austrian Capital Maintenance Rules any direct or indirect distribution (a “**Distribution**”)—i.e., the entering into a business transaction that provides for any value transfer, including, but without limitation, providing a guarantee or any other security interest—to a shareholder, including to a third party upon request of a shareholder (e.g., to a holding company (up-stream) or a sister company (side-stream)), without adequate consideration constitutes an unlawful repayment of capital contributions (*verbotene Einlagenrückgewähr*) and, consequently, violates Austrian Capital Maintenance Rules. Guarantees granted by an Austrian subsidiary in order to guarantee liabilities of a direct or indirect parent or sister company are considered Distributions and may thus be held (in whole or in part) invalid and unenforceable by Austrian courts if the granting of such guarantees were not at arm’s length terms or for the Austrian subsidiary’s corporate benefit (see below).

A Distribution that does not provide for adequate consideration at first sight may, under certain circumstances, not constitute a violation of the Austrian Capital Maintenance Rules if it is “commercially justified (*betriebllich gerechtfertigt*).” Generally, a Distribution is deemed commercially justified (*betriebllich gerechtfertigt*) if a prudent business man (*sorgfältig handelnder Geschäftsleiter*) would have entered with an unrelated third party under the same circumstances into this particular transaction and at the same terms (so called third party—or arm’s-length—test (*Drittvergleich*)). This needs, however, to be evaluated on a case by case basis taking into account all particularities of the respective transaction and based on the assessment of the overall benefit for the Austrian company; such corporate benefit may be e.g. the receipt of monetary compensation or other benefits received by the Austrian company which may result from the overall transaction.

Any transaction violating Austrian Capital Maintenance Rules may be held (in whole or in part) null and void by Austrian courts. Consequently, any direct or indirect shareholder (side-stream or up-stream) who has received any Distribution under such transaction may be liable to its Austrian (direct or indirect) subsidiary for repayment of unlawfully received Distributions. The nullity may also affect a third party (e.g., noteholders) if such third party knew or should have known (*gross negligence*) that the respective transaction was not permitted pursuant to Austrian capital maintenance rules.

Consequently, to the extent a guarantee is provided by an Austrian subsidiary to guarantee liabilities of a direct or indirect parent or sister company or any liability or obligation is assumed by an Austrian subsidiary for the benefit of such parent or sister company, it is standard market practice to include limitation language in the relevant transaction documents (e.g. indentures, purchase agreements, guarantees etc.). Pursuant to such limitation language the scope of the guarantee / assumption of liability, as far as the Austrian subsidiary is concerned is limited to the extent permissible under Austrian Capital Maintenance Rules. No case law is available to confirm and it is thus not certain whether these limitations would be valid and enforceable under Austrian law and achieve the desired effect of legally preserving the guarantees to the extent possible or whether the guarantees could be deemed void in their entirety.

Austrian Capital Maintenance Rules are subject to ongoing court decisions and it cannot be ruled out that future court decisions may further limit the access of creditors and/or shareholders to assets of Austrian subsidiaries, including, but

without limitation, guarantees of Guarantors organized under Austrian laws, which could negatively affect our ability to make payment on the Notes.

Banking Law Restrictions

The Austrian Banking Act (*Bankwesengesetz*) enumerates certain banking activities which, if conducted on a commercial basis (*gewerblich*) in Austria require a local Austrian banking license or an appropriate license duly “passported” into Austria based on the European law directive 2013/36/EU and covering such activities. In addition, the Austrian Securities Supervision Act 2007 (*Wertpapieraufsichtsgesetz 2007*), enumerates certain activities which qualify as investment services and investment activities which, if conducted on a commercial basis (*gewerblich*) in Austria require a local Austrian investment services license or an appropriate EU license duly “passported” into Austria based on the European law directive 2004/39/EC, as amended, and covering such activities.

Besides any entity licensed by the Austrian supervisory authority to conduct regulated activities within the meaning of the Banking Act and the Securities Supervisory Act credit institutions or investment firms, respectively, authorized in a member state of the European Economic Area (*EEA*), may conduct certain of the regulated activities in Austria. Any such entity may conduct the relevant activities in Austria either by the establishment of a branch office or by way of the freedom to provide services, insofar as such activities are authorized under the legal provisions of the Member State of incorporation and the relevant notification procedure in line with the European law directive 2013/26/EU or the European law directive 2004/39/EC, respectively, and the relevant local laws have been complied with. Accordingly, any entity which intends to conduct activities regulated by the Austrian Banking Act or the Securities Supervision Act in Austria or, from outside of Austria, into Austria on a commercial basis, requires a respective license or successful completion of EEA notification procedures. The conducting of such regulated activities in Austria without the necessary license or successful completion of EEA notification procedures can trigger in particular administrative fines and civil law sanctions. The Banking Act and the Securities Supervision Act, respectively, provide that whoever conducts banking transactions (a) set out in Art. 4 para 1 no 1 of European law regulation 575/2013 (i.e. taking deposits and granting credit) without the required authorization is guilty of an administrative offence and may be subject to an administrative fine of up to EUR 5 million or up to twice the benefit derived from such violation, in case the benefit can be quantified or (b) other banking/investment services transactions without the required authorization is guilty of an administrative offence and may be subject to an administrative fine of up to EUR 100,000. Furthermore, the laws provide that whoever conducts such regulated activities unlicensed shall not be entitled to any compensation connected with such activities (e.g. interests, commissions, fees, etc.); sureties (*Bürgschaften*) and guarantees granted in connection therewith are ineffective. Furthermore, a civil law suits for unfair competition by competitors are possible. The transaction (agreement) itself, however, remains valid.

Stamp Duty

Under the Austrian Stamp Duty Act (*Gebührengesetz*), stamp duty is triggered upon the creation of a document (*Urkunde*; a term which has a technical meaning within the context of the Stamp Duty Act) on certain dutiable transactions enumerated in the Stamp Duty Act. Dutiable transactions include, e.g., lease agreements, sureties, assignments, mortgages.

According to the Austrian Stamp Duty Act, stamp duty on, e.g.:

- (a) sureties (*Bürgschaft*) amounts to 1% of the guaranteed amount (a guarantee may be treated as a surety for stamp duty purposes if the guarantor under the guarantee does not explicitly waive all claims, remedies or defences with respect to the underlying guaranteed transaction); and
- (b) assignments amounts to 0.8% of the consideration for the assignment, or, in case of an assignment for security (*Sicherungscession*), 0.8% of the higher of the secured amount and the value of the assigned receivables. Assignments as security transaction (*Sicherungscession*) may—if certain prerequisites are met—benefit from an exemption pursuant to the Austrian Stamp Duty Act.

Basically, Austrian stamp duty is triggered if a document on a dutiable transaction is created in Austria. Under certain circumstances, the creation of a document on a dutiable transaction outside of Austria may trigger stamp duty. In this case, stamp duty may generally be triggered if (i) the parties to the transaction are resident for stamp duty purposes in Austria (Austrian residence, place of habitual abode, seat, place of effective management or permanent establishment) and (ii) the transaction concerns an Austrian situated asset or a party to the transaction is entitled or obliged to performance under the transaction in Austria.

If the creation of a document outside of Austria did not trigger Austrian stamp duty, stamp duty may be triggered if the document (or a certified copy thereof) is imported into Austria and (i) the transaction concerns an Austrian situated asset or a

party to the transaction is entitled or obliged to performance under the transaction in Austria, or (ii) a legally relevant action is taken in Austria based on the transaction or official use of the document (or a certified copy thereof) is made in Austria.

Austrian stamp duty may also be triggered by a document that refers to a dutiable transaction in a qualified manner (so called confirming document; *rechtsbezeugende Urkunde*). According to the Austrian Federal Ministry of Finance, a confirming document within the present context is constituted if the parties to and the nature of the transaction referred to may be derived from the document. Such document may (already) trigger Austrian stamp duty if signed by one of the parties and sent to the other party or its representative (or, in case of a transaction under which both parties are obliged to performance, a third party in order to furnish proof of the underlying transaction). Further, stamp duty may be triggered by a so called substitute document (*Ersatzurkunde*; e.g., a signed protocol on an orally agreed transaction) on a dutiable transaction or a document that incorporates by reference a document on a dutiable transaction.

If Austrian stamp duty is triggered, pursuant to the Stamp Duty Act generally the parties to the transaction are jointly and severally liable for the amount of Austrian stamp duty triggered. In case of a transaction under which only one party is obliged to performance, the party in whose interest the document was created is liable for the stamp duty (e.g., the beneficiary in case of a surety). In any case, the other party (as well as, if the competent tax office is not duly notified of the dutiable transaction, the persons who would be responsible for such notification) would be secondarily liable for the stamp duty triggered. Agreements between the parties as to who shall bear stamp duty if triggered are not binding on the tax authorities but may be honored by the tax authorities within their discretion.

If stamp duty was triggered and not duly paid or the competent tax office was not duly notified of a dutiable transaction, the competent tax office may, within its discretion, increase the amount of stamp duty due by up to 100 per cent, depending on whether the taxpayer could have recognized that stamp duty was triggered, the notification was made with slight or substantial delay, or provisions of the Stamp Duty Act have been infringed for the first time or repeatedly.

Appointment of a Curator

Pursuant to the Act on Curators regarding Partial Debentures (*Kuratorengesetz*), a curator may be appointed as representative for the holders of partial debentures (*Teilschuldverschreibungen*) by the competent court under specific circumstances, in particular if rights of holders of such partial debentures might be endangered due to the lack of common representation. Following this, in general and with regard to the scope of the representation by the curator, the respective holders of such partial debentures may not exert their rights arising out of the partial debentures on their own as such rights are then exerted by the curator; however, they are in general entitled to accede to the respective legal proceedings initiated by the curator against the Issuers as intervenors (*Nebenintervenient*).

England and Wales

Applicable Insolvency Law

The UK guarantor is incorporated under the laws of England and Wales. Accordingly, main insolvency proceedings with respect to this entity would be likely to proceed under, and be governed by, English insolvency law (unless that company's centre of main interests for the purposes of the EU Insolvency Regulations on insolvency proceedings ("COMI") is (at the time such proceedings are commenced) in an EU member state other than the United Kingdom in which case the laws of that jurisdiction will, subject to certain exceptions, govern the relevant insolvency proceedings). Main proceedings are insolvency proceedings commenced in the member state in which the debtor has its COMI and have effect throughout the EU. English insolvency law may not be as favorable to investors' interests as the laws of the United States or other jurisdictions with which investors are more familiar. In the event that the UK guarantor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

Formal insolvency proceedings under the laws of England and Wales may be initiated in a number of ways, including by the company, its directors or a creditor making an application for administration to the court, the company, its directors or a holder of a "qualifying floating charge" appointing an administrator out of court by filing a notice in court, or by a creditor filing a petition to wind up the company or the company resolving to do so (in the case of liquidation). One of the grounds on which a company may be wound up is if it is unable to pay its debts, and may be placed into administration if it is, or is likely, to become unable to pay its debts, and the administration is reasonably likely to achieve one of three statutory purposes.

Under the Insolvency Act 1986, as amended (the "**Insolvency Act**"), a company is deemed to be unable to pay its debts if it is insolvent on a "cash flow" basis (it is proved to the satisfaction of the court that it is unable to pay its debts as they fall

due), if it is insolvent on a “balance sheet” basis (it is proved to the satisfaction of the court that the value of the company’s assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), if it fails to satisfy a creditor’s statutory demand for a debt exceeding £750 within the specified time or if it fails to satisfy in full a judgment debt (or similar court order).

The UK guarantor’s obligations under the Notes are secured by security interests over the Collateral. English insolvency laws and other limitations could limit the enforceability of a Guarantee against the UK guarantor and the enforceability of security interests over the Collateral.

The following is a brief description of certain aspects of English insolvency law relating to certain limitations on the UK guarantee and the security interests over the Collateral. The application of these laws could adversely affect investors, their ability to enforce their rights under the UK guarantee and/or the security documents and/or the Collateral securing the Notes (as the case may be) and the UK guarantee and therefore may limit the amounts that investors may receive in an insolvency of the UK guarantor.

Fixed versus 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 certain, statutory administration expenses (which can include the costs of continuing to operate the business of the charging company) 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 remuneration of the insolvency officeholders) properly incurred in a winding-up or administration are generally payable out of the assets of the charging company (including the assets that are the subject of the floating charge) in priority to floating charge claims; (d) until the floating charge security crystallizes, 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; (e) there are particular insolvency “clawback” risks in relation to floating charge security (see “—Grant of Floating Charge”); and (f) floating charge security is subject to the claims of certain preferential creditors (such as employee, where the floating charge is not a security financial collateral arrangement, salary claims (up to a cap per employee), employee holiday claims and certain unpaid pension contributions) and to ring-fencing for unsecured creditors up to the statutory limit (see “—Administration and Floating Charges”).

Under English insolvency law, there is a possibility that a court could find that the fixed security interests expressed to be created by a security document could take effect as floating charges because the description given to them as fixed charges is not determinative. Whether fixed security interests will be upheld as fixed rather than floating security interests will depend on, among other things, whether the chargee has the requisite degree of control over the ability of the relevant chargor 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, 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.

Administration and Floating Charges

The Insolvency Act empowers English courts to make an administration order in respect of an English company or a company with its COMI in England in certain circumstances. An administration order can be made if the court is satisfied that the relevant company is or is likely to become “unable to pay its debts” and that the administration order is reasonably likely to achieve the purpose of administration. An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge, and different procedures apply according to the identity of the appointor. The purpose of an administration is comprised of three parts that must be looked at successively: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company’s creditors as a whole than immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to secured or preferential creditors.

During the administration, in general, no proceedings or other legal process may be commenced or continued against the company, or security enforced over the company’s property, except with leave of the court or the consent of the administrator. Certain creditors of a company in administration may be able to realize their security over certain of that company’s property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to a “security financial collateral agreement” (generally, cash or financial instruments, such as shares, bonds or tradeable capital market debt instruments and credit claims) under the Financial Collateral Arrangements (No. 2)

Regulations 2003 (as amended). If an English company were to enter administration, it is possible that, to the extent that it is not a financial collateral arrangement, the security granted by it or the guarantee granted by it may not be enforced while it is in administration. In addition, other than in limited circumstances, a secured creditor will not be entitled to appoint an administrative receiver and any already appointed must vacate office on the making of an administration order against the company in administration. If the company is already in administration no other receiver may be appointed.

In order to empower the Shared Security Agent to appoint an administrative receiver or an administrator to the company out of court, the floating charge granted by the relevant English obligor must constitute a “qualifying floating charge” for purposes of English insolvency law and, in the case of the ability to appoint an administrative receiver, the qualifying floating charge must, unless the security document pre-dates September 15, 2003, fall within one of the exceptions in the Insolvency Act as amended by the Enterprise Act 2002 to the prohibition on the appointment of administrative receivers. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it; (b) purports to empower the holder to appoint an administrator of the company or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the Insolvency Act. The Security Agent will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with other forms of security, relates to the whole or substantially the whole of the property of the relevant English company and at least one such security interest is a qualifying floating charge. The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to “capital market arrangements” (as defined in the Insolvency Act), which may apply if the issue of the Notes creates a debt of at least £50.0 million for the relevant company under the arrangement and the arrangement involves the issue of a “capital markets investment” (which is defined in the Insolvency Act, and is generally a rated, listed or traded debt instrument).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying charge using the out of court procedure) in certain circumstances. If an administrator is appointed, any administrative receiver will vacate office, and any receiver of part of the company’s property must resign if required to do so by the administrator.

An administrator, receiver (including administrative receiver in certain circumstances) or liquidator of the company will generally be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors after making full provision for preferential creditors and expenses (floating charge realizations). Under current law, this applies to 50 per cent of the first £10,000 of net property (the amount of a company’s property which would otherwise have been available for satisfaction of claims of a holder of a debenture secured by or holders of floating charges created by the company) and 20 per cent of the remainder over £10,000, with a maximum aggregate cap of £600,000. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of the relevant English company’s assets at the time that the floating charges are enforced will be a question of fact at that time.

Liquidation/Winding Up

Liquidation is a company dissolution procedure under which the assets of the company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act. At the end of the liquidation process the company will be dissolved. In the case of a liquidation commenced by way of a court order, there is a stay on the commencement or continuation of proceedings against the company except by leave of the court and subject to such terms as the court may impose (although security enforcement is not affected).

Under English insolvency law, a liquidator has the power to disclaim any onerous property, which is any unprofitable contract and any other property of the company that cannot be sold, readily sold or may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it imposes continuing financial obligations on the company that may be detrimental to creditors.

Challenges to Guarantees and Security

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 of the granting of the guarantee or security. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of the security or guarantee given by such company. The Issuer cannot be certain that, in the event of the onset of a UK Subsidiary’s insolvency that is within any of the requisite time periods set forth below, the grant of any security or Guarantee will not be challenged or that a court would uphold the transaction as valid.

Onset of Insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue, preferences and invalid floating charges, depends on the insolvency procedure in question. In administration the onset of insolvency is the date on which (a) where an administrator is appointed by administration order, the date on which the administration application is made or (b) the notice of intention to appoint an administrator is filed at court, or (c) otherwise, the date on which the appointment of an administrator takes effect. In a compulsory liquidation the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes a winding-up resolution. Where liquidation follows administration, the onset of insolvency will be as for the initial administration.

Connected Persons

A connected person for the purposes of transactions at an undervalue, preferences and invalid floating charges, is a party who is a director, shadow director, an associate of such director, or an associate, of the relevant company. A party is associated with an individual if a relative of the individual or the individual's husband, wife or civil partner, or the husband, wife or civil partner of a relative of the individual or the individual's husband, wife or civil partner. A party is associated with a company if employed by that company. A company is associated with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

The following potential grounds for challenge may apply to charges and guarantees include, without limitation:

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. It 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 is unable to pay its debts (as that term is defined in the Insolvency Act). 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. A court, however, 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 English company was unable to pay its debts unless a beneficiary of the transaction was a connected person (as defined in the Insolvency Act), in which case there is a presumption of insolvency and the connected person must demonstrate the solvency of the English company in such proceedings.

Preference

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 such guarantee constituted a preference. It will only be a preference if, at the time of the transaction or as a result of the transaction, the English company was unable to pay its debts. The transaction can be challenged if the English 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 English company takes the decision to grant the security interest or the guarantee. A transaction may constitute a preference if it has the effect of putting a creditor of the English 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 was a preference, the court can make such order as it thinks fit to restore the position to what it would have been in if the preference had not been entered into. For the court to determine a preference, however, it must be shown that the English company was influenced by a desire to produce the preferential effect. In any proceeding, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts 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 proceeding that there was no such desire.

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 that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a “victim” of the transaction, whether or not the company is insolvent or in liquidation or administration (with the leave of the court if the company is in liquidation or administration) and is not therefore limited to liquidators or administrators and, subject to certain conditions, the UK Financial Conduct Authority and the UK Pensions Regulator. There is no statutory time limit under English insolvency law within which the challenge must be made and the relevant company does not need to be unable to pay its debts at the time of or as a result 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 company 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.

Extortionate Credit Transaction

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by an English obligor up to three years before the day on which the English obligor entered into administration or went into liquidation. A transaction is “extortionate” if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing.

Grant of Floating Charge

Under English insolvency law, if an English company is unable to pay its debts at the time of (or as a result of) granting the floating charge then such 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, the relevant English company at the same time as or after the creation of the floating charge (plus certain interest). The requirement for the English company to be unable to pay its debts 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 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, the relevant English company at the same time as or after the creation of the floating charge (plus certain interest), whether the relevant English company is solvent or insolvent at the time of grant. The transaction can be challenged if the relevant English company enters into liquidation or administration proceedings within a period of one year (if the beneficiary is not a connected person) or two years (if the beneficiary is a connected person) from the date the relevant English 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 (as amended), the floating charge will not be subject to challenge as described in this paragraph. An administrator, or a liquidator (as applicable), does not need to apply to court for an order declaring that a floating charge is invalid. Any floating charge created during the relevant time period is automatically 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, the relevant English company at the same time as or after the creation of the floating charge (plus certain interest), whether the relevant English company is solvent or insolvent at the time of grant.

Limitation on Enforcement

The grant of a guarantee or security by any of the English obligors in respect of the obligations of another group company must satisfy certain legal requirements. More specifically, such a transaction must be allowed by the respective company’s memorandum and articles of association. To the extent that the above do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor’s rights

unenforceable. Some comfort may be obtained for third parties if they are dealing with an English obligor in good faith; however, the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for each English obligor in question by virtue of entering into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in the way that he considers, in good faith, would be most likely to promote the success of the English obligor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court.

Foreign Currency

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, any debt of a company payable in a currency other than British Pounds (such as euro in the case of the Notes) must be converted into British Pounds at the “official exchange rate” prevailing at the date when the company went into liquidation or administration. This provision overrides any agreement between the parties. The “official exchange rate” for these purposes is the middle market rate in the London Foreign Exchange Market at close of business as published for the date in question or, if no such rate is published, such rate as the court determines.

Germany

Insolvency

The Issuer, certain Guarantors and certain providers of Collateral are or may be incorporated or established under the laws of Germany, have their registered offices in Germany and substantially all of their assets are located in Germany (the “**German Entities**”). Consequently, any insolvency proceedings with regard to the German Entities are likely to be initiated in Germany and if the German Entities were held to have their centre of main interests within the territory of Germany at the time the application for the opening of insolvency proceedings (*Insolvenzeröffnungsantrag*) is filed, German insolvency law would most likely govern such proceedings subject to the EU Insolvency Directive (see also “—European Union”). The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) may not be as favorable to your interests as creditors as the insolvency laws of other jurisdictions, including, *inter alia*, in respect of priority of creditors’ claims, the ability to obtain post-petition interest as well as security interests and the duration of the insolvency proceedings, and therefore may limit your ability to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws.

The following is a brief description of certain aspects of the insolvency laws of Germany.

German Insolvency Proceedings

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court *ex officio*, but require that the debtor or a creditor files a petition for the opening of insolvency proceedings. Insolvency proceedings can be initiated either by the debtor or by a creditor in the event of the over-indebtedness (*Überschuldung*) of the debtor if the debtor is a legal person (*juristische Person*) or any company not having an individual as its personally liable shareholder or in the event that the debtor is illiquid, i.e. unable to pay its debts as and when they fall due (*Zahlungsunfähigkeit*). According to the relevant provision of the German Insolvency Code (*Insolvenzordnung*), a debtor is over-indebted when its liabilities exceed the value of its assets (based on their liquidation values), unless a continuation of the debtor’s business is predominantly likely (*positive Fortbestehensprognose*). If a legal person (*juristische Person*), e.g., a limited liability company (*Gesellschaft mit beschränkter Haftung—GmbH*) or any company not having an individual as its personally liable shareholder, gets into a situation of illiquidity and/or over-indebtedness, the management of such company and, under certain circumstances, its shareholders are obligated to file for the opening of insolvency proceedings without undue delay, however, at the latest, within three weeks after the mandatory insolvency reason (i.e., illiquidity and/or over-indebtedness), occurred. Noncompliance with these obligations exposes management to both severe damage claims as well as sanctions under criminal law. In addition, imminent illiquidity (*drohende Zahlungsunfähigkeit*) is a valid insolvency reason under German law which exists if the debtor currently is able to service its payment obligations, but will presumably not be able to continue to do so at some point in time within a certain prognosis period. However, only management of the debtor, but not the creditors, is entitled (but not obliged) to file for the opening of insolvency proceedings in case of imminent illiquidity.

Under German insolvency law, there is no group insolvency concept, which generally means that, despite the economic ties between various entities within one group of companies, there will be one separate insolvency proceeding for each of the entities if and to the extent there exists a reason for the insolvency on the part of the relevant entity. Each of these insolvency proceedings will be legally independent from all other insolvency proceedings (if any) within the group. In particular, there is

no consolidation of assets and liabilities of a group of companies in the event of insolvency and no pooling of claims among the respective entities of a group. The German Federal Ministry of Justice (*Bundesjustizministerium*) has released a draft Bill to Facilitate the Handling of Group Insolvencies (*Entwurf eines Gesetzes zur Erleichterung der Bewältigung von Konzerninsolvenzen*). It is currently unclear if and when, and whether in its current or modified form, this Bill might be adopted by parliament.

The insolvency proceedings are administered by the competent insolvency court which monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may take preliminary measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings. In addition, the court will also appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*), unless the debtor has petitioned for the appointment of a preliminary custodian (*vorläufiger Sachwalter*) in preparation of a debtor-in-possession proceeding (*Eigenverwaltung*)—an insolvency process in which the debtor's management generally remains in charge of administering the debtor's business affairs under the supervision of a preliminary custodian—with this petition not being obviously futile. Depending on the size of the debtor's business operations, the insolvency court must or may appoint a preliminary creditors' committee (*vorläufiger Gläubigerausschuss*) to form a view on the profile of the officeholder to be appointed or even to make a suggestion for a particular individual to be appointed by the court. In case the members of the preliminary creditors' committee unanimously agree on an individual, such suggestion is binding on the court (unless the suggested individual is not eligible; i.e., incompetent and/or not disinterested). To ensure that the preliminary creditors' committee reflects the interests of all creditor constituencies, it shall comprise a representative of the secured creditors, one for the large and one for the small creditors as well as one for the employees. The duty of the preliminary insolvency administrator is, in particular, to safeguard and to preserve the debtor's assets (which includes the continuation of the business carried out by the debtor) and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. Additionally, the duty of the preliminary insolvency administrator is to verify the existence of reason for insolvency. The court orders the opening (*Eröffnungsbeschluss*) of formal insolvency proceedings (*eröffnetes Insolvenzverfahren*) if certain requirements are met, particularly if there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open formal insolvency proceedings if third parties, such as creditors, advance the costs themselves. In the absence of such advancement, the petition for the opening of insolvency proceedings will be dismissed for insufficiency of assets (*Abweisung mangels Masse*).

Upon the opening of formal insolvency proceedings, an insolvency administrator (usually the same person who acted as preliminary insolvency administrator) is appointed by the insolvency court unless a debtor-in-possession proceeding (*Eigenverwaltung*) is ordered. In the absence of a debtor-in-possession proceeding, the right to administer the debtor's business affairs and to dispose of the assets of the debtor passes to the insolvency administrator with the insolvency creditors (*Insolvenzgläubiger*) only being entitled to change the individual appointed as insolvency administrator upon the occasion of the first creditors' assembly (*erste Gläubigerversammlung*) with such change requiring that (i) a simple majority of votes cast (by heads and amount of insolvency claims) has voted in favor of the proposed individual to become insolvency administrator and (ii) the proposed individual being eligible as officeholder (i.e., he or she is sufficiently qualified, business-experienced and impartial). The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's business. These new liabilities incurred by the insolvency administrator qualify as preferential claims against the estate (*Masseforderung*) which are preferred to any insolvency claim of an unsecured creditor (with the residual claim of a secured insolvency creditor remaining after realization of the available collateral (if any) also qualifying as unsecured insolvency claim).

All creditors, whether secured or unsecured (unless they have a right to separate an asset from the insolvency estate (*Aussonderungsrecht*)), wishing to assert claims against the insolvent debtor need to participate in the insolvency proceedings by filing their claims with the insolvency administrator. German insolvency proceedings are collective proceedings and creditors may generally no longer pursue their individual claims in the insolvency proceedings separately, but can instead only enforce them in compliance with the restrictions of the German Insolvency Code. In the insolvency proceedings, however, secured creditors have certain preferential rights (*Absonderungsrechte*). Depending on the legal nature of the security interest, entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. In this context, it should be noted that the insolvency administrator generally has the sole right to realize any movable assets in his, her or the debtor's possession that are subject to preferential rights (such as liens over movable assets (*Mobiliarsicherungsrechte*), or security transfer of title (*Sicherungsübereignung*)) as well as to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). In the absence of authoritative case law, it is uncertain whether in an insolvency of the entity holding the pledged shares the secured creditors are entitled to initiate the enforcement process in respect of pledged shares on their own or whether the insolvency administrator has standing to realize the pledges on behalf of and for the benefit of the secured creditors. If the enforcement right is vested with the insolvency administrator,

the enforcement proceeds, less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% (or more in certain circumstances) of the gross enforcement proceeds plus VAT (if any), are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. With the remaining unencumbered assets of the debtor the insolvency administrator has first to satisfy the preferential creditors of the insolvency estate (*Massegläubiger*) (including the costs of the insolvency proceedings as well as any preferred liabilities incurred by the insolvency estate after the opening of formal insolvency proceedings). Thereafter, all other unsubordinated claims (insolvency claims) (*Insolvenzforderungen*), will be satisfied on a *pro rata* basis if and to the extent there is cash remaining in the insolvent estate (*Insolvenzmasse*) after the security interest and the preferential claims against the estate have been settled and paid in full. Therefore, the proceeds resulting from the realization of the insolvency estate of the debtor may not be sufficient to satisfy unsecured creditors of the German Entities or under a guarantee granted by the German Entities in full after the secured creditors have been satisfied. Claims of subordinated creditors in the insolvency proceedings (*nachrangige Insolvenzgläubiger*) are satisfied only after the claims of other non-subordinated creditors (including the unsecured insolvency claims) have been fully satisfied.

The insolvency estate shall serve to satisfy the liquidated claims held by the personal creditors against the debtor on the date when the insolvency proceedings were opened. The following claims shall be satisfied ranking below the other claims of insolvency creditors in the order given below, and according to the proportion of their amounts if ranked with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offense binding the debtor to pay money; (iv) claims to the debtor's gratuitous performance of a consideration; and (v) claims for restitution of a shareholder loan or claims resulting from legal transactions corresponding in economic terms to such a loan.

While in ordinary insolvency proceedings the value of the debtor's assets is realized by a piecemeal sale or, as the case may be, by a bulk sale of the debtor's business as a going concern, a different approach aimed at the rehabilitation of the debtor can be taken based on an insolvency plan (*Insolvenzplan*). Such plan can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules and the approval of the insolvency court. The insolvency court may order the deemed approval of one or more opposing creditor groups under certain conditions (cram down). The insolvency plan may derogate from the provisions of the German Insolvency Code. In particular, it may contain provision regarding the discharge of secured and unsecured creditors, the disposal of the insolvency estate as well as procedure. It may also create, modify, transfer or terminate rights *in rem* such as property rights or security interests. If the debtor is a corporate entity, the shares or, as the case may be, the membership rights in the debtor can also be included in the insolvency plan, for example, these can be transferred to third parties, including a transfer to creditors based on a debt-to-equity swap. Thus, an insolvency plan could under certain circumstances provide for provisions regarding the Notes, the Guarantees or the Collateral which are less favorable to the holders of the Notes than the provisions of the German Insolvency Code, such as the release of the Collateral, the release of obligations under the Notes or the contribution of the Notes in exchange for equity. Under certain conditions, such provisions could be adopted against the votes of the affected holders of the Notes. Moreover, if the debtor has filed a petition for the opening of insolvency proceedings based on a reason for the insolvency other than illiquidity (i.e., imminent illiquidity or over-indebtedness), combined with a petition to initiate such process based on a debtor-in possession proceeding and can demonstrate that a restructuring of its business is not obviously futile, the court may grant a period of up to three months to draw up an insolvency plan for the debtor business (*Schutzschirmverfahren*). During this period, the creditors' rights to enforce security may—upon application of the filing debtor—be suspended. Under these circumstances, the insolvency court must appoint a preliminary custodian to supervise the process. The debtor is entitled to suggest an individual to be appointed as custodian with such suggestion being binding on the insolvency court unless the suggested person is obviously not eligible to become a custodian (i.e., he or she is obviously not competent or impartial).

Under German insolvency law, termination rights, automatic termination events or “escape clauses” entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte oder Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract. This may also relate to agreements that are not governed by German law.

Voiding of Transactions and Voidance Periods

Under the German Insolvency Code, the insolvency administrator or custodian may void (*anfechten*) transactions, performances or other acts that are deemed detrimental to insolvency creditors and which were effected prior to the commencement of formal insolvency proceedings during applicable voidance periods. Generally, if transactions, performances or other acts are successfully voided by the insolvency administrator or custodian, any amounts or other benefits derived from such challenged transaction, performance or act must be returned to the insolvency estate. The administrator's or custodian's right to avoid transactions can, depending on the circumstances, extend to transactions having occurred up to ten years prior to the filing for the commencement of insolvency proceedings.

In the event of insolvency proceedings with respect to the Issuer based on and governed by the insolvency laws of Germany, the payment of any amounts to the holders of the Notes as well as the granting of collateral for or providing credit support for the benefit of the Notes could be subject to potential challenges by an insolvency administrator or custodian under the rules of avoidance as set forth in the German Insolvency Code. In case the validity or enforceability of the Notes or any collateral in favor of the Notes is avoided successfully, you may not be able to recover any amounts under the Notes or the collateral. If payments have already been made under the Notes or collateral, the insolvency administrator or custodian may require that the recipients return the payment to the insolvency estate and you would instead then only have a general unsecured claim under the Notes without preference in insolvency proceedings (unless and to the extent the collateral would not be subject to avoidance in which case such claim would be secured to that extent).

In particular, an act (*Rechtshandlung*) or a legal transaction (which term includes the granting of a guarantee, the provision of security and the payment of debt) detrimental to the creditors of the debtor may be voided according to the German Insolvency Code in the following cases:

- any act granting a creditor security or satisfaction for a debt (*Befriedigung*) can be voided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings, if at the time of the transaction the debtor was illiquid (*zahlungsunfähig*), which means such debtor was unable to pay its debt when due and the creditor had knowledge thereof or (ii) after a petition for the opening of insolvency proceedings has been filed and the creditor had knowledge thereof or of the debtor being illiquid (or knowledge of circumstances which imperatively suggesting such illiquidity or filing);
- any act granting a creditor security or satisfaction for a debt to which such creditor had no right, no right at the respective time or no right as to the respective manner, can be voided if the transaction was effected in the month prior to the filing of a petition for the opening of insolvency proceedings; if the transaction was effected in the second and third month prior to the filing, it can be voided if at the time of the transaction (i) the debtor was illiquid or (ii) the creditor knew that the transaction would be detrimental to the creditors of the debtor;
- any legal transaction effected by the debtor which is directly detrimental to the creditors of the debtor can be voided if the transaction was effected (i) in the last three months prior to the filing of a petition for the opening of insolvency proceedings against the debtor, if at the time of the legal transaction the debtor was illiquid and the other party to the legal transaction had knowledge thereof or (ii) after a petition for the opening of insolvency proceedings has been filed against the debtor and the other party to the legal transaction had knowledge thereof or of the debtor being illiquid;
- if an act whereby a debtor grants security for a third-party debt is regarded as having been granted gratuitously (*unentgeltlich*), such gratuitous transaction can be voided unless it was effected earlier than four years prior to the filing of a petition for the opening of insolvency proceedings against the debtor;
- any act performed by the debtor during a period of ten years prior to the filing of the petition for the opening of insolvency proceedings or at any time after such filing can be voided if the debtor acted with the intent to disadvantage its creditors and the beneficiary of the transaction had knowledge of such intent at the time of the transaction, with such knowledge being presumed if the beneficiary knew that the debtor was at least imminent illiquid and that the transaction disadvantaged the other creditors;
- any non-gratuitous contract concluded between the debtor and an affiliated party which directly operates to the detriment of the creditors can be voided unless such contract was concluded earlier than two years prior to the filing of the petition for the opening of insolvency proceedings or the other party had no knowledge of the debtor's intention to disadvantage its creditors as of the time the contract was concluded; in relation to corporate entities, the term "affiliated party" includes, subject to certain limitations, members of management or the supervisory board, general partners and shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic

situation of the debtor, and other persons who are spouses, relatives or members of the household of any of the foregoing persons;

- any act that provides security or satisfaction for a claim of a shareholder for the repayment of a shareholder loan (*Gesellschafterdarlehen*) or an economically equivalent claim can be voided (i) in the event it provided security, if the transaction was effected within the last ten years prior to the filing of a petition for the opening of insolvency proceedings or thereafter or (ii) in the event it provided satisfaction, if the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter; or
- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party can be voided if the transaction was effected in the last year prior to the filing of a petition for the opening of insolvency proceedings or thereafter and if a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder must compensate the insolvency estate for the amounts paid (subject to further conditions)).

For purposes of the above, the knowledge of circumstances from which a compelling conclusion regarding the debtor's illiquidity or regarding the filing of a petition for the opening of insolvency proceedings can be drawn, will be considered tantamount to the actual knowledge of the debtor's illiquidity or of the filing of the petition for the opening of insolvency proceedings.

Apart from the examples of an insolvency administrator or custodian voiding transactions according to the German Insolvency Code described above, a creditor who has obtained an enforcement order (*Vollstreckungstitel*) could possibly also void any security right or payment performed under the relevant security right in accordance with the German Law of Avoidance (*Anfechtungsgesetz*) outside formal insolvency proceedings. The prerequisites vary to a certain extent from the rules described above and the voidance periods are calculated from the date when a creditor exercises its rights of voidance in the courts.

In addition, under German law, a creditor who provided additional, or extended existing funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Limitation on Enforcement

The Issuer and the original Guarantors are incorporated in the form of a German limited liability company (*Gesellschaft mit beschränkter Haftung*) Consequently, the Guarantees and the grant of collateral by them is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaft mit beschränkter Haftung*, "**GmbHG**").

As a general rule, sections 30 and 31 of the GmbHG ("**Sections 30 and 31**") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets (*i.e.*, assets minus liabilities and liability reserves) is already less or would fall below the amount of its stated share capital (*Stammkapital*). The granting of guarantees, share pledges and other security by a GmbH in order to guarantee or secure liabilities of a direct or indirect parent or sister company may be considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to grant guarantees and to create security interests to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries in the legal form of a GmbH or a limited liability partnership (*Kommanditgesellschaft*) with a GmbH as its sole general partner (*Komplementär*) ("**GmbH & Co. KG**") incorporated or established in Germany. Pursuant to such limitation language, the beneficiaries of the guarantees and security interests agree, subject to certain exemptions, to require payments under the guarantee or, as the case may be, enforce the security interests against the German subsidiary only to the extent that such payment or, as the case may be, enforcement does not result in the GmbH's (or, in case of a GmbH & Co. KG, its general partner's) net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the Indenture, security documents and other relevant documents relating to the Guarantees and the Collateral provided by the Issuer and the German Guarantors or other German security providers will contain such limitation language and the relevant Guarantees and Collateral will be limited in the manner

described. This could lead to a situation in which the respective security granted by a GmbH or GmbH & Co KG cannot be enforced at all.

German capital maintenance rules are subject to ongoing court decisions. Future court rulings may further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH or a GmbH & Co. KG, which can negatively affect the ability of the subsidiaries to make payments on the Guarantees, of the secured parties to enforce the Collateral or of the beneficiaries of the Guarantees to enforce the Guarantees.

Furthermore, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so-called destructive interference (*existenzvernichtender Eingriff*) (i.e., a situation where a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or security granted by a German (direct or indirect) subsidiary of the Issuer. In such a case, the amount of proceeds to be realized in an enforcement process may be reduced, even to zero. Moreover, according to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security agreement may be void due to tortious inducement of breach of contract if a creditor knows about the stressed financial situation of the debtor and anticipates that the debtor will only be able to grant collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of the Guarantees and/or the Collateral by the Issuer and the German Guarantors.

In addition, enforcement of the Guarantees and security interests granted by subsidiaries of the Issuer may be limited under its respective terms to the extent that it would lead to the illiquidity (*Zahlungsunfähigkeit*) of the Issuer granting such Guarantee or security interest.

Parallel Debt/Pledges

Under German law, certain “accessory” security interests (*akzessorische Sicherheiten*) such as pledges (*Pfandrechte*) may only be validly created in favor of the creditor(s) of the secured claims and the pledgor will need to notify the relevant debtor of a pledged claim of such pledge in order to create a valid pledge. Furthermore, the validity, extent and enforceability of a pledge are strictly linked (“accessory”) to the validity, extent and enforceability of the secured claims. In particular, a pledge may cease to exist if the claims secured by the pledge are transferred to new creditor(s) by way of novation or at a time when no amounts are outstanding under the secured claims. Therefore, the security interests granted as pledges have been created in favor of the relevant Security Agent acting in its capacity as creditor of parallel debt obligations (the “**Parallel Debt**”). The Parallel Debt mirrors the amount and is payable at the same time as the obligations of the Issuer and the Guarantors under the Notes and the Guarantees (the “**Principal Obligations**”). Payments in respect of the Principal Obligations will also discharge the corresponding Parallel Debt and vice versa. Although the relevant Security Agent will have, pursuant to the Parallel Debt, a claim against us for the full principal amount of the Notes, holders of the Notes will not be entitled to enforce such security except through the relevant Security Agent and will bear some risks associated with a possible insolvency or bankruptcy of the relevant Security Agent. It is widely believed that a Parallel Debt can effectively be secured by a pledge. However, there are no published court decisions confirming the validity of the Parallel Debt structure and of the Collateral granted under German law to secure such Parallel Debt, and hence there is no certainty that German courts will give effect and uphold such Collateral.

To the extent that parts of the Parallel Debt refer to certain future claims of certain creditors against the Issuer or certain Guarantors and to the extent these creditors and/or the nature and/or basis of their claims is not known and/or specifiable at the time of the Issuer or certain Guarantors granting the abstract acknowledgement of debt, it is uncertain whether the Parallel Debt relating thereto will be recognized by a German court.

In addition, since German law does not generally allow for an appropriation of pledged assets by the pledgee upon the occurrence of an enforcement event, an enforcement of a share pledge governed by German law usually requires the sale of the relevant Collateral through a formal disposal process involving a public auction. Certain waiting periods and notice requirements may apply for such disposal process.

Creditor Liability

The beneficiary of a transaction effecting a repayment of the stated share capital of the grantor of the guarantee or security could moreover become personally liable under exceptional circumstances. The German Federal Supreme Court (*Bundesgerichtshof*) ruled that this could be the case if for example the creditor were to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *contra bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances

indicating that the grantor of the guarantee or security is close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto. Under such circumstances, the granted security interests and/or Guarantees may also be invalid.

Italy

Certain Italian Insolvency Laws

Wittur Italia Holding S.r.l. and Wittur S.p.A. are incorporated in the Republic of Italy and, in case of an insolvency event affecting any of these entities, insolvency or restructuring proceedings may be initiated in Italy to the extent that the centre of main interests (“**COMI**”) of the companies provided for under EU Regulation 1346/2000 is not located elsewhere. In Italy, the courts play an important role in the insolvency process and in-court procedures may be materially more complex and time-consuming than in equivalent situations in jurisdictions with which holders of the Notes may be familiar.

The following is a brief description of certain aspects of insolvency law in Italy. In the event that any of Wittur Italia Holding S.r.l. and Wittur S.p.A. experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency, and/or restructuring proceedings would be commenced (depending on the actual location of the COMI), or the outcome of such proceedings. Certain provisions of Italian law have been amended or have entered into force only recently and, therefore, may be subject to further implementation and/or interpretations and have not been tested to date in the Italian courts.

The two primary aims of Royal Decree No. 267 of March 16, 1942 (the main Italian bankruptcy legislation), as reformed and currently in force (the “**Italian Bankruptcy Law**”), are to liquidate the debtor’s assets and restructure its business protecting, where possible, the goodwill of the going concern (if any) for the satisfaction of creditors’ claims. In case of the extraordinary administration procedure (governed by Legislative Decree No. 270 of July 8, 1999, or, upon certain eligibility criteria of the debtor, Legislative Decree No. 347 of December 23, 2003, converted, with modifications, into Law No. 39 of February 18, 2004, an additional primary aim is to maintain employment. These aims have often been balanced by selling businesses as going concerns and ensuring that employees are transferred along with the businesses being sold. However, the Italian Bankruptcy Law has been recently amended with a view to promoting rescue procedures rather than liquidation, and a focus on the continuity and survival of financially distressed businesses and enhancing pre-bankruptcy restructuring options.

Under the Italian Bankruptcy Law, bankruptcy must be declared by a court, based on the insolvency (*insolvenza*) of a company upon a petition filed by the company itself, the public prosecutor and/or one or more creditors. Insolvency occurs when a debtor is no longer able to regularly meet its obligations as they become due. This must be a permanent, and not a temporary, status of insolvency in order for a court to hold that a company is insolvent.

In cases where a company is in distress, it may be possible for it to enter into out-of-court arrangements with its creditors, which may safeguard the existence of the company, but which are susceptible to being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions.

The restructuring and bankruptcy alternatives set forth are available under Italian Bankruptcy Law to companies which are (i) facing financial difficulties, (ii) in a state of temporary crisis or (iii) insolvent.

*Out-of-Court Reorganization Plans (*piani di risanamento*) pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law*

Out-of-court restructuring agreements are based on restructuring plans (*piani di risanamento*) prepared by companies in order to restructure their indebtedness and to ensure the recovery of their financial condition. An independent expert appointed by the debtor has to verify the feasibility of the restructuring plan and the truthfulness of the business data provided by the company.

The terms and conditions of these plans are freely negotiable. Unlike in-court pre-bankruptcy agreement proceedings and debt restructuring agreements, out-of-court reorganization plans pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third-party creditors. The Italian Bankruptcy Law provides that, should these plans fail and the debtor be declared bankrupt, the payments and/or acts carried out for the implementation of the reorganization plan, subject to certain conditions (i) are not subject to clawback action and (ii) are exempted from certain potentially applicable criminal sanctions. Neither ratification by the court nor publication in the companies’ register are needed (although publication in the companies’ register is possible

upon a debtor's request and would allow for certain tax benefits) and, therefore, the risk of bad publicity or disvalue judgments are lower than in case of an in-court pre-bankruptcy agreement or a debt restructuring agreement.

Debt Restructuring Agreements with Creditors (accordi di ristrutturazione dei debiti) pursuant to Article 182-bis of the Italian Bankruptcy Law

Out-of-court agreements for the restructuring of indebtedness entered into with creditors representing at least 60% of the outstanding company's debts can be ratified by the court. An expert appointed by the debtor must assess the truthfulness of the debtor accounts and financial reports provided by the company and declare that the agreement is feasible and, particularly, that it ensures that the debts of the nonparticipating creditors can be fully paid within the following time frames: (i) 120 days from the date of ratification of the agreement by the court, in the case of debts which are due and payable to the nonparticipating creditors as at the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court; and (ii) 120 days from the date on which the relevant debts fall due, in case of receivables which are not yet due and payable to the nonparticipating creditors as of the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court. Only a debtor who is insolvent or in a state of crisis (*i.e.*, facing distress which does not yet amount to insolvency) can initiate this process and request the court's sanctioning (*omologazione*) of the debt restructuring agreement entered into with its creditors.

The agreement with creditors is published in the companies' register and is effective as of the day of its publication. Starting from the date of such publication and for 60 days thereafter, creditors cannot start or continue any interim relief or enforcement actions over the assets of the debtor and cannot obtain any security interest (unless agreed) in relation to pre-existing debts. Pursuant to the Law Decree No. 78 of May 31, 2010, such moratorium can be requested, pursuant to Article 182-bis, Paragraph 6 of the Italian Bankruptcy Law, by the debtor from the court during negotiations with creditors (*i.e.* prior to the above-mentioned publication of the agreement), subject to the fulfillment of certain conditions. The moratorium request must be published in the companies' register and becomes effective as of the date of publication. The court, having verified the completeness of the documentation, sets the date for a hearing (to be held within 30 days of the publication to assess whether the conditions for granting the moratorium are in place and, if they are, orders that no interim relief or enforcement action may be started or continued, nor security interests (unless agreed) be acquired over the assets of the debtor, and sets a deadline (not exceeding 60 days) within which the restructuring agreement has to be filed. The court's order may be challenged within 15 days of its publication. Within the same time frame, an application for the *concordato preventivo* (as described below) may be filed with the court, without prejudice to the effect of the moratorium.

The Italian Bankruptcy Law does not expressly provide for any indications concerning the contents of the debt restructuring agreement. The agreement and the attached plan can therefore provide, *inter alia*, either for the prosecution of the business by the debtor or by a third party, or the sale of the business to a third party and may contain, refinancing agreements, moratoria, write-offs and/or postponements of claims. The debt restructuring agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

Creditors and other interested parties may oppose the agreement within 30 days from the publication of the agreement in the companies' register. The court will, after having settled the oppositions (if any), validate or reject the agreement by issuing a decree, which may be appealed within 15 days of its publication.

Pursuant to the new Article 182-*quinquies* of the Italian Bankruptcy Law, the court, pending the sanctioning (*omologazione*) of the agreement pursuant to Article 182-bis, paragraph 1, or after the filing of the instance pursuant to Article 182-bis, paragraph 6, or a petition for a *concordato preventivo*, also pursuant to Article 161, paragraph 6, may authorize the debtor (i) to incur new "pre-deductible indebtedness," provided that the expert appointed by the debtor declares the aim of the new financial indebtedness results in a better satisfaction of the creditors, and (ii) to pay debts deriving from the supply of services or goods, already payable and due, provided that the expert declares that such payment is essential for the keeping of company's activities and to ensure the best satisfaction for all creditors.

Court Supervised Pre Bankruptcy Composition with Creditors ("concordato preventivo")

A company which is insolvent or in a situation of crisis, but has not been declared insolvent by the court, has the option to seek an arrangement with its creditors, under court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of bankruptcy proceedings. Such composition proposal can be made by a commercial enterprise which exceeds any of the following thresholds: (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years; (ii) has had gross revenues (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years; and (iii) has total indebtedness in excess of €0.5 million. Only the debtor company can file a petition with the court for

a *concordato preventivo* (together with, inter alia, the proposed agreement and an independent expert report assessing the feasibility of the composition proposal and the truthfulness of the debtor accounts and financial reports provided by the company). The petition for *concordato preventivo* is then published by the debtor in the companies' register. From the date of such publication to the date on which the court definitively validates the *concordato preventivo*, all enforcement and interim relief actions by the creditors (whose claims arose before the publication of the petition for the *concordato preventivo*) are stayed. During this time, all enforcement, precautionary actions and interim measures sought by the creditors, whose title arose beforehand, are stayed. Pre existing creditors cannot obtain security interests (unless authorized by the court) and mortgages registered within the 90 days preceding the date on which the petition for the *concordato preventivo* is published in the companies' register are ineffective against such pre existing creditors.

The composition proposal filed in connection with the petition may provide for: (i) the restructuring of debts and the satisfaction of creditors' claims in any manner (including through extraordinary transactions, such as the granting to creditors and to their subsidiaries or affiliated companies of shares, bonds (including bonds convertible into shares), or other financial instruments and debt securities; (ii) the assignment of the assets of the company to a third party which undertakes the obligation to satisfy the creditors in certain percentages; (iii) the division of creditors into classes; and (iv) to a certain extent, different treatments for creditors belonging to different classes. The composition proposal may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

The filing of the petition for the *concordato preventivo* may be preceded by the filing of a preliminary petition for a *concordato preventivo* (“*domanda di preconcordato*” o “*concordato con riserva*”) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law introduced by the Law Decree No. 83 of June 22, 2012, converted, with modifications, into Law No. 134 of August 7, 2012. The debtor company may file such petition with the Court along with (i) its financial statements of the latest three financial years and, pursuant to the recent Law Decree No. 69 of June 21, 2013, as converted into law No. 98 of August 9, 2013 (the “**Law Decree 69/2013**”), (ii) the list of creditors with the reference to the amount of their respective receivables, reserving the right to submit the underlying plan, the proposal and all the other documents requested by the law within a period assigned by the court between 60 and 120 days from the date of the filing of the preliminary petition (extendible for further 60 days by Court decision, where there are reasonable grounds for such extension). Before the expiry of such deadline, the debtor may also file a petition for the approval of a debt restructuring agreement (pursuant to Article 182 bis of the Italian Bankruptcy Law). Pursuant to the Law Decree 69/2013, the court, if it accepts such preliminary petition, may appoint a judicial commissioner (*commissario giudiziale*) to overview the company, who, in the event that the debtor has carried out one of the activities referred under Article 173 of the Italian Bankruptcy Law (e.g. concealment of part of assets, fraudulent omission to report one or more claims, declaration of non-existent liabilities or commission of other fraudulent acts), shall report it to the court, which, upon further verification, may reject the petition at court for a *concordato preventivo*, and, upon request of one or more creditors or the public prosecutor and provided that the relevant requirements are verified, adjudicate the company in bankruptcy.

The debtor company may not file such pre application where it had already done so in the previous two years without the admission to the *concordato preventivo* having followed or the validation of a debt restructuring agreement with creditors having occurred. The decree setting the term for the presentation of the documentation referred above contains also the periodical information requirements (relating also to the financial management of the company and to the activities carried out for the purposes of the filing of the composition proposal and the relevant plan) that the company has to fulfill, at least on a monthly basis, until the lapse of the term established by the court. The debtor company shall file, on a monthly basis, the company's financial position, which is published, the following day, in the companies' register. Non-compliance with these requirements results in the application for the composition with creditors being declared inadmissible and, upon request of the creditors or the public prosecutor and provided that the relevant requirements are verified, in the adjudication of the distressed company into bankruptcy. If the activities carried out by the debtor company appear to be clearly inappropriate to the drafting of the composition proposal and the relevant plan, the court may, *ex officio*, after hearing the debtor and—if appointed—the judicial commissioner, reduce the time for the filing of additional documents.

Following the filing of the preliminary petition and until the decree of admission to the composition with creditors, the distressed company may (i) carry out acts pertaining to its ordinary activity and (ii) seek the court's authorization to carry out acts pertaining to its extraordinary activity, to the extent they are urgent. Claims arising from acts lawfully carried out by the distressed company in the time frame above are “pre-deductible” claims (*crediti prededucibili*) pursuant to Article 111 of the Italian Bankruptcy Law and the related acts, payments and security interests granted are exempted from the clawback action provided under Article 67 of the Italian Bankruptcy Law. The plan attached to the composition proposal may provide for (i) the continuation of the debtor company's business as a going concern, or (ii) the transfer of the business to one or more companies (*concordato con continuità aziendale*). The said plan may also provide for the sale of any assets which are no longer necessary to run the business. In these cases, the petition for the *concordato preventivo* should fully describe the costs and revenues which are expected as a consequence of the continuation of the business as a going concern, as well as the

financial resources and support which will be necessary. The report of the independent expert—in addition to assessing the feasibility of the agreement and the truthfulness of the debtor accounts and financial reports—shall also certify that the continuation of the business is in the creditors’ interest.

The composition agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

If the court determines that the composition proposal is admissible, it appoints a judge (*giudice delegato*) to supervise the procedure and one or more judicial officers (*commissari giudiziali*) and calls a creditors’ meeting. During the implementation of the proposal, the company continues to be managed by its director/directors, but he/they is/are supervised by the appointed judicial officers and the judge (who shall authorize all transactions that exceed the ordinary course of business).

The *concordato preventivo* is voted on at a creditors’ meeting and must be approved by the majority (by value of claims) of the creditors entitled to vote and, if creditors are divided in classes, by the majority of the creditors included in the majority of the classes. Creditors who have not voted will be deemed to approve the *concordato preventivo* proposal if they fail to notify their objection via telegraph, fax, mail or e mail to such proposal within 20 days from the closure of the minutes of that creditors’ meeting. Secured creditors are not entitled to vote on the proposal of *concordato preventivo* unless and to the extent they waive their security, or the *concordato preventivo* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal. If an objection to the implementation of the *concordato preventivo* is filed by 20% of the creditors or, in case there are different classes of creditors, by a creditor belonging to a dissenting class, entitled to vote, the court may nevertheless approve the *concordato preventivo* if it deems that the relevant creditors’ claims are likely to be satisfied to a greater extent as a result of the *concordato preventivo* than would otherwise be the case.

After the approval by the creditors’ meeting, the court (having settled possible objections raised by the dissenting creditors, if any) confirms the *concordato preventivo* proposal by issuing a confirmation order.

If the creditors’ meeting does not approve the *concordato preventivo*, the court may, upon request of the public prosecutor or a creditor, and having decided that the appropriate conditions apply, declare the company bankrupt.

Extraordinary Administration for Large Insolvent Companies (“amministrazione straordinaria delle grandi imprese in stato di insolvenza”)

The extraordinary administration proceedings governed by Legislative Decree No. 270 of July 8, 1999 applies to very large insolvent companies and is supervised by the Ministry of the Economic Development (“*Ministero dello sviluppo economico*”—the “**Ministry**”). The proceedings apply exclusively to companies able to continue their business (also) during the insolvency proceedings and having (i) at least 200 employees in the last financial year and (ii) debts of no less than 2/3 of both the net equity and the total revenues of the last financial year.

The proceedings is split into two phases under the control of different authorities.

The first phase starts with the declaration by the Court (with the assistance of the Ministry of Economic Development) of the insolvency status of the company upon company’s, public prosecutor’s, creditors’ request or *ex officio*. As a consequence of the declaration of the insolvency, the Court appoints one or three judicial receivers for the evaluation of the possibility of rescuing the business through one of the following alternative paths:

- (a) selling the company’s going concern (and the company’s remaining assets), on the basis of a business plan lasting no more than one year (the “**Sale Plan**”); or
- (b) restructuring the company’s debt on the basis of a restructuring plan lasting no more than two years (the “**Restructuring Plan**”).

Performing the extraordinary receivership proceedings through a Sale Plan can be considered similar to liquidating the assets under a bankruptcy proceedings, whereas a Restructuring Plan is performed mainly through composition with creditors proceedings, which are very similar to the Pre-Bankruptcy Composition with Creditors and the Post-Bankruptcy Composition with Creditors.

Within thirty days from the filing of the judicial receivers report, the court is requested to:

- (i) admit the company to the extraordinary receivership proceedings, as far as the court believes it is possible to rescue the company's business through a Sale Plan or a Restructuring Plan; or, conversely,
- (ii) adjudicate the insolvent company in bankruptcy.

With the admission referred under (i) above starts the second phase of the extraordinary receivership. The second phase is managed by one or three extraordinary receivers (*commissari straordinari*) (the “**Commissioner/s**”) who are appointed and supervised by the Ministry of Economic Development. A surveillance committee is appointed by the Minister of the Economic Development.

The Commissioner/s is/are requested to draft and file the Sale Plan or the Restructuring Plan (jointly, the “**Plans**”) with the Ministry of Economic Development within the following 60 days. Such term could be extended for a further 60 day period. The Plans are subject to the approval of the Ministry of Economic Development and, afterwards, must be implemented by the Commissioner/s under the Ministry's supervision.

The main effects of the extraordinary receivership proceedings can be summarized as follows:

- (i) the outstanding claims *vis-à-vis* the company are frozen as of the date of the declaration of the insolvency status of the company and shall be paid in accordance with the statutory priorities provided by the law (as would occur in a bankruptcy proceedings);
- (ii) individual creditors (including secured creditors) enforcement actions are barred but creditors secured by pledge may be authorized by the Court to sell the pledged assets;
- (iii) the company is managed by the Commissioner/s and continues to carry on its ordinary business activities; and
- (iv) the agreements entered into by the insolvent company remain effective and may not be terminated by the counterparties on the basis of the default of the insolvent company. Conversely, the Commissioner/s is/are entitled, at its/their discretion, to terminate any agreement already executed by the insolvent company, unless the obligations arising from such agreement have already been fulfilled by one of the parties thereto.

If during the one-year period (in case of Sale Plan) or the two-year period (in case of Restructuring Plan) the Commissioner/s or the court deems that the Plans are no longer feasible, the court adjudicates the company in bankruptcy.

Unlike the other insolvency proceedings, the Legislative Decree No. 270 of July 8, 1999 provides that all insolvent business entities (also other than companies) controlled by, controlling, or under the common control of, the company first admitted to extraordinary receivership, are admitted to extraordinary receivership, even if not eligible, rather than declared bankrupt, provided that:

- (a) such other “group” entities may be reorganized on a “stand alone” basis; or
- (b) the objectives of the selected plan may be better pursued by a common management of the “group” insolvency.

The procedures remain separate, but the extraordinary receiver(s) is the same.

For the sake of completeness, please note that, further to the latest financial crisis involving major Italian groups, the Legislative Decree No. 347 of December 23, 2003 (converted, with modifications, into Law No. 39 of February 18, 2004) introduced a new extraordinary receivership proceedings (the so called “**Marzano Extraordinary Receivership Proceedings**”) which applies to very large insolvent companies having, individually or as a group established for at least one year:

- (i) no less than 500 employees in the last financial year; and
- (ii) debts, including those arising from the issuance of guarantees, in an aggregate amount of at least EUR 300 million.

The Marzano Extraordinary Receivership Proceedings: (i) allow quicker admission of the insolvent company to the extraordinary receivership proceedings and (ii) is more subject to the supervision of the Ministry than to the control of the court.

Bankruptcy (fallimento)

A request to declare a debtor company bankrupt and to commence bankruptcy proceedings for the judicial liquidation of the debtor company's assets (*fallimento*) can be filed by the debtor company itself, by any of its creditors and, in certain cases, by the public prosecutor. The bankruptcy is declared by the competent bankruptcy court. The Italian Bankruptcy Law is applicable only to commercial enterprises (*imprenditori commerciali*) if any of the following thresholds are met (*i.e.*, the company has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years, or gross revenues (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years or total indebtedness in excess of €0.5 million). On the commencement of bankruptcy proceedings:

- subject to certain exceptions, creditors are prevented from individually taking any legal actions against the debtor and no individual payments of credit are allowed. All credits are considered overdue and accrual of interests on the creditors' claims is suspended. Creditors must file their claims against the debtor by submitting a proof of claim before the competent bankruptcy court within the term assigned to them, and the designated judge (*giudice delegato*) may decide whether to admit the said claims into the bankruptcy liabilities. Under certain circumstances secured creditors may enforce against the secured property as soon as their claims are admitted into bankruptcy liabilities as preferred claims. Secured claims are paid out of the proceeds of the secured assets, together with interests and expenses. Any outstanding balance will be considered unsecured and rank *pari passu* with all of the bankrupt's other unsecured debt. The secured creditor may sell the secured asset only after it has obtained authorization from the designated judge (*giudice delegato*) that, after hearing the bankruptcy receiver (*curatore fallimentare*) and the creditors' committee (*comitato dei creditori*), decides whether to authorize the sale, and sets forth the relevant timing, terms and conditions;
- the administration of the debtor company and the management of its assets pass from the debtor company to the bankruptcy receiver (*curatore fallimentare*);
- any act of the debtor company done after the declaration of bankruptcy (including payments) is ineffective against the creditors;
- continuation of business may be authorized by the court if an interruption would cause greater damage to the company, but only if the continuation of the company's business does not cause damage to creditors; and
- the execution of certain contracts and/or transactions pending as of the date of the bankruptcy declaration are suspended until the receiver decides whether to take them over. Although the general rule is that the bankruptcy receiver is allowed to either continue or terminate contracts where some or all of the obligations have not been performed by each of the parties, certain contracts are subject to specific rules expressly provided for by the Italian Bankruptcy Law.

Bankruptcy proceedings are carried out and supervised by a court appointed bankruptcy receiver, a designated judge (*giudice delegato*) and a creditors' committee. The bankruptcy receiver is not a representative of any one of the creditors, but is responsible for the liquidation of the assets of the debtor for the satisfaction of the creditors as a whole. The proceeds from the liquidation are distributed in accordance with statutory priority. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real property. The Italian Bankruptcy Law provides for a priority of payment to certain preferential creditors, including employees, the Italian treasury, and judicial and social authorities. Such priority of payment is provided under mandatory provisions of Italian law (and, as a consequence, it is untested and it is unlikely that priority of payments such as those commonly provided in intercreditor contractual arrangements would be recognized by an Italian bankruptcy estate to the extent they are inconsistent with the priorities provided by applicable law).

Post-Bankruptcy Composition with Creditors ("concordato fallimentare")

A bankruptcy proceeding can terminate prior to the liquidation of all its assets and the distribution of the relevant proceeds among the creditor through a post-bankruptcy composition with creditors. The relevant proposal can be filed, by one or more creditors or third parties, from the declaration of bankruptcy. The debtor or its subsidiaries are only permitted to file such proposal after one year following such declaration, and no later than two years following the decree giving effectiveness to the bankruptcy liabilities (*stato passivo*). Secured creditors are not entitled to vote on the proposal of *concordato fallimentare*, unless and to the extent they waive their security or the *concordato fallimentare* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal.

The proposal may provide for the division of creditors into classes (thereby proposing different treatment among the classes), the restructuring of debts and the satisfaction of creditors' claims in any manner.

The *concordato fallimentare* proposal must be submitted to the bankruptcy receiver and to the creditors' committee and—should the proposal split the creditors in different classes—it must also be reviewed by the bankruptcy court. Then, the *concordato fallimentare* proposal must be approved by the majority of the creditors admitted to vote and if creditors are divided in different classes, by the majority of the creditors included in the majority of the classes. Final court ratification is also required.

Statutory Priorities

The statutory priority given to creditors under the Italian Bankruptcy Law may be different from priorities established in the United States, the United Kingdom and certain other EU jurisdictions. Neither the debtor nor the court can deviate from the rules of statutory priority by proposing their own priorities of claims or by subordinating one claim to another based on equitable subordination principles (as a consequence it must be noted that priority of payments such as those commonly provided in intercreditor contractual arrangements may not be enforceable against an Italian bankruptcy estate to the extent they are inconsistent with the priorities provided by law). The law creates a hierarchy of claims that must be adhered to when distributing the proceeds derived from the sale of the entire bankruptcy assets of part thereof, or from a single asset. Article 111 of the Italian Bankruptcy Law establishes that proceeds of liquidation shall be allocated according to the following order: (i) for payments of “pre deductible” claims (*crediti prededucibili*) (i.e., claims defined as “pre-deductible” claims by a specific provision of law or arose in or with a view to the insolvency proceedings, such as costs related to the procedure); (ii) for payment of claims which are privileged, such as claims of secured creditors; and (iii) for the payment of unsecured creditors' claims (*creditori chirografari*). Under Italian law, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors including, *inter alia*, a claim whose priority is legally acquired (i.e., repayment of rescue or interim financing, mentioned above), the claims of the Italian tax authorities and social security authorities, and claims for employee wages. The remaining priority claims are those of “privileged” creditors (*creditori privilegiati*) having a priority in payment in most circumstances, but not exclusively, provided for by law), mortgagees (*creditori ipotecari*) and pledgees (*creditori prignoratizi*).

Privileged claims are paid out of the proceeds of the secured assets, together with interest and expenses. Any outstanding balance will be considered unsecured and rank *pari passu* with all of the bankrupt's other unsecured debt.

Certain Limitations on Enforcement

Under Italian law, in the event that an entity becomes subject to insolvency proceedings, guarantees and security interests given by it during a certain legally specified period (the “suspect period”) could be subject to potential challenges by the appointed bankruptcy receiver under the rules of ineffectiveness or avoidance or clawback of Italian Bankruptcy Law. For a more detailed explanation of the terms, conditions and consequences of clawback actions in an insolvency scenario, see “—*Certain Italian Insolvency Laws*” above.

If challenged successfully, the guarantee or the security interest may become unenforceable and any amounts received must be refunded to the receiver. To the extent that the grant of any security interest or guarantee is voided, holders of the Notes could lose the benefit of the security interest or guarantee and may not be able to recover any amounts under the related security documents.

In addition, under Italian law, in certain circumstances also in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date in which the latter enters into a guarantee, security, agreement and any other act by which it disposes of any of its assets, in order to revoke or declare ineffective pursuant to Article 2901 of the Italian Civil Code (*azione revocatoria ordinaria*) the said guarantee, security, agreement and other act that is purported to be prejudicial to the acting creditor's right of credit.

An Italian court could revoke the said guarantee, security, agreement and other act only if it, in addition to the ascertainment of the prejudice, was to make the two following findings:

- that the debtor was aware of the prejudice which the act would cause to the rights of the acting creditor, or, if such act was done prior to the existence of the claim or credit, that the act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim or credit; and
- that, in the case of non gratuitous act, the third party involved was aware of said prejudice and, if the act was done prior to the existence of the claim or credit, that the said third party participated in the fraudulent design.

Furthermore, under fraudulent conveyance and other provisions of Italian law, a court could void or invalidate all or a portion of the obligations of a guarantor under the relevant guarantee and, if payment had already been made under that

guarantee, require the recipients of that payment to return the payment to the relevant guarantor, if the court found that, *inter alia*:

- (i) the relevant guarantor gave such guarantee with actual intent to hinder, delay or defraud its current or future creditors or with a desire to prefer some creditors over others, or when the beneficiary of the guarantee was aware that the relevant guarantor was insolvent when it gave the relevant guarantee;
- (ii) the relevant guarantor did not receive fair consideration or reasonably equivalent value for its guarantee or the relevant guarantor was insolvent at the time the guarantee was given;
- (iii) the relevant guarantee was held to exceed the corporate objects of the relevant guarantor or not to be in the best interest or for the corporate benefit of the relevant guarantor; or
- (iv) the guarantor giving such guarantee was aware, or should have been aware, that the transaction was to the detriment of the creditors.

If a court decided either that a guarantee was a fraudulent conveyance and voided such guarantee, or held it unenforceable for any other reason, the beneficiary of the guarantee may cease to have any claim with respect to the relevant guarantor. The same would also apply to any security interest.

In any case, it should be noted that: (i) under article 64 of the Italian Bankruptcy Law, all transactions for no consideration, depending on certain circumstances, are ineffective *vis-à-vis* creditors if entered into by the bankrupt entity in the two-year period prior to the insolvency declaration; and (ii) under article 65 of the Italian Bankruptcy Law, payments of receivables falling due on the day of the insolvency declaration or thereafter are ineffective *vis-à-vis* creditors (and could therefore be clawed back), if performed by the bankrupt entity in the two-year period prior to the declaration of insolvency.

Payments or grants of securities and/or other transactions are exempted from claw back or avoidance provisions when made in accordance with (a) out-of-court restructuring plans pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law, (b) agreements to restructure indebtedness ("*accordi di ristrutturazione dei debiti*") under Article 182-*bis* of the Italian Bankruptcy Law or (c) court supervised pre-bankruptcy composition with creditors ("*concordato preventivo*"), including *concordato con continuità aziendale* and *concordato con riserva*.

In addition, it should be noted that the Council Regulation (EC) No. 1346/2000 of May 29, 2000 contains conflicts of law rules which replace the various national rules of private international law in relation to insolvency proceedings within the E.U.

Corporate Benefit and Financial Assistance Issues under Italian Law

Under Italian law, the entry into of a transaction (including the creation of a security interest or the granting of a guarantee) by a company must be permitted by the applicable laws and by its by laws (*statuto sociale*) and is subject to compliance with the rules on corporate benefit and corporate authorization. If a security interest or a guarantee is being provided in the context of an acquisition, financial assistance issues may also be triggered.

Corporate Benefit

An Italian company entering into a transaction (including granting a security interest or a guarantee) must receive a real and adequate benefit in exchange for it. The concept of a real and adequate benefit is not specifically defined in the applicable legislation and is determined by a factual analysis on a case by case basis. As a general rule, corporate benefit is to be assessed at the level of the relevant company on a stand alone basis, although upon certain circumstances and subject to specific rules the interest of the group to which such company belongs may also be taken into consideration.

As a general rule, absence of a real and adequate corporate benefit could render the transaction (including granting a security interest or a guarantee) *ultra vires* and potentially affected by conflict of interest and the related corporate resolutions adopted by the shareholders and directors may be the subject matter of challenges and annulment. Civil liabilities also may be imposed on the directors of the company if it is assessed that they did not act in the interest of it and that the acts they carried out do not fall within the corporate purpose of the company or were against mandatory provisions of Italian law. The lack of corporate benefit could also lead to civil liabilities on those companies or persons ultimately exercising control over the Italian grantor or having knowingly received an advantage or profit from such improper control. Moreover, the transaction (including the security interest or guarantee granted by an Italian company) could be declared null and void if the lack of corporate benefit was known or presumed to be known by the third party and such third party acted intentionally against the interest of the company.

The above principles on corporate benefit apply equally to upstream/crossstream/downstream security interest or guarantees granted by Italian companies.

In relation to security interests or guarantees, while corporate benefit for a downstream security or guarantee (*i.e.*, a security or a guarantee granted to secure financial obligations of direct or indirect subsidiaries of the relevant grantor) can usually be easily proved, it is more complex to prove the existence of a real and adequate benefit for an upstream or cross stream security or guarantee (*i.e.*, a security interest or a guarantee granted to secure financial obligations of the direct or indirect parent or sister companies of the relevant grantor) to be granted by an entity organized under the laws of Italy. The general rule is that the risk assumed by an Italian grantor of security or guarantee must not be disproportionate to the direct or indirect economic benefit to it. In particular, in case of upstream and cross stream security interests or guarantees for the financial obligations of group companies, examples may include financial consideration in the form of access to cash flows through intercompany loans from other members of that group.

Financial Assistance

Save for specific exceptions, it is unlawful under Italian laws for a company to give financial assistance (whether by means of loans, security, guarantees or otherwise) to support the acquisition or subscription by a third party of its own shares or quotas or those of any entity that (directly or indirectly) controls the Italian company, and any loan, guarantee or security given or granted in breach of these provisions is null and void. Financial assistance to refinance indebtedness incurred by a company to purchase or subscribe for its own shares or quotes or those of its direct or indirect parent company might also be considered as falling within the scope of Italian financial assistance provisions.

More specifically, Italian rules on financial assistance, provided under articles 2358 and 2474 of the Italian Civil Code, prohibit the grant by the Guarantors organized in Italy (the “Italian Guarantors”) of guarantees in respect of indebtedness incurred for the acquisition (or the refinancing of the acquisition) of such Guarantors’ own shares or quotas, or those of any entity that (directly or indirectly) controls such Guarantors. In light of these rules, the liability of each Italian Guarantor under its guarantee of the Notes is expressly limited to an amount corresponding to the principal amount of the financial indebtedness of the relevant Italian Guarantor to be repaid through the proceeds of the Notes. This “virtual tranching” structure (*i.e.*, whereby the relevant portion of the proceeds of the Notes which do not constitute “acquisition debt” and, therefore, do not fall within the prohibition under Italian financial assistance rules, are identified, but not actually separated into a separate tranche of financial indebtedness) is untested in Italian courts. Therefore, it may be deemed insufficient for clearly distinguishing and separating the non-“acquisition debt” portion of the proceeds of the Notes distributed to Italian Guarantors, and it may result in the Guarantees violating the provisions of articles 2358 and 2474 of the Italian Civil Code. If an Italian court determined that such a violation had occurred, it would result in the guarantees by the Italian Guarantors being null and void, which would mean that holders of the Notes would have no recourse to the assets of the Italian Guarantors and no claim against the Italian Guarantors in an insolvency or other scenario.

Subject to the foregoing, the Guarantees by the Italian Guarantors (Wittur Italia Holding s.r.l. and Wittur S.p.A.) are expected to be limited to €5.0 million and €1.0 million, respectively (based on a Completion Date of March 31, 2015). The limitation of the Italian Guarantees will be calculated as a percentage of the intercompany proceeds loans used to refinance existing indebtedness of our Italian subsidiaries and could be higher or lower, depending on the amount of outstanding local debt on the actual Completion Date. However, we cannot provide any assurances that holders of the Notes will be able to recover even these amounts under such Guarantees, as payment under each Guarantee is contractually subordinated to all the senior indebtedness of such Guarantor, including such Guarantor’s obligations under the Senior Facilities and certain hedging obligations.

Spain

One of the Guarantors, Wittur Elevator Components, S.A.U. (the “**Spanish Guarantor**”), is incorporated under the laws of Spain. In the event of insolvency, insolvency proceedings may be initiated in Spain. The insolvency laws of Spain may not be as favorable to your interests as creditors as the laws of the United States, the United Kingdom or other jurisdictions with which you may be familiar.

The following is a brief description of certain aspects of insolvency law in Spain. In the event that we, or any of our subsidiaries, experienced financial difficulty, it is not possible to know with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Pursuant to the EU Insolvency Regulation, the court that has jurisdiction to open insolvency proceedings in relation to a company is the court of the member state (other than Denmark) where the company concerned has its “centre of main

interest” as the term is used in article 3(1) of the EU Insolvency Regulation. Where a company conducts business in more than one member state of the European Union, the jurisdiction of the relevant courts may be limited if the company’s “centre of main interests” is found to be in a member state other than its place of incorporation. There are a number of factors that are taken into account to ascertain the centre of main interests, which 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 point at which this issue will be determined is at the time when the relevant insolvency proceedings are opened. The determination of where the Issuer or any of the Guarantors has its “centre of main interests” would be a question of fact on which the courts of the different European Union member states may have differing and even conflicting views. It should also be noted that a limited number of final decisions have been taken in cases that have been brought before the European Court of Justice in relation to questions of interpretation or the effects of the EU Insolvency Regulation throughout the European Union. Furthermore, “centre of main interests” is not a static concept and may change from time to time.

The *Law 22/2003, of July 9, on Insolvency (Ley 22/2003, de 9 de julio, Concursal,)*, as amended from time to time (the “**Spanish Insolvency Law**”) regulates court insolvency proceedings in Spain. Insolvency proceedings in Spain, which are known as “*concurso de acreedores*”, are applicable to all persons and entities, except public entities.

The debtor may file for insolvency (or file with the insolvency court a communication under 5 Bis of Spanish Insolvency Law informing that it has commenced negotiations with its creditors to agree a refinancing agreement or an advanced proposal of settlement agreement (*convenio*), to obtain an additional period of three months to negotiate with its creditors (there is one month to file for insolvency after the three-month negotiation period has elapsed)) as a protective measure in order to avoid the attachment of its assets or suspension of certain enforcement actions that could be taken by its creditors.

These proceedings may lead either to a composition agreement (*convenio de acreedores*) with creditors (which may include the restructuring of the business of the debtor) or to the liquidation of the assets of the debtor.

Insolvency is considered voluntary (*concurso voluntario*) if filed by the debtor. A debtor (and, in the case of a company, its directors (*órgano de administración*)) is required to apply for insolvency proceedings when it is not regularly able to meet its current payment obligations on a general basis (*insolvencia actual*). The debtor is also entitled to apply for such insolvency proceedings when it expects that it will shortly be unable to meet its current payment obligations on a general basis (*insolvencia inminente*). The debtor is obliged to file a petition for insolvency within two months after it becomes aware, or should have become aware, of its state of insolvency. It is presumed that the debtor becomes aware of its insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for mandatory insolvency occur.

Insolvency is considered mandatory (*concurso necesario*) if filed by other than the debtor, such as creditors and other interested third parties. Under Spanish Insolvency Law, creditors may also apply for a debtor’s insolvency if they can prove to the court, *inter alia*: (i) a generalized default on payments of its current obligations when due by the debtor; (ii) a seizure of assets affecting or comprising the generality of the debtor’s assets; (iii) a misplacement, “fire sale” or ruinous liquidation of the debtor’s assets; or (iv) a generalized default on certain tax, social security and employment obligations during the applicable statutory period (three months prior to the filing of the relevant insolvency request).

Upon a filing for insolvency proceedings, the court issues an insolvency order containing an express request for the creditors of the insolvent debtor to declare all debts owed to them by the debtor, providing original documentation to justify such debts, within a period of one month after the announcement of the insolvency declaration in the Spanish Official Gazette (*Boletín Oficial del Estado*). Based on the documentation provided by the creditors and documentation held by the debtor, insolvency administrator draws up a list of acknowledged creditors (together with a list of assets of the insolvent company) and classifies them according to the categories established under the law:

- debts benefiting from special privileges, representing security interests on certain assets (in essence, *in rem* sureties). The amount of debt benefiting from special privileges is limited to the collateral assets as valued according to certain criteria described in the Spanish Insolvency Law. The rest (deficiency claim) will have the ranking that would have corresponded to it if had not been secured by an *in rem* security. The value of the *in rem* security will be that resulting from deducting from nine-tenths of the fair value (as defined in the Spanish Insolvency Law) of the asset or right over which the security is granted, any outstanding debts enjoying a preferential security over the same asset. The value cannot be less than zero or greater than the value of the privileged claim or the value of the maximum mortgage or pledge liability which might have been agreed. Privileged creditors can be subject to the composition agreement in the event that a special majority is achieved. Further, unless subject to Royal Decree-law 5/2005, the enforcement of the security interests securing these

credits is subject to certain restrictions derived from a waiting period that may last up to one year unless the relevant charged asset is not necessary for the debtor's professional or business activity. In the event of liquidation, they are the first to collect payment against the assets on which their debt is secured;

- debts benefiting from general privileges, including, among others, labour, tort and public debts. General privileges for public debt (other than debt relating to tax withholdings and certain social security obligations, which are recognized in full) are recognized for one-half of the amount of the debt. General privileges are also recognized for half of the amount of debt held by the first creditor to apply for the insolvency proceedings of the debtor (should that application be successful). Despite the transitory regime of the Spanish Insolvency Act which currently applies (discussed below), as a general principle new monies granted under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.bis or the 4th Additional Provision of the Spanish Insolvency Law in the amount not admitted as a debt against the insolvency estate ("*crédito contra la masa*") will also be recognized as credits with general privilege. Creditors whose debt benefits from general privileges can be affected by the composition agreement in the event that a special majority is achieved. In the event of liquidation, they collect payment after the full payment of the claims against the insolvency estate (*créditos contra la masa*) out of the assets of the debtor which are not subject to security;
- ordinary debts (non-subordinated and non-privileged creditors). Creditors of ordinary debt will be paid after claims benefiting from general privileges have been completely paid up and on a *pro rata* basis vis-à-vis each other and together with the amount (deficiency claim) not covered by the proceeds obtained in the foreclosure of the assets securing the special privileged credits. If the debtor achieves a composition agreement, the ordinary credits will be affected; and
- subordinated debts (classified as such by virtue of the underlying credit agreement or pursuant to law). Subordinated debts include, among others, debts held by parties in special relationships with the debtor (insiders), such as, in the case of a legal entity, debts held by the directors (either appointed directors or *de facto* directors (*administradores de hecho o de derecho*)), general attorneys (*apoderados generales*) of the debtor, group companies, their common shareholders, and any direct or indirect shareholders holding more than 5% (for companies which have issued securities listed on an official secondary market) or 10% (for companies which have not issued securities listed in an official secondary market) of the debtor's share capital. However, creditors who have directly or indirectly capitalized their credit rights pursuant to a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.bis or the 4th Additional Provision of the Spanish Insolvency Law shall not be considered as being in a special relationship with the debtor, in respect of credits against the debtor resulting from such refinancing arrangement. In the absence of evidence to the contrary, the assignees of debt formerly owned by any of the abovementioned persons which acquired such debt within the two year period the insolvency declaration are presumed to be persons specially related to the insolvent debtor and, therefore, their claim shall be subordinated. Subordinated creditors are not entitled to vote on the composition agreement (*convenio*) and, although they are bound by it, in practice usually have very limited chances of collection, as a result of the ranking established by law.

For the sake of completeness, we should also refer to claims against the insolvency estate (*créditos contra la masa*). Claims against the insolvency estate (*créditos contra la masa*) are not considered part of the debtor's general debt insolvency claims (*créditos concursales*) and are payable when due according to their own terms (and, therefore, apart from privileged claims are paid before other debts under insolvency proceedings). Claims against the insolvency estate include, among others, (i) certain amounts of the employee payroll, (ii) costs and expenses of the insolvency proceedings, (iii) certain amounts arising from services provided by to the insolvent debtor under reciprocal contracts and outstanding obligations that remain in force after insolvency proceedings are declared and deriving from obligations to return and indemnify in cases of voluntary termination or breach by the insolvent debtor, (iv) those amounts that derive from the exercise of a claw-back action within the insolvency proceedings of acts performed by the insolvent debtor and correspond to a refund of consideration received by it (except in cases of bad faith), (v) certain amounts arising from obligations created by law or from the non-contractual liability of the insolvent debtor after the declaration of insolvency and until its conclusion, (vi) certain debts incurred by the debtor following the declaration of insolvency; (vii) in case of liquidation, the credit rights granted to the debtor under a composition agreement in accordance with article 100.5 of the Spanish Insolvency Law, and (viii) 100% of the new funds lent under a refinancing arrangement entered into in compliance with the requirements set forth in article 71.bis or the 4th Additional Provision of the Spanish Insolvency Law, provided that it has been entered into after March 9, 2014; and (ix) 100% of the new funds lent by persons being in a special relationship with the debtor in the context of a refinancing arrangement entered into in compliance with the requirements set forth in article 71.bis or the 4th Additional Provision of the Spanish Insolvency Law, provided that such arrangement has been entered into after March 9, 2014 and provided further that such new funds do not result from a share capital increase. As from March 10, 2016 only 50% of the

new funds referred to in subsection (viii) will be considered as claims against the insolvency estate, and funds referred to in subsection (ix) will no longer be considered as claims against the insolvency estate.

As a general rule, the debtor in a voluntary insolvency retains its management power, but is subject to the intervention of the insolvency administrator (*administrador concursal*) (receiver), who is appointed by the court. In the case of mandatory insolvency, as a general rule, the debtor's management will be replaced by the insolvency trustee. However, the court has the power to modify this general regime subject to the specific circumstances of the case.

A declaration of insolvency does not affect agreements with reciprocal obligations pending performance by either the insolvent party or the counterparty (executory contracts), which remain in full force and effect, and the obligations of the insolvent debtor will be fulfilled against the insolvent estate. The court can nonetheless terminate any such contracts at the request of the insolvency trustee, the company itself or the non-debtor when such termination is in the interest of the insolvency estate or if there has been a breach of such contract. The termination of such contracts may result in the insolvent debtor having to return or indemnify its counterpart, being this claim classified as a claim against the insolvency estate.

Although the creditors may be able to accelerate the maturity of claims based only on the declaration of insolvency (*declaración de concurso*) if so agreed, they cannot terminate executory contracts (except if expressly permitted by specific laws, *i.e.* agency law). Any provision to the contrary will be null and void.

Additionally, the declaration of insolvency determines that interest accrual is suspended, except credit rights secured with an *in rem* right, in which case interest accrues up to the value of the security, and except for any wage credits in favor of employees, which will accrue the legal interest set forth in the corresponding Law of the State Budget (*Ley de Presupuestos del Estado*).

Pursuant to article 55 *et seq.* of the Spanish Insolvency Law, enforcement actions in process shall be suspended from the date of the declaration of the insolvency proceedings; notwithstanding the dealing of the respective claims within the insolvency proceedings.

Additionally, once the insolvency proceedings are declared, singular, judicial or extrajudicial enforcements may not be initiated against the debtor, nor may administrative or tax demands for payment to be collected coercively against the assets of the debtor be continued (although certain exceptions apply).

Notwithstanding the foregoing and pursuant to articles 55 *et seq.* of the Spanish Insolvency Law referred to above, in order to protect the interests of the debtor and creditors, the law extends the jurisdiction of the court dealing with insolvency proceedings, which is, then, legally authorized to handle any enforcement proceedings or interim measures (*medidas cautelares*) affecting the debtor's assets (whether based upon civil, labor or administrative law).

Pursuant to article 56 of the Spanish Insolvency Law, creditors with a security *in rem* against the insolvent debtor's assets which are necessary for his professional or business activity, may not enforce the security until a composition agreement is reached whose content does not affect exercise of that right, or until one year elapses from declaring the insolvency proceedings open without the winding-up having commenced. This does not apply if the security interest is subject to Royal Decree-law 5/2005.

Furthermore, the enforcement proceedings of security *in rem* already commenced shall be suspended from the date of the declaration of the insolvency proceedings in the same terms set forth in article 55 of the Spanish Insolvency Law.

Under the Spanish Insolvency Law, there is no automatic "claw-back date", meaning there are no prior transactions that automatically become void as a result of the initiation of insolvency proceedings. Rather, insolvency administrators (or creditors if the insolvency administrator rejects to do so) may only challenge transactions that could be deemed as having "damaged" the insolvency estate, provided that such transactions have taken place within two years prior to the declaration of insolvency (transactions taking place earlier than two years before the insolvency proceedings has been declared may be rescinded subject to ordinary Spanish Civil Code based actions).

Those transactions that are classified as "ordinary" transactions in the course of the business of the debtor are not subject to challenge. The Spanish Insolvency Law does not define the meaning of "patrimonial damage." "Damage" does not refer to the intention of the parties but to the consequences of a given transaction on the debtor's interest which results on the damage to the insolvent debtor's estate (absence of reasonable equivalent value) or the prejudice to the equality of the treatment among creditors which drives insolvency proceedings (*par condition creditorum*). In any case, the Spanish Insolvency Law refers to certain transactions that are deemed by operation of law as damaging to the company's estate:

damage exists (as a non-rebuttable presumption), among others, in case of donations and early payment of non-secured obligations maturing after the insolvency declaration; and damage is deemed to exist (as a rebuttable presumption), among others, where a transaction is entered into with a party having a special relationship with the debtor, early payment of secured obligations maturing after insolvency declaration, and when rights *in rem* have been created in order to protect already existing (non-secured) obligations. In cases in which damage is not presumed, proof of damage is required.

If the claw-back action is successful, reciprocal restitution of the consideration will be ordered, along with any benefit and interest accrued (as long as the avoided agreement is an executory contract). When it is no longer possible to return the item received, the cash equivalent of its value must be delivered. The obligation arising from the action for restoration is considered a credit against the insolvency estate (provided that the agreement is an executory contract), unless the third party is held to have acted in bad faith, in which case the credit due to the restoration will be considered as subordinate.

Specific types of refinancing agreements are protected from claw-back actions, including the guarantees and security interest granted in execution of such agreements. Article 71 bis and 4th Additional Provision of the Spanish Insolvency Law provides the requirements for such refinancing agreement to be protected from claw-back.

Fraudulent Conveyance Laws

Under Spanish law, in addition to the insolvency claw-back action, the insolvency administrator and any creditor may bring an action to rescind a contract or agreement (*acción rescisoria pauliana*) against the debtor and the third party which is a party to such contract or agreement, provided that the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way. Although case law is not entirely consistent, it is broadly accepted that the following requirements must be met in order for a creditor to bring such action:

- the debtor owes the creditor an amount under a valid contract and the fraudulent action took place after such debt was created;
- the debtor has carried out an act that is detrimental to the creditor and beneficial to the third party;
- such act was fraudulent;
- there is no other legal remedy available to the creditor to obtain compensation for the damages suffered; and
- debtor's insolvency, construed as the situation where there has been a relevant decrease in the debtor's estate making it impossible or more difficult to collect the claim.

The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish law for the action to rescind to succeed. Pursuant to Article 1,297 of the Spanish Civil Code: (i) agreements by virtue of which the debtor transfers assets for no consideration, and (ii) transfers for consideration carried out by parties who have been held liable by a court (*sentencia condenatoria*) or whose assets have been subject to a writ of attachment (*mandamiento de embargo*) will be considered fraudulent. The presumption referred to in (i) above is a *iuris et de iure* presumption (i.e. it cannot be rebutted by evidence), unlike the presumption indicated in (ii) above, which is a *iuris tantum* presumption (i.e. it is a rebuttable presumption).

If the rescission action were to be upheld, the third party would be liable to return to the debtor the consideration received under the contract in order to satisfy the debt owed to the creditor. Following that, the creditor would need to carry out the actions necessary to obtain the amount owed by the debtor. If the consideration received by the third party under the contract cannot be returned to the debtor, the third party must indemnify the creditor for such damages.

Enforcement of Civil Liabilities—Spain

A final and conclusive judgment obtained against the Issuer or any of the Guarantors outside of Spain (and, in particular, duly rendered by certain U.S. Courts or any other appellate court in the United States), but other than in a country bound by the provisions of EU Regulation number 1215/2012 of the Council on jurisdiction and enforcement of judgments in civil and commercial matters, would be recognized and enforced by the courts of Spain (unless such judgment contravenes principles of Spanish public policy and/or there is a material contradiction or incompatibility with a judgment rendered or judicial proceedings outstanding in Spain) pursuant to the following regimes:

- According to the provisions of any applicable treaty (there being none currently in existence between Spain and the United States for these purposes).

- In the absence of any such treaty, if it could be proven that the jurisdiction in which the foreign judgment was rendered recognizes Spanish judgments on a reciprocal basis (positive reciprocity) and provided that certain minimum conditions are met (among others, that the matter is not exclusively subject to Spanish jurisdiction, does not infringe public policy and does not contradict a previous Spanish judgment). If it could be proven (usually by the defendant) that the foreign jurisdiction in which the judgment was obtained does not recognize judgments issued by Spanish courts, then the Spanish courts would not recognize such foreign judgment in Spain (negative reciprocity).
- In the absence of any such treaty and where reciprocity has not been evidenced (and, according to certain court precedents, even if positive reciprocity has been evidenced), the judgment would be enforced in Spain through the enforcement proceeding (*exequatur*) if it satisfies all of the following requirements in compliance with article 954 of the Royal Decree, of February 3, 1881, regarding the Civil Procedure (*Real Decreto de 3 de febrero de 1881, de promulgación de la Ley de Enjuiciamiento Civil*) (the “**Spanish Civil Procedure Law**”) as interpreted by case law:
 - the judgment is rendered as a result of an action *in personam* as opposed to an action *in rem*;
 - the judgment is not contrary to Spanish public policy;
 - the documentation prepared for the purposes of requesting the enforcement (*carta ejecutoria*) meets all the legal requirements under the law of the United States in order to be considered an authentic judgment and it also meets all requirements under the laws of Spain to be admitted (a copy of the judgment is provided that is literal, authentic, sworn-translated into Spanish and apostilled);
 - there is no pending proceeding between the same parties and in relation to the same issues in Spain;
 - there is no judgment rendered between the same parties and for the same cause of action in Spain or in another country, provided that in this latter case the judgment has been recognized in Spain;
 - where rendering the judgment, the courts rendering it did not infringe an exclusive ground of jurisdiction provided for in Spanish law or based their jurisdiction on exorbitant grounds and the choice of court is not fraudulent;
 - the rights of defense of the defendant were protected where rendering the judgment, including, but not limited to, a proper service of process carried out with sufficient time for the defendant to prepare its defense;
 - the legal action has to be taken with acknowledgment and appearance of the defendant in the proceeding unless the defendant is considered as a strategic or willful default defendant (*demandado en rebeldía estratégica o voluntaria*) in accordance with the relevant case law of the Spanish Supreme Court (*Tribunal Supremo*) (e.g., decisions dated March 14 and May 17, 2007); and
 - the obligation that the petitioner tries to execute has to be lawful in Spain.

The United States and Spain are not party to any treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, any party wishing to have a U.S. ruling recognized or enforced in Spain, which would not directly be recognized or enforced in Spain, must file an application seeking declaration of enforceability of the U.S. resolution (*exequatur*) with the relevant Spanish Judge of First Instance (*Juzgado de Primera Instancia*) or Commercial Court (*Juzgado de lo Mercantil*) for which purpose the abovementioned requirements must be met.

The Spanish courts may express any such order in a currency other than euro in respect of the amount due and payable by the Issuer or a Guarantor, but in case of enforcement in Spain, the court costs and interest will be paid in euros.

Any judgment obtained against the Issuer or any of the Guarantors in any country bound by the provisions of EU Regulation number 1215/2012 of the Council on jurisdiction and enforcement of judgments in civil and commercial matters would be recognized and enforced in accordance with the terms set forth thereby.

The enforcement of any judgments in Spain entails, among others, the following actions and costs: (a) documents in a language other than Spanish must be accompanied by a sworn translation into Spanish (translator’s fees will be payable); (b) certain professional fees are required for the verification of the legal authority of a party litigating in Spain, if needed; (c) certain court fees must be paid, and (d) the procedural acts of a party litigating in Spain must be directed by an attorney-

at-law and the party must be represented by a court agent (*procurador*). In addition, Spanish civil proceedings rules cannot be amended by agreement of the parties and will therefore prevail notwithstanding any provision to the contrary in the Notes.

Sweden

Insolvency Proceedings under Swedish Law

Under Swedish law, a debtor company may be subject to one of two types of insolvency proceedings, bankruptcy pursuant to the Swedish Bankruptcy Act (1987:672), as amended (the “**Swedish Bankruptcy Act**”), and reorganization pursuant to the Swedish Company Reorganization Act (1996:764), as amended (the “**Swedish Reorganization Act**”).

In addition, any other party resident in the EU may be subject to Swedish law insolvency proceedings if it has, pursuant to the EU Insolvency Regulation, its centre of main interest in Sweden. With regard to the parties incorporated under the laws of Sweden any insolvency proceedings applicable to such party including any and all of its assets (in Sweden and abroad) will, as a starting point and by virtue of Article 4 of the EU Insolvency Regulation, be governed by Swedish insolvency law (*lex fori concursus*).

The insolvency laws of Sweden may not be as favorable to creditors as the insolvency laws of other jurisdictions, including, *inter alia*, the priority of creditors, the ability to obtain post-petition interest as well as security interests and the duration of the insolvency proceedings. Hence, Swedish law may limit the ability of creditors to recover payments due on the Notes to an extent exceeding the limitations arising under the laws of other jurisdictions. The following sections include a brief and limited description of certain aspects of the insolvency laws of Sweden.

Bankruptcy pursuant to the Swedish Bankruptcy Act

General

Pursuant to the Swedish Bankruptcy Act, if a company is unable to rightfully pay its debts as they fall due and such inability is not merely temporary, it is deemed insolvent and can be declared bankrupt following a bankruptcy petition filed with the court by the debtor or by a creditor of the debtor.

When declared bankrupt, a receiver in bankruptcy (*konkursförvaltare*) is appointed by the court and will work in the interest of all creditors with the objective of realizing the debtor’s assets and distributing the proceeds among the creditors. The purpose of bankruptcy proceedings is to wind up the company in such a way that the company’s creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is deemed preferable for all the creditors. In general, the receiver in bankruptcy is required to sell the assets of the debtor as soon as possible and to distribute the proceeds in accordance with statutory rules. In the interim, the receiver will take over the management and control of the company and the company’s directors and/or managing director will no longer be entitled to represent the company or dispose of the company’s assets. All creditors (unless they have a right to separate an asset from the bankruptcy estate) wishing to assert claims against the company that is declared bankrupt need to participate in the bankruptcy proceedings.

Effect of Bankruptcy on the Bankruptcy Debtor’s Contracts

The declaration of bankruptcy does not automatically terminate existing contracts; instead, the receiver may, in relation to certain contracts, in its discretion choose to have the bankruptcy estate itself become party to any such existing contracts. A clause in such a contract which provides that the contract is terminated by reason of a bankruptcy petition or similar proceeding is likely to be deemed unenforceable. If the estate enters into such a contract and performance by the counterparty is due, the counterparty may generally demand that the estate perform its obligations as well or, if a grace period has been granted, request that the estate, without unreasonable delay, provides acceptable security for its performance. If performance by the counterparty is not due, the counterparty may request security where this is necessary in order to protect the counterparty against loss. If the estate does not enter into the contract within a reasonable time after the counterparty’s demand or if it does not comply with the counterparty’s request to provide security, the counterparty may terminate the contract.

Order of Priorities

When distributing the proceeds, the receiver must follow the mandatory provisions of the Swedish Rights of Priority Act (1970:979), as amended (the “**Swedish Rights of Priority Act**”), which states the order in which creditors have a right to

be paid. As a general principle, in bankruptcy proceedings competing claims have equal right to payment, in relation to the size of the amount claimed, from the debtor's assets. However, preferential or secured creditors, where such preference follows by law, have the benefit of payment before other creditors. There are two types of preferential rights: specific and general preferential rights. Specific preferential rights are vested in certain specific property (see below) and give the creditor right to payment out of such property. Such preferential and secured creditors may also under certain circumstances enforce the security in accordance with the Swedish Enforcement Act (1981:774), or if the security is provided by way of a pledge on movable assets (*handpanträtt*), enforcement through private enforcement procedures as permitted pursuant to the Swedish Bankruptcy Act. General preferential rights cover all property belonging to the insolvent company's estate in bankruptcy, which is not covered by specific preferential rights. Claims that do not carry any of the abovementioned preferential rights or exceed the value of the security provided for such claim (to the extent of such excess), are non-preferential and are of equal standing as against each other.

Limitations on Enforceability due to the Swedish Reorganization Act

General

The Swedish Reorganization Act provides companies facing economic difficulty with an opportunity to resolve these difficulties without being declared bankrupt. A petition for company reorganization may be presented by the debtor or a creditor of the debtor. If a creditor petitions for company reorganization, the debtor's consent to the reorganization is required. Prerequisites for an approval of a petition for company reorganization is that it can be assumed that the debtor is unable to pay its due debts or such inability will occur shortly and there is a possibility that the reorganization will be successful in resolving the company's financial difficulties. Corporate reorganization proceedings may as a main rule continue for an initial period of three months from commencement but may, under certain conditions, be extended for up to one year.

Administrator

An administrator (*rekonstruktör*) is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors as well as the debtor. However, the debtor remains in full possession of the business except that, for important decisions such as paying a debt that has arisen prior to the order of reorganization, granting security for a debt that arose prior to the order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the business, the consent of the administrator is required. However, the absence of such consent does not affect the validity of the transaction.

Reorganization Plan, Creditors Meeting and Creditor's Committee

Upon an order by the court under the Swedish Reorganization Act, the administrator must notify the creditors of the reorganization proceedings and will draw up a reorganization plan specifying the proposed action to be taken to resolve the debtor's problems. A creditors' meeting will be held at which the creditors will be given the opportunity to express their opinions as to whether the reorganization should continue. Upon the request of any of the creditors, the court shall appoint a creditors' committee of at most three persons. The administrator shall, if possible, consult with the creditors' committee prior to taking any important decisions.

Moratorium

The corporate reorganization proceedings do not have the effect of terminating existing contracts with the debtor. Furthermore, the opening of corporate reorganization proceedings entails limitations on the contracting party's right to terminate a contract, e.g. due to the debtor's delay in payment. Such limitations are similar to what is stated above in respect of a bankruptcy estate's right to enter into existing contracts. However, the limitations are not applicable where a creditor has security over, *inter alia*, financial instruments or receivables originating from a loan granted by a credit institution. During the reorganization procedure, the debtor's business activities continue as normal. However, the procedure includes a suspension of payments to creditors and the debtor cannot pay a debt that arose prior to the order of reorganization without the consent of the administrator and such consent may only be granted should there be exceptional reasons for doing so and any petition for bankruptcy in respect of the debtor will be stayed. A moratorium also applies to execution in respect of a claim or enforcement of security during corporate reorganization proceedings unless the security assets are in the physical possession of the secured creditor or any agent acting on behalf of such creditor, which is the case with a Swedish law share pledge over the shares in a Swedish limited liability company where the share certificates of such company have been physically delivered to the agent.

The debtor may apply to the court requesting public composition proceedings (*offentligt ackord*), which means that the amount of a creditor's claim may be reduced. The proposal for a public composition must meet certain requirements such as that a sufficient proportion of the creditors which are allowed to vote, in respect of a sufficient proportion of the outstanding claims, vote in favor of such public composition. Creditors with set-off rights and secured creditors will not participate in the composition unless they wholly or partly waive their set-off rights or priority rights. Should the security not cover a secured creditor's full claim, the remaining claim will, however, be part of a composition. A creditors' meeting is convened to vote on the proposed composition. The public composition is a binding proceeding on all creditors that were entitled to participate, i.e. also creditors who have not attended the creditors meeting will be bound.

Liquidation due to Capital Deficiency

Pursuant to the Swedish Companies Act (2005:551), as amended (the "**Swedish Companies Act**"), whenever a company's board of directors has a reason to assume that, as a result of losses or reductions in the value of the company's assets or any other event, the company's equity is less than half the registered share capital, the company's board of directors shall prepare a special balance sheet (*Sw. kontrollbalansräkning*) and have the auditors examine it. The same obligation arises if the company in connection with enforcement pursuant to Chapter 4 of the Swedish Enforcement Code (1981:774) is found to lack sizable assets. If the special balance sheet shows that the equity of such company is less than half of the registered share capital, the board of directors shall, as soon as possible, issue notice to call a shareholders' meeting which shall consider whether the company shall go into liquidation (initial shareholders' meeting). The special balance sheet and an auditor's report with respect thereto shall be presented at the initial shareholders' meeting.

If the special balance sheet presented at the initial shareholders' meeting fails to show that, on the date of such meeting, the equity of the company amounts to the registered share capital and the initial shareholders' meeting has not resolved that the company shall go into liquidation, the shareholders' meeting shall, within eight months of the initial shareholders' meeting, reconsider the issue whether the company shall go into liquidation (second shareholders' meeting). Prior to the second shareholders' meeting, the board of directors shall prepare a new special balance sheet and cause such to be reviewed by the company's auditors. The new special balance sheet and an auditor's report thereon shall be presented at the second shareholders' meeting. A shareholders' resolution on liquidation of the company shall be registered with the Swedish Companies Registration Office (*Bolagsverket*), which shall appoint a liquidator. Should the shareholders not resolve on such voluntary liquidation where required (which are where (i) a second shareholders' meeting is not held within the period of time stated above, or (ii) the new special balance sheet which was presented at the second shareholders' meeting was not reviewed by the company's auditor or fails to show that, on the date of such meeting, the equity of the company amounts to at least the registered share capital), the court may put the company into compulsory liquidation and appoint a liquidator. The liquidator takes over management and control of the company and shall sell the company's assets and settle the company's debts with the proceeds. The liquidator shall give notice to the company's unknown creditors and creditors that have not lodged their claims with the liquidator within six months following such notice will have forfeited their rights to their claims.

If the board of directors fails to comply with the requirements relating to liquidation due to capital deficiency (such as failure to prepare a special balance sheet and have the auditors examine it in case there are reasons to assume that the company's equity is less than half of its registered share capital), the members of the board of directors may be liable for obligations incurred by the company during the period of such failure to act. Also, any person who conducts business on the company's behalf with knowledge of the board of directors' failure to act may incur a similar liability. Liability shall however not be incurred by any person (including any member of the board of directors) who proves that he or she was not negligent.

Limitations on the Validity and Value of a Guarantee or Security Interest

Corporate Benefit Rules

If a Swedish limited liability company provides any security interest or guarantee without receiving sufficient corporate benefit in return, such security interest or guarantee will, according to the Swedish Companies Act, in whole or in part, constitute a transfer of value from a Swedish limited liability company (a "**Swedish Company**") which would be unlawful if: (i) the Swedish Company would lack cover for its restricted equity capital after such value transfer (i.e., at the time the guarantee is provided or the security is granted); or (ii) if it would not be considered prudent by the Swedish Company to undertake the value transfer after having taken into consideration the equity requirements imposed by the nature, scope and risks relating to the Swedish Company's business or the Swedish Company's need to strengthen its balance sheet, liquidity or financial position.

This could be the case if, at the time the guarantee or security interest for the obligations of a third party is provided, (i) the obligor of such obligation could be deemed unable to fulfill its obligation to indemnify the Swedish Company if the guarantee is utilized or the security enforced and/or (ii) a Swedish company provides any security interest or guarantee in respect of debt owed by a non-subsidiary of that Swedish company without receiving sufficient corporate benefit in return.

The guarantees provided by a Swedish Company are limited in accordance with the above restrictions relating to corporate benefit and are subject to limitation language limiting the liability of such entities thereunder if required by the abovementioned restrictions relating to the distribution of assets.

Financial Assistance

The Swedish Companies Act also prohibits a Swedish Company from providing a guarantee or security interest for a loan that is provided to facilitate the acquisition of shares in the Swedish Company or any other superior member of the same Swedish group of companies and a Swedish Company may not provide a guarantee or any security for the obligations of a parent or sister company, unless the parent company of the group, to which the company and such parent or sister company belongs, is domiciled within the EEA.

The guarantees provided by a Swedish Company are limited in accordance with the above restrictions relating to financial assistance in respect of the acquisition of shares in a Swedish Company or any other superior member of the same Swedish group of companies and are subject to limitation language limiting the liability of such entities thereunder if required by the abovementioned restrictions relating to such financial assistance.

Challengeable Transactions

In Swedish bankruptcy and, if certain conditions are met, company reorganization proceedings, transactions can (in certain circumstances and subject to different time limits) be recovered. The goods or monies shall then be re-distributed to the bankruptcy estate or the company subject to company reorganization. Broadly, these transactions include, among others, situations where the debtor has conveyed property fraudulently or preferentially to one creditor to the detriment of one or more of its other creditors before the initiation of the relevant insolvency proceedings, created a new security interest, granted a guarantee or security that was either not stipulated at the time when the secured obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary or paid a debt that is not due or that is considerable compared to the value of the debtor's assets or which is made by using unusual means of payment.

In the majority of situations, a claim for recovery can be made concerning actions which were made during the three months preceding the commencement of the relevant insolvency proceedings, notably in relation to such granting of security where perfection is delayed. In certain situations longer time limits apply and in others there are no time limits. These include, among others, situations where the other party to an agreement or other arrangement is deemed to be a closely related party to the debtor, such as a subsidiary or parent company.

Foreign Currency

Swedish courts may award judgments in currencies other than Swedish kronor, but the judgment debtor has the right to pay judgment debt, even though denominated in a foreign currency, in Swedish kronor at the rate of exchange prevailing at the date of payment.

Turkey

Bankruptcy

One of the Guarantors, Wittur Asansör Sanayi ve Ticaret AŞ, is incorporated under Turkish law. In the event of bankruptcy/insolvency, proceedings may be initiated in Turkey (Please note that in Turkish practice, the term “bankruptcy” may be used in preference to insolvency when dealing with corporate insolvency). The bankruptcy/insolvency laws of Turkey may not be as favorable to your interests as creditors as the laws of the United States, the United Kingdom or other jurisdictions with which you may be familiar. Please find below a general description of such laws.

Bankruptcy proceedings under Turkish law are governed by the Turkish Execution and Bankruptcy Law No. 2004 (“**Turkish Execution and Bankruptcy Law**”). Along with the Turkish Execution and Bankruptcy Law, the Turkish Commercial Code also defines the conditions of insolvency and sets forth the rules for filing for bankruptcy.

Insolvency can be defined as a debtor's inability to cover its debts, while bankruptcy is a status to be determined by commercial courts, which announces the debtor's inability to cover its debts by its assets. A company may be bankrupt under several circumstances. Insolvency is one of the grounds for bankruptcy. A company is deemed insolvent if its assets are not sufficient to cover its liabilities, or if the company is in financial difficulty in making timely payments of its debts.

Any creditor may initiate a bankruptcy claim against a debtor which can be subject to the bankruptcy regime at the execution office in the district of the debtor ("**Execution Office**"). Upon application of the creditor, the execution officer sends a payment order to the debtor. If the debtor does not object to the payment order, it will become final and the creditor must bring a case before the competent commercial court for declaration of the debtor's bankruptcy. If the debtor objects to the payment order within the term stipulated for each proceeding, bankruptcy proceedings will cease and the creditor must bring a claim to the commercial court for annulment of objection and declaration of debtor's bankruptcy.

Direct Bankruptcy

In some cases, referred to as "direct bankruptcy proceedings," a debtor may be declared bankrupt without a payment order. Direct bankruptcy can be demanded by the creditors or the debtor.

A creditor can apply for direct bankruptcy where (*inter alia*):

- the debtor engages or attempts to engage in fraudulent acts breaching the rights of its creditors;
- the debtor conceals its property during compulsory execution by way of attachment;
- the debtor has suspended its payments;
- ten days have passed since the announcement of the termination of a restructuring project;
- a concordat is not approved, the concordat period is cancelled, or the concordat is completely dissolved;
- the creditor's claim based on a court decision has not been paid although its payment has been demanded pursuant to an order of execution; or
- the debtor company's debts exceed its current assets.

Direct bankruptcy may also take place at the debtor's request. A debtor can apply to a court to declare itself bankrupt. This can occur in two circumstances:

Voluntary Bankruptcy

When the board of directors of a debtor discovers from the previous year's annual balance sheet the erosion of $\frac{1}{2}$ of the sum of the company's share capital and statutory reserves, then the board of directors must immediately call an extraordinary general assembly meeting together with a proposal for remedial measures to be submitted to general assembly's approval in order to strengthen the debtor's financial status. When a company suffers losses which reduce its paid up share capital and statutory reserves by two-thirds, the board of directors is required to call an extraordinary general assembly meeting. At this meeting, the shareholders must resolve either to compensate the company in cash for the accumulated loss or to decrease the company's paid-up share capital to one-third of its existing share capital. If any of these resolutions is not adopted at the meeting or if a meeting is not convened at all, the company would be deemed dissolved pursuant to the Turkish Execution and Bankruptcy Law and the Turkish Commercial Code.

If the shareholders do not take one of these steps, the board of directors is required to file a lawsuit before the relevant commercial court to request the court to declare the company bankrupt. If the board of directors fail to take such action, the directors shall be personally and jointly and severally liable for any and all real damages, incurred by the creditors and the shareholders of such company.

Mandatory Bankruptcy

The debtor must apply to a court for bankruptcy if:

- an attachment is ordered against a debtor which results in the debtor losing one-half of its assets; and
- the debtor's remaining assets are insufficient to meet its other debts which will be due and payable within one year.

Avoidance of Transactions

According to the Turkish Execution and Bankruptcy Law, the bankruptcy administration (as defined below) may bring an action before the commercial court to request that certain transactions of the debtor be set aside and reversed. In certain exceptional cases, also individual creditors may bring an action of avoidance if they have not been satisfied in full or the bankruptcy administration has agreed to such action.

The action of avoidance is brought against the debtor and the other party to the challenged transaction. Three types of voidable transactions are (i) transactions made at an undervalue, (ii) inappropriate transactions and (iii) transactions that constitute an intentional creditor defraud.

Undervalue Transactions

Contracts under which the consideration is materially less than the relevant market price may be declared void by a court if they were entered into within two years prior to the commencement of insolvency/bankruptcy.

Inappropriate Transactions

The following transactions are considered inappropriate and may thus be set aside if they were entered into within one year prior to insolvency/bankruptcy: (a) the provision of security by the debtor where the debtor provided security to secure debt already existing and had not agreed earlier to do so; (b) any benefits granted by the debtor not granted in cash or by other usual means of payment; (c) any repayment of debt which is not yet due; and (d) transfers and registrations in relation to the land register strengthening the other party's contractual position.

However, the court may not set aside such transactions where the party benefiting from the transaction is able to prove that, when entering into the transaction, it acted in good faith as regards the debtor's financial condition.

Creditor Defraud

Transfers made by the debtor intentionally against the creditors' interests may also be set aside if made within five years before the bankruptcy petition was filed. To have such transfers declared void by a court, the claimant, i.e. usually the bankruptcy administration has to prove that the transferee, when entering into the transaction, knew or should have known the debtor's financial condition and also knew or should have known that the debtor acted in violation of the principle of good faith.

Effects of Bankruptcy Proceedings

Upon initiation of bankruptcy proceedings, the court may order protective measures which the court deems necessary for the protection of creditors. The execution/bankruptcy office is required to execute the court's orders. In addition, the court may require a written guarantee from the creditor(s) who demand protective measures to secure compensation for the debtor for losses resulting from the protective measures, in case of improper bankruptcy proceedings. If the debtor has not objected to the payment order or claim resulting from the court order, the court will not normally require a guarantee. A creditor who initiates the proceeding is liable for the expenses that may arise in the period up to the initial creditors' meeting. Such creditor may also require the issuance of a property register of the debtor's current assets at the time of the initiation of the court proceedings.

Decision on Bankruptcy

Under Turkish Law commercial courts decide whether debtor is bankrupt. For ordinary and special bankruptcy proceedings before the commercial court, the bankruptcy petition must be published in nationwide circulation newspapers as well as in the Commercial Register Gazette. Within fifteen (15) days from the publication of a bankruptcy petition, other creditors may involve themselves in the proceedings, either by filing a claim for dismissal or acceptance of bankruptcy demand. If there is no objection filed, or objections that have been filed are dismissed, the commercial court will grant a depository injunction requiring the debt with accrued interest and expenses to be paid by the debtor within seven (7) days from the delivery of depository injunction to the debtor. If debtor pays or deposits such amount to the court, the bankruptcy case will be dismissed. If the debtor does not, the debtor will be declared bankrupt by the court and the creditor who petitioned for the bankruptcy must post security for costs and all notification expenses required for legal remedies of bankruptcy decision in the period up to the initial creditors meeting. After the deposit of this amount with the commercial court by the creditor, the court declares the debtor's bankruptcy. This decision can be appealed within ten (10) days.

For direct bankruptcy proceedings the same procedures apply as for ordinary proceedings, provided that the court may issue a bankruptcy decision without a depository injunction option.

After the notification of the bankruptcy decision to the bankruptcy office, the bankruptcy office must send a notification to the relevant authorities about bankruptcy decision immediately. The relevant authorities are; title deed registry, commercial register, customs administration, the postal administration, the local chamber of commerce, the chamber of industry and stock exchange, local notaries, banks, public administration, tax administration, Ministry of Commerce, Turkish Banks Association, Capital Markets Board and other relevant authorities.

Declaration of Bankruptcy

Effect of the Declaration of Bankruptcy on a Debtor's Assets

All attachable assets of debtor are included in the bankruptcy estate (*iflas masasi*). These assets can include the debtor's movable and immovable properties, cash, receivables, joint or several title shares, right of usufruct, inheritance share, fiscal rights on intellectual property. Pledged assets of the debtor are included in bankruptcy estate but subject to the pledgee's right of preference.

Effect of the Declaration of Bankruptcy upon a Debtor

The main effect of bankruptcy proceedings on the debtor is that all unpaid debts of the debtor become due by the declaration of bankruptcy.

Bankruptcy proceedings do not limit the debtor's capacity to act. Debtors have the power of disposition on the assets which are not included in the bankruptcy estate. Although the debtor still remains the owner of assets included in the bankruptcy estate, it does not have the right to dispose of them. After the declaration of bankruptcy any disposition by the debtor of any asset in the bankruptcy estate is null and void.

Since a bankruptcy proceeding is a full proceeding (*külli takip*) and all the creditors are treated equally, there is no need to have separate execution proceedings. For that reason at the bankruptcy proceedings any execution claim brought against the debtor stops and no new execution proceeding, can be initiated.

Pending lawsuits involving the debtor as plaintiff or defendant which involve assets included within the bankruptcy estate are suspended pending the bankruptcy proceedings.

Liquidation of Assets

After the declaration of a debtor's bankruptcy, the attachable assets and the receivables of the debtor are treated as part of the bankruptcy estate. The bankruptcy office takes the necessary measures to convene the initial creditors' meeting to nominate candidates to act as bankruptcy administration. The responsibility of the bankruptcy administration is to realize the assets of the debtor and to assure collection of the debts for the creditors. The bankruptcy administration may also continue to operate the debtor and sell the business as an going concern.

Creditors' Committee

Within ten days of the publication of the ordinary liquidation announcement, the creditors are summoned to the initial creditors' meeting which decides on the administration and liquidation of the bankruptcy estate. The main task of the creditors' meeting is to elect the bankruptcy administration.

Bankruptcy Administration

Pursuant to Article 223 of the Turkish Execution and Bankruptcy Law, the bankruptcy administration is a body of three members. The bankruptcy administration is the legal representative of the bankruptcy estate. The main duties of the bankruptcy administration are directing and liquidating the bankruptcy estate under the supervision of the bankruptcy office. Unless otherwise agreed by the creditors committee, members of the bankruptcy administration represent the bankruptcy estate jointly. Members are liable for damages arising from their default actions. They cannot enter into a contract on their own.

Postponement of Bankruptcy

The company (*inter alia*) can request the postponement of bankruptcy by presenting a recovery project (*iyileştirme projesi*) to the commercial court. Upon the request of postponement of bankruptcy, the court appoints a trustee to issue an inventory and act as board of directors or approve board of directors' resolutions. The court evaluates the reliability of the postponement request according to the information and documents which must be presented to the court. The court may decide in one of three ways:

- The court may dismiss the postponement of bankruptcy request on the ground that the conditions of the bankruptcy do not exist and debtor is not bankrupt.
- The court may find the request reasonable and order the postponement of bankruptcy. By this decision, the court takes necessary measures to protect the assets of the debtor. The effect of this decision is that no execution proceeding may be initiated against the debtor's assets, proceedings which have been initiated before the postponement decision stop. Bankruptcy can be postponed for at most one year. This period can be extended by the terms stipulated by the court according to the trustee's report. However the period of postponement of bankruptcy cannot exceed five (5) years.
- The court may reject the postponement request or determines the impossibility of the recovery at the end of the postponement term, and declares the debtor bankrupt.

Main Practical Problems

Implementation duration is the major problem under Turkish bankruptcy law. Collection and registry of receivables to bankruptcy estate, sale processes, liquidation, objections of creditors to other creditors' rankings are the main reasons for an extended timetable. In practice, an ordinary bankruptcy proceeding may take approximately five years. Turkish insolvency procedures and in particular, the provisions of the Execution and Bankruptcy Law are not favorable to creditors' interests in terms of priority of creditors' claims and term of bankruptcy procedures. Therefore, it may limit the creditors' ability to recover payments due on the Notes.

Distribution of Assets: Priority Claims and Ranking

After the liquidation process is completed, the collected cash is distributed to the creditors. The bankruptcy administration issues a table for the distribution of the assets which reflects the following required order:

- (i) first step is taken by payment of public debts from the amount obtained from liquidation of pledged assets;
- (ii) at second step, expenses related to the storage and realization of all pledged assets are allocated from the foreclosure amount; and
- (iii) pledged receivables are paid from the remainder of the pledged assets.

After the satisfaction of the pledgees, any amount remaining is added to the bankruptcy estate and used for the satisfaction the claims of the unsecured creditors. Such claims are satisfied in the following ranking as set out under the Turkish Execution and Bankruptcy Law:

- (i) employment related debts owed to employees; debts owed to the associations and the premises established for the purposes of founding or supporting relief funds for the employees;
- (ii) debts arising from guardianship and tutorship;
- (iii) debts defined as "privileged debts" in specific laws (e.g. public debts); and
- (iv) all other non-privileged debts.

Security Agent and Parallel Debt

It is uncertain as to whether Turkish law would recognize and give effect to a guarantee provided to a security agent or trustee. The effectiveness of the grant of such guarantee to a security agent or trustee has not been tested in a Turkish court.

Limits on Enforceability of any Guarantee given by a Turkish Guarantor

Pursuant to Article 380 of the Turkish Commercial Code, a Turkish company is not permitted to advance funds, provide loans or security or a guarantee to a third party to facilitate the acquisition of its own shares and any such transaction

will be void. Since the guarantee to be provided by the Turkish Guarantor for the obligation of the Issuer under the Notes is for the purpose of facilitating the acquisition of shares of the Target, which is not the Turkish Guarantor, there is good argument that the provision of such guarantee does not fall within the provision of Article 380 and therefore is valid and binding under Turkish law. However, this Article 380 has not been tested in the Turkish courts and so it is possible that a Turkish court might decide that this guarantee falls within the provisions of Article 380 and is therefore void.

Pursuant to Article 202 et seqq. of the Turkish Commercial Code, the parent company may not use its domination in such manner to cause damages to the affiliated company. Accordingly, the affiliated company cannot be forced or directed to assume liabilities or debts such as taking over a business or assets, a transfer of debt, a transfer or reduction of profits, the creation of an encumbrance over its assets, the provision of surety and a guarantee or aval (guarantee of bills), unless the resulting loss is equalized and compensated within the relevant activity year or an equivalent right of claim is given to the affiliated company by the end of that operating year, stating when and how the loss will be equalized. Otherwise, the shareholders and the creditors of the affiliated company may claim from the parent company and the directors of the parent company to compensate the losses of the affiliated company.

Stamp Tax

Pursuant to the Turkish Stamp Tax law (Law No. 488), subject to certain exemptions, each executed original of any agreement which results in legal consequences in Turkey is subject to ad valorem stamp tax at a rate of 0.948% of the maximum amount referred to in the relevant agreement, subject to a cap of TL 1,702,138.00 (approx. US\$ 725,060—as of 22 January 2015). The Financing and the relevant documentation thereunder are not subject to any of the exemptions under the Turkish Stamp Tax law (Law No. 488) and consequently Turkish stamp tax is payable on each executed original of the documents to which the Turkish Guarantor will be a party. The non-payment of any Turkish stamp tax which is payable in relation to an agreement does not invalidate that agreement and may be paid later with penalties and interest. The Guarantee provided by Wittur Asansör San. V Tic. A.S., our subsidiary in Turkey, will be limited to a maximum amount of €2.5 million. However, we cannot provide any assurances that holders of the Notes will be able to recover even this amount under such Guarantee, as payment under each Guarantee is contractually subordinated to all the senior indebtedness of such Guarantor, including such Guarantor's obligations under the Senior Facilities and certain hedging obligations.

GENERAL INFORMATION ON THE ISSUER

Formation, Incorporation, Trade Name and Registered Office

Paternoster Holding III GmbH, a *Gesellschaft mit beschränkter Haftung* organized under the laws of Germany, was formed on December 19, 2014 and is registered with the commercial registry of Munich under number HRB 215485. The Issuer's principal business address is at Maximilianstraße 11, c/o Bain Capital Beteiligungsberatung GmbH, 80539 Munich, Germany.

Articles of Association

In accordance with section 4 of the Issuer's articles of association, its corporate purpose is among others, the acquisition, holding, disposal and management of participations and interest in other domestic and foreign entities.

Administrative, Management and Supervisory Bodies

The Issuer is managed by its managing directors, Matthias Osthoff and Dr. Michael Siefke. See "Management—The Issuer" for more information on the Issuer's managing directors.

Share Capital

The Issuer has a registered and fully paid up share capital of €25,000. The sole shareholder of the Issuer is HoldCo, a wholly-owned indirect subsidiary of TopCo. TopCo, in turn, is a wholly-owned subsidiary of LuxCo.

Financial Statements

The year of the Issuer begins on January 1 and terminates on December 31 of the same year. The Issuer will produce consolidated interim reports on a quarterly basis.

Trend Information

There has been no material adverse change in the prospects of the Issuer since December 31, 2013.

Legal and Arbitration Proceedings

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the Issuer's incorporation on December 19, 2014 which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

Significant Change in the Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer since its date of incorporation.

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

The Issuer has applied to have the Notes listed on the Official List of the Irish Stock Exchange and to have them admitted for trading on the Global Exchange Market thereof, in accordance with the rules and regulations of such exchange.

Listing Information

For so long as the Notes are listed on the Official List of the Irish Stock Exchange and are admitted to trading on the Global Exchange Market and the rules and regulations of the Irish Stock Exchange so require, copies of the following documents may be inspected and obtained free of charge at the specified office of the Irish listing agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- the organizational documents of the Issuer and the Guarantors;
- the financial statements included in this Offering Memorandum;
- the security documents;
- the Indenture (including the Guarantees); and
- the Intercreditor Agreement.

The Issuer has appointed Dillon Eustace as Irish listing agent, and Elavon Financial Services Limited as Registrar. In addition, the Issuer has appointed Elavon Financial Services Limited, UK Branch as Principal Paying Agent and Transfer Agent to make payments on, when applicable, and transfers of the Notes. The Issuer reserves the right to vary such appointments in accordance with the terms of the Indenture.

The Issuer will maintain a paying and transfer agent in Ireland for so long as any of the Notes are listed on the Irish Stock Exchange. The Issuer reserves the right to vary such appointment and will publish notice of such change of appointment in a newspaper having a general circulation in Ireland and on the official website of the Irish Stock Exchange. So long as the Notes are listed on the Irish Stock Exchange, the Issuer will maintain a paying agent in London and transfer agent in Ireland.

Pursuant to Rule 1.9 of the Global Exchange Market Conditions for Listing and Trading, the Notes must be freely transferable in order to be listed on the Irish Stock Exchange. The Issuer accepts responsibility for the information contained in this Offering Memorandum. The Issuer declares that, to the best of its knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published.

Approval

The Issuer and the Guarantors have obtained all necessary consents, approvals, authorizations or other orders for the issuance of Notes and Guarantees and other documents to be entered into by the Issuer in connection with the issuance of the Notes. The creation and issuance of the Notes was authorized by a shareholder resolution on January 29, 2015.

Clearing Information

The Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under Common Codes 118802454 and 118802543, respectively. The international securities identification number (the “**ISIN Number**”) for the Notes sold pursuant to Regulation S is XS1188024548 and the ISIN Number for the Notes sold pursuant to Rule 144A is XS1188025438.

Significant Change

Except as disclosed in this Offering Memorandum:

- there has been no material adverse change in the Group’s financial condition since September 30, 2014; and

- neither the Issuer nor any of its subsidiaries has been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issue of the Notes, and, so far as the Issuer is aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

Trustee

The Trustee is U.S. Bank Trustees Limited, and its address is 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom. The Trustee will be acting in its capacity as trustee for the holders of the Notes and will provide such services to the holders of the Notes as described in the Indenture governing the Notes.

Fees and expenses

Total fees and expenses in connection with the admission of the Notes to trading on the Global Exchange are expected to be approximately €10,000.

General Information on the Guarantors

The Guarantees provided by the Guarantors are full and unconditional and joint and several, subject to local considerations as described below.

As of and for the year ended December 31, 2013, the Guarantors (excluding BidCo) accounted for (i) EBITDA of €37 million (which represented 60% of consolidated EBITDA), (ii) gross assets of €173 million (which represented 64% of consolidated gross assets (excluding goodwill and certain other intangible assets resulting from purchase price allocation which cannot be allocated to individual subsidiaries) and (iii) net assets of €14 million (which, calculated on the basis of consolidated net assets of €2 million, represented -24,314% of consolidated net assets).

As of and for the year ended December 31, 2013, the non-Guarantor subsidiaries of the Target accounted for (i) EBITDA of €24 million (which represented 40% of consolidated EBITDA), (ii) gross assets of €9 million (which represented 37% of consolidated gross assets (excluding goodwill and certain other intangible assets resulting from purchase price allocation which cannot be allocated to individual subsidiaries) and (iii) net assets of €2 million (which, calculated on the basis of consolidated net assets of €2 million, represented -2,440% of consolidated net assets).

Each Guarantee will be subject to certain contractual and legal limitations. For example, the Guarantees by our Italian subsidiaries, Wittur Italia Holding s.r.l. and Wittur S.p.A., are expected to be limited to €5.0 million and €1.0 million, respectively (based on a Completion Date of March 31, 2015). The limitation of the Italian Guarantees will be calculated as a percentage of the intercompany proceeds loans used to refinance existing indebtedness of our Italian subsidiaries and could be higher or lower, depending on the amount of outstanding local debt on the actual Completion Date. In addition, the Guarantee provided by Wittur Asansör San. V Tic. A.S., our subsidiary in Turkey, will be capped at €2.5 million. However, we cannot provide any assurances that holders of the Notes will be able to recover even these amounts under such Guarantees, as payment under each Guarantee is contractually subordinated to all the senior indebtedness of such Guarantor, including such Guarantor's obligations under the Senior Facilities and certain hedging obligations. See "Certain Limitations on the Validity and the Enforceability of the Guarantees and the Security Interests and Certain Insolvency Law Considerations."

As of and for the year ended December 31, 2013: (i) Wittur Italia Holding s.r.l. accounted for no net revenue, net assets of €32 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -1,864% of consolidated net assets) and gross assets of €0.5 million (which represented 0.2% of our consolidated gross assets); (ii) Wittur S.p.A accounted for net revenue of €38.1 million (which represented 7.9% of our consolidated net revenue), net assets of €2 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -3,057% of consolidated net assets) and gross assets of €43.3 million (which represented 16.0% of our consolidated gross assets); and (iii) Wittur Asansör San. V Tic. A.S. accounted for net revenue of €34.2 million (which represented 7.1% of our consolidated net revenue), net assets of €12 million (which, when calculated on the basis of €2 million of consolidated net assets, represented -686% of consolidated net assets) and gross assets of €18.7 million (which represented 6.9% of our consolidated gross assets).

Set forth below is a description of the Issue Date Guarantors and the Completion Date Guarantors. As of and for the year ended December 31, 2013, no individual Guarantor represented over 20% of the consolidated EBITDA in the audited consolidated financial statements, except for Wittur Austria GmbH which, on an annualized basis, accounted for net revenue

of €3.6 million (which represented 18% of consolidated net revenue) and net assets of €101.6 million (which represented -5,967% of consolidated net assets). Wittur Austria GmbH was incorporated on August 22, 2013. For risks and uncertainties that we believe could impact the value of Wittur Austria GmbH's see "Risk Factors" and, in particular, "Risk Factors—Risks Related to Our Business—We are exposed to risks in connection with past and future acquisitions, local sales force, investments and reorganizations, as well as strategic partnerships;" "—We may incur additional costs as a result of works council and industry collective bargaining agreements applicable to some of our European employees;" and "—We are subject to mandatory pension liabilities required by domestic laws in both Austria and Italy." Wittur Austria GmbH and the other Guarantors will guarantee the Notes on a senior subordinated basis, and each Guarantor's Guarantee will be subordinated to any senior indebtedness of such Guarantor, including such Guarantor's obligations under the Senior Facilities and certain hedging obligations. See "Description of Certain Financing Arrangements—Senior Facilities Agreement—Guarantees and Security." In addition, Wittur Austria GmbH and other Guarantors may currently have outstanding, or incur in the future, other indebtedness or encumbrances on their assets which may dilute the value of the Guarantees to the holders of the Notes. See, for example, "Description of Certain Financing Arrangements—Austria Export Credit Agreement."

The Consolidated Financial Statements included elsewhere in this Offering Memorandum present consolidated financial information for the Target and its consolidated subsidiaries, with such consolidated subsidiaries including both Guarantors and non-Guarantors.

Issue Date Guarantors

The Issue Date Guarantor is listed and described below. As of the date hereof, the Issue Date Guarantor is a wholly-owned direct subsidiary of the Issuer.

Paternoster Holding IV GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is registered with the commercial register of the local court of Munich under number HRB 215478. The registered office of Paternoster Holding IV GmbH is at Maximilianstraße 11, c/o Bain Capital Beteiligungsberatung GmbH, 80539 Munich, Germany. Paternoster Holding IV GmbH has a share capital of €25,000. The managing directors of Paternoster Holding IV GmbH are Matthias Osthoff and Dr. Michael Siefke. According to section 4 of its articles of association, its corporate purpose includes, among others, the acquisition, management and disposal of participations in foreign and domestic entities.

Completion Date Guarantors

The Completion Date Guarantors are listed and described below. As of the date hereof, the Completion Date Guarantors (other than the Target) are wholly-owned (direct or indirect) subsidiaries of the Target. We expect that, upon the Completion Date, all Guarantors will be wholly-owned (direct or indirect) subsidiaries of the Issuer.

Austria

Wittur GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Austria. It is registered with the companies' register of the provincial court of St. Pölten under the number FN 197478 i. The registered office of Wittur GmbH is at Sowitschstraße 1, 3270 Scheibbs, Austria. Wittur GmbH has a share capital of €1,090,000.00. The managing director of Wittur GmbH is Ralf Heinen. According to section 2 of its articles of association, its corporate purpose is, among others, the industrial production of machines, in particular elevators of any kind, escalators, hoists and conveying systems, mechanical parking machines, switch and control equipment and components, in particular for elevators and conveyors, the electrical engineering business as well as trade in goods of all kinds. In addition, Wittur GmbH can also engage in activities related to the attainment of its corporate purpose including the participation in companies.

Wittur Austria GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Austria. It is registered with the companies' register of the provincial court of St. Pölten under the number FN 400663 k. The registered office of Wittur Austria GmbH is Sowitschstraße 1, 3270 Scheibbs, Austria. Wittur Austria GmbH has a share capital of €5,000. The managing director of Wittur Austria GmbH is Benedikt Broghammer. According to section 2 of its articles of association, its corporate purpose is, among others, the industrial production of machines, in particular elevators of any kind, escalators, hoists and conveying systems, mechanical parking machines, switch and control equipment and components, in particular for elevators and conveyors, the electrical engineering business as well as trade in goods of all kinds. In addition, Wittur GmbH can also engage in activities related to the attainment of its corporate purpose including the participation in companies.

Wittur Austria Holding GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) company organized under the laws of Austria. It is registered with the companies' register of the provincial court of St. Pölten under

the number FN 227731 z. The registered office of Wittur Austria Holding GmbH is at Sowitschstraße 1, 3270 Scheibbs, Austria. Wittur Austria Holding GmbH has a share capital of €35,000.00. The managing directors of Wittur Austria Holding GmbH are Andreas Zwerger and Dr. Daniel Wiest. According to section 3 of its articles of association, its corporate purpose is, among others, the brokerage and management of participations in domestic and foreign companies, the participation in and acquisition of domestic and foreign companies, the management and representation of these companies as well as trade in goods of all kinds.

Germany

Wittur GmbH is a direct wholly owned subsidiary of Wittur Deutschland Vertrieb Holding GmbH. It was incorporated as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany and is registered with the commercial register of the local court of Munich under the number HRB 154847. The registered office of Wittur GmbH is at Rohrbachstr. 26-30, 85259 Wiedenzhausen, Germany. Wittur GmbH has a share capital of €60,000.00. The managing director of Wittur GmbH is Klaus Gerhards. According to section 2 of its articles of association, its corporate purpose is, among others, the development, production and distribution of products of materials-handling and hoisting technology, in particular elevator components of any kind, the development and exploitation of software, in particular in the field of materials-handling and hoisting technology and similar operations. Wittur GmbH is entitled to participate in any type of company, particularly in the field of materials-handling and hoisting technology.

Wittur Deutschland Vertrieb Holding GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is registered with the commercial register of the local court of Munich under the number HRB 186869. The registered office of Wittur Deutschland Vertrieb Holding GmbH is at Rohrbachstr. 26-30, 85259 Wiedenzhausen, Germany. Wittur Deutschland Vertrieb Holding GmbH has a share capital of €25,000.00. The managing directors of Wittur Deutschland Vertrieb Holding GmbH are Dr. Walter Rohregger and Dr. Daniel Wiest. According to section 4 of its articles of association, its corporate purpose is, among others, the acquisition, holding, management and disposal of participations in other entities as well as the provision of services in connection with such participations.

Wittur Electric Drives GmbH is a direct wholly owned subsidiary of Wittur Holding GmbH. It was incorporated as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany and is registered with the commercial register of the local court of Dresden under the number HRB 14244. The registered office of Wittur Electric Drives GmbH is at Offenburger Str. 3, 01189 Dresden, Germany. Wittur Electric Drives GmbH has a share capital of DEM 2,000,000.00. The managing director of Wittur Electric Drives GmbH are Andreas Zwerger and Markus Weber. According to section 2 of its articles of association, its corporate purpose is, among others, the production and distribution of drive technology products, electrical and electronic goods such as regulating and control units, machinery and component parts of machinery and similar products as well as the brokerage of this type of businesses.

Wittur Holding GmbH is a limited liability (*Gesellschaft mit beschränkter Haftung*) company organized under the laws of Germany. It is registered with the commercial register of the local court of Munich under the number HRB 191950. The registered office of Wittur Holding GmbH is at Rohrbachstr. 26-30, 85259 Wiedenzhausen, Germany. Wittur Holding GmbH has a share capital of €25,000.00. The managing directors of Wittur Holding GmbH are Dr. Walter Rohregger and Dr. Daniel Wiest. According to section 2 of its articles of association, its corporate purpose is, among others, the acquisition, holding, management and disposal of participations in other entities, the acquisition and disposal of objects of any kind and taking over the position of the personally liable partner in a limited partnership.

Wittur International Holding GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany. It is registered with the commercial register of the local court of Munich under the number HRB 192091. The registered office of Wittur International Holding GmbH is at Rohrbachstr. 26-30, 85259 Sulzemoos, Wiedenzhausen, Germany. Wittur International Holding GmbH has a share capital of €25,000.00. The managing directors of Wittur International Holding GmbH are Dr. Walter Rohregger and Dr. Daniel Wiest. According to section 4 of its articles of association, its corporate purpose is, among others, the acquisition, holding, management and disposal of participations in other entities as well as the acquisition and disposal of objects of any kind.

Italy

Wittur S.p.A. is a joint-stock company with a sole shareholder organized under the laws of Italy. It is registered with the companies' register of the Chamber of Commerce of Parma under the number 00476960349 and it is subject to the *de facto* control (*soggetta all'attività di direzione e coordinamento*) of Wittur Italia Holding S.r.l pursuant to article 2497 of the Italian civil code. The registered office of Wittur S.p.A. is in Colorno (PR), via Melloni 12, 43052, Italy. Wittur S.p.A. has a fully-paid up share capital of €5,000,000. As at the date of this Offering Memorandum, all the shares of Wittur S.p.A. are

pledged in favor of third parties, and we expect these pledged to be released upon the consummation of the Acquisition in connection with the repayment of the Existing Facilities. The chairman of the Board of Directors of Wittur S.p.A. is Mr. Alberto Carini and the managing directors are Mr. Edmondo Di Pietro and Mr. Gianluca Ferrari. According to article 5 of its bylaws, the company's corporate purposes include the production and sale of elevator systems and spare parts, the manufacture, the production and the printing of metal sheets and metal semi-finished products; the purchase and sale of real estate along with the construction of buildings, the marketing of products relating to the construction industry, lease and administration of own real estate. Furthermore, Wittur S.p.A. is authorized to carry out any commercial, industrial and real estate transactions and, to a limited extent, financial transactions (subject to mandatory provisions of law) instrumental to the pursuit of its corporate purpose and to hold stakes in other companies, both Italian and foreign, for investment purposes, having a similar, related or connected corporate purpose.

Wittur Italia Holding S.r.l. is a limited liability company with a sole quotaholder organized under the laws of Italy. It is registered with the companies' register of the Chamber of Commerce of Parma under the number 07127630965. The registered office of Wittur Italia Holding S.r.l. is in Colorno (PR), Via Melloni 12, 43052, Italy. Wittur Italia Holding S.r.l. has a fully-paid up quota capital of €120,000. As at the date of this Offering Memorandum, all the quotas of Wittur Italia Holding S.r.l. are pledged in favor of third parties, and we expect these pledged to be released upon the consummation of the Acquisition in connection with the repayment of the Existing Facilities. The chairman of the Board of Directors of Wittur Italia Holding S.r.l. is Mr. Sergio Biglino and the managing directors are Mr. Daniel Mathias Wiest and Mr. Francisco Javier Navamuel Fernández. According to article 4 of its bylaws, the company's corporate purposes include the production and sale of elevator systems and spare parts; the manufacture, the production and the printing of metal sheets and metal semi-finished products; the purchase and sale of real estate along with the construction of buildings, marketing of products relating to the construction industry, lease and administration of own real estate, the management of administrative, commercial and logistics services (subject to mandatory provisions of law) in favor of its subsidiaries. Pursuant to article 4(v) of the company's bylaws, it is also authorized to hold stakes in other companies and consortiums provided that they operate in related fields. Furthermore, Wittur Italia Holding S.r.l. is authorized to carry out any commercial, industrial, real estate and financial transactions (including guarantees, security interests, facilities and grants) instrumental, directly or indirectly, to the pursuit of its corporate purpose (subject to mandatory provisions of law).

Sweden

Wittur Sweden AB is a private limited liability company organized under the laws of Sweden. It is registered with the Swedish Companies Registration Office under the number 556613-6510. The registered office of Wittur Sweden AB is Domnarvsgatan 35, 163 53 Spånga, Sweden. Wittur Sweden AB has a share capital of SEK 500,000. The managing director of Wittur Sweden AB is Niklas Andersson. According to section 3 of its articles of association, its corporate purpose is to conduct import and export business and sell elevator components and conduct other business compatible therewith.

Spain

Wittur Elevator Components, S.A.U. is a Spanish public limited liability company (*sociedad anónima unipersonal*) organized under the laws of Spain. It is registered with the Mercantile Registry of Zaragoza under book 1247, sheet 106 and page Z-6132. The registered office of Wittur Elevator Components, S.A.U. is at Polígono Industrial Malpica-Santa Isabel, calle E, parcela número 8, 50016 Zaragoza, Spain. Wittur Elevator Components S.A.U. has a share capital of €601,000, divided into 100,000 ordinary shares with a par value of €0.01 each. The managing director (*presidente, consejero and director general*) of Wittur Elevator Components, S.A.U. is Mr. Francisco Javier Navamuel Fernández. According to sections 2 and 3 of its articles of association, its corporate purpose is manufacturing, marketing, distribution, purchase, sale and installation of lifts, elevators and all of its accessories, sale and purchase of raw materials, any other lawful commercial or industrial activity which directly relates to such main corporate purpose, as well as any operations directly related to the corporate purpose, and it is also authorized to hold stakes in other companies with similar corporate purpose.

Turkey

Wittur Asansör Sanayi ve Ticaret Anonim Şirketi, a joint stock corporation (*Asansör Sanayi ve Ticaret Anonim Şirketi*) organized under the laws of the Republic of Turkey, was formed as a limited liability partnership and converted into a joint stock corporation on October 1, 2013 and is registered with the İstanbul Trade Registry under number 280101. The company's registered office is at Dudullu Organize Sanayi Bölgesi 2. Cad. No: 13 Ümraniye 34776 İstanbul, Turkey. It has a fully-paid up share capital of TRY 2,500,000 (equal to approximately €70,000) divided into 2,500,000 registered shares, with a nominal value of TRY 1.00 each (approximately €0.35). Its directors are Dr. Daniel Wiest and Ülvi Hakki Kadakal.

United Kingdom

Wittur Limited is a private, limited company organized under the laws of England, with registration number 02560589. The registered office address of Wittur Limited is 11 Broncoed Business Park, Wrexham Road, Mold, Flintshire CH7 1HP. Wittur Limited has a share capital of £400,000. The managing director of Wittur Limited is Dennis George Major. According to section 3 of its Memorandum of Association, its corporate purpose is, among others, service, repair, manufacture and design of hydraulic and electronic lifting and mechanical handling equipment, and it is also authorized to hold stakes in other companies and to represent and manage such companies.

FINANCIAL INFORMATION

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Unaudited IFRS Condensed consolidated interim financial statements of

Wittur International Holding GmbH, Wiedenzhausen, Germany

as of and for the period ended September 30, 2014

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FINANCIAL STATEMENTS

Condensed consolidated interim statement of comprehensive income

KEUR	Note	01. Jan - 30. Sep 2014	01. Jan - 30. Sep 2013
Revenues	(8.1)	380,866	359,282
Cost of sales	(8.2)	-280,031	-268,880
Gross profit		100,835	90,402
Selling expenses		-13,823	-14,825
Research & development expenses		-4,716	-4,396
Administrative expenses		-41,265	-42,387
Other income	(8.3)	1,317	1,887
Other expenses	(8.4)	-1,740	-1,386
Earnings before interest and taxes (EBIT)		40,608	29,296
Finance expense	(8.5)	-13,067	-16,139
Finance income	(8.6)	1,051	294
Earnings before income taxes (EBT)		28,592	13,452
Income taxes		-11,473	-7,860
NET RESULT FOR THE PERIOD FOR CONTINUING OPERATIONS		17,119	5,592
Loss after taxes for Discontinued Operations		—	-607
NET RESULT FOR THE PERIOD		17,119	4,985
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		1,491	-3,042
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains and losses		-835	379
Income tax relating to the components of OCI		230	-82
Other comprehensive income, net of tax		885	-2,745
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		18,004	2,240

KEUR	Note	01. Jan - 30. Sep 2014	01. Jan - 30. Sep 2013
Attributable to equity shareholders arises from:			
Continuing operations		18,004	2,240
Discontinued operations		—	—

Condensed consolidated interim balance sheet

KEUR	Note	Sep 30, 2014	Dec 31, 2013
ASSETS			
Intangible assets	(8.7)	132,180	138,251
Property, plant and equipment	(8.8)	71,573	74,759
Investment properties		3,274	1,845
Other non-current financial assets	(8.9)	422	766
Other non-current receivables		147	—
Deferred tax assets		6,823	5,461
Non-current assets		214,419	221,081
Inventories	(8.10)	43,773	37,945
Trade and other receivables		98,225	85,179
Other current financial assets	(8.11)	1,545	429
Other current assets	(8.12)	8,375	10,673
Income tax receivables	(8.12)	2,433	1,926
Cash and cash equivalents		36,205	19,998
Current assets		190,555	156,150
Assets classified as held for sale		—	1,600
Total assets		404,974	378,832
EQUITY AND LIABILITIES			
Subscribed capital		25	25
Retained earnings		-17,230	-24,852
Net result for the period		17,119	7,622
Other components of equity		16,387	15,502
Total equity		16,302	-1,702
Non-current interest-bearing loans and borrowings	(8.13)	218,200	221,536
Provisions for pensions	(8.14)	9,429	8,361
Other non-current provisions	(8.15)	3,749	6,109
Other non-current financial liabilities	(8.16)	3,708	3,790

	Note	Sep 30, 2014	Dec 31, 2013
KEUR			
Deferred tax liabilities		8,148	9,518
Non-current liabilities		243,235	249,315
Current interest-bearing loans and borrowings	(8.13)	18,902	31,491
Trade and other payables	(8.17)	113,549	89,971
Provisions for pensions	(8.14)	290	424
Other current provisions	(8.15)	2,934	2,082
Other current financial liabilities	(8.18)	264	707
Income tax liabilities		9,498	6,543
Current liabilities		145,437	131,219
Total equity and liabilities		404,974	378,832

Condensed consolidated interim statement of cash flows

	01. Jan - 30. Sep 2014	01. Jan - 30. Sep 2013
KEUR		
Operating activities		
Profit after Tax	17,119	4,985
Depreciation and Amortisation	14,209	17,609
Taxes	11,473	6,819
Interest	12,015	16,266
Loss on sale of discontinued operations	—	317
Gain/loss on sale of fixed assets	-43	-149
Losses from disposal of fixed assets	14	172
Cash generated from operations (excluding working capital changes)	54,788	46,019
Changes in working capital	6,490	-1,529
Net movement in provisions, pension obligations and other	-1,674	-958
Net movement in other assets	463	1,015
Interest received	165	219
Income taxes paid	-11,907	-7,976
Net cash flow from operating activities	48,326	36,791
Investing activities		
Purchase of property, plant & equipment	-2,967	-4,191
Purchase of intangible assets	-2,362	-1,460
Disposal of assets	1,661	563
Proceeds from disposal of Group company	—	920
Net cash flow used in investing activities	-3,668	-4,167
Net cash flow before financing activities	44,658	32,624
Financing activities		
Changes in Cash Pool	—	—
Repayment of shareholder loan	-2,520	—
Proceeds from borrowings	—	0
Repayment of borrowings	-20,005	-11,425
Purchase / sale of investments	—	—

	01. Jan - 30. Sep 2014	01. Jan - 30. Sep 2013
KEUR		
Payment of refinancing fees	—	-1,160
Interest paid	-6,660	-5,761
Net cash flow used in financing activities	-29,185	-18,345
Net increase / (decrease) in cash	15,473	14,279
Effects currency translation	734	-335
Cash and cash equivalents at beginning of period	19,998	22,405
Cash and cash equivalents at the end of period	36,205	36,348

Condensed consolidated interim statement of changes in equity

	Attributable to owners of the parent					
	Subscribed capital	Retained earnings	Capital reserves	Other reserves	Reserves of disposal group classified as held for sale	Total equity
KEUR						
Balance as of Jan 1, 2013	25	-24,852	22,025	-2,050	-41	-4,893
Net result for the period	—	4,985	—	—	—	4,985
Other comprehensive income	—	—	—	-2,745	41	-2,704
Total comprehensive income	—	4,985	—	-2,745	41	2,281
Balance as of Sept. 30, 2013	25	-19,867	22,025	-4,795	—	-2,612
Balance as of Jan. 1, 2014	25	-17,230	22,025	-6,523	—	-1,702
Net result for the period	—	17,119	—	—	—	17,119
Other comprehensive income	—	—	—	885	—	885
Total comprehensive income	—	17,119	—	885	—	18,004
Balance as of Sep 30, 2014	25	-110	22,025	-5,638	—	16,302

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Corporate information

1.1 Reporting entity

Wittur International Holding GmbH (“Wittur” or the “Company”) is a limited liability company domiciled in Wiedenzhausen, Germany. The address of the Company’s registered office is Rohrbachstraße 26-30, 85259 Wiedenzhausen, Germany. The consolidated interim financial statements of the Company as of and for the period ended September 30, 2014 comprise the Company and its subsidiaries (together referred to as “Wittur Group” or the “Group” and individually as “Group entities”).

The parent company of Wittur International Holding GmbH is TriWay HoldCo AB, Stockholm. The ultimate controlling party is Way Luxco S.ar.l., Luxembourg. The entity owners or others do not have the power to amend the financial statements after issue.

The Wittur Group is a leading independent solution provider for components, modules and complete elevators for the lift industry. It is a development partner and supplier to the major international lift companies, as well as small and medium-sized manufacturers. Its range of products comprises mainly the development and manufacture of doors, door mechanisms, cars, safety components, gearless drives, frames and complete elevators. The Wittur Group does not install lifts and does not offer maintenance services for lifts.

1.2 Basis of preparation

These condensed consolidated interim financial statements for the nine months ended September 30, 2014 have been prepared in accordance with IAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial statements

should be read in conjunction with the annual financial statements for the year ended December 31, 2013, which have been prepared in accordance and in conformity with all International Financial Reporting Standards (IFRS) and the publications of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU.

These condensed consolidated interim financial statements were authorised for issue by the Executive Board of the Company on October 31, 2014.

These condensed consolidated interim financial statements have not been audited.

These condensed consolidated interim financial statements are presented in Euros. Unless otherwise noted, all amounts are shown in thousands of Euros (KEUR) in accordance with the commercial rounding practices.

For computational reasons, rounding differences of +/- one unit (€ %, etc.) can occur in the tables.

2 Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except where financial reporting standards have been applied for the first time in 2014.

The following new standards and interpretations and amendments to existing standards became effective on January 1, 2014 and have been applied in preparing these condensed consolidated interim financial statements:

- IFRS 10 'Consolidated Financial Statements'
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of Interests in Other Entities'
- IAS 27 'Separate Financial Statements'
- IAS 28 'Investments in Associates and Joint Ventures'
- IAS 32 'Financial Instruments: Presentation': Amendments for offsetting financial assets and financial liabilities
- IAS 36 'Impairment of assets': Disclosures on the recoverable amount of impaired assets
- IAS 39 'Financial Instruments: Recognition and Measurement': Novation of Derivatives and Continuation of Hedge Accounting

The initial application of these standards did not have any material effect on the Group's financial position or its performance.

On June 17, 2014 the EU adopted IFRIC 21 'Levies'. This interpretation was not applied in preparing these condensed consolidated interim financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The exchange rates of certain significant currencies versus the Euro changed as follows:

Currency	ISO Code	Rate at closing date				Average exchange rate		
		Sep. 30, 2014	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012	Sep. 30, 2014	2013	2012
Argentine Peso	ARS	10,736	8,955	6,485	5,569	10,809	7,265	5,833
Australian Dollar	AUD	1,444	1,542	1,271	1,272	1,477	1,377	1,246
Brazilian Real	BRL	3,082	3,258	2,704	2,416	3,104	2,867	2,462

Currency	ISO Code	Rate at closing date				Average exchange rate		
		Sep. 30, 2014	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012	Sep. 30, 2014	2013	2012
Chinese Yuan Renminbi	CNY	7,726	8,349	8,221	8,159	8,358	8,166	8,170
Czech Koruna	CZK	27,500	27,427	25,151	25,787	27,504	25,984	25,155
British Pound	GBP	0,777	0,834	0,816	0,835	0,812	0,849	0,819
Hong Kong Dollar	HKD	9,774	10,693	10,226	10,051	10,511	10,302	10,063
Hungarian Forint	HUF	310,570	297,040	292,300	314,580	308,765	296,941	292,639
New Israeli Sheqel	ILS	4,647	4,788	4,926	4,945	4,734	4,795	4,955
Indian Rupee	INR	77,856	85,366	72,560	68,713	82,300	77,875	67,918
Polish Zloty	PLN	4,178	4,154	4,074	4,458	4,175	4,197	4,210
Swedish Krona	SEK	9,147	8,859	8,582	8,912	9,038	8,651	8,707
Singapore Dollar	SGD	1,606	1,741	1,611	1,682	1,705	1,662	1,624
Turkish Lira	TRY	2,878	2,961	2,355	2,443	2,934	2,533	2,338

The interest rates used to calculate the present value of pension obligations are given below:

	Sep 30, 2014	Dec 31, 2013	Sep 30, 2013
Discount rate:			
Germany	2.40%	3.40%	3.60%
Austria	2.40%	3.40%	3.60%
Italy	2.00%	3.40%	3.00%
Netherlands	2.40%	3.40%	/
Turkey	10.00%	8.60%	10.00%
France	2.40%	3.40%	/
Salary increase:			
Germany	0.00%	0.00%	0.00%
Austria	2.50%	2.50%	2.50%
Italy	3.00%	3.00%	3.00%
Netherlands	0.00%	0.00%	/
Turkey	8.00%	8.60%	9.50%
France	2.50%	2.00%	/
Inflation rate:			
Germany	0.00%	0.00%	0.00%
Austria	0.00%	0.00%	0.00%
Italy	2.00%	2.00%	2.00%
Netherlands	0.00%	0.00%	/
Turkey	6.50%	5.60%	6.50%
France	2.00%	2.00%	/

3 Estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2013.

4 Changes in the composition of the Group

As of September 30, 2014, the Group's consolidated financial statements included, besides Wittur International Holding GmbH, a total of 26 subsidiaries.

The trading of the following entities was transferred to Wittur GmbH, Wiedenzhausen, Germany during 2013 and thereafter became dormant and were liquidated during 2014:

Wittur kft., Budapest, Hungary
Wittur s.r.o., Hustopece, Czech Republic

5 Significant events and transactions

Wittur Hydraulic Drives s.r.l., Bagnatica, Italy was sold in September 2013. Land and building, owned by Wittur S.p.A, Colorno in which Wittur Hydraulic Drives s.r.l. operated, was subsequently sold to the new owners of the hydraulic drives business in January 2014.

To improve customer focus in eastern European countries, Wittur Sp. z o.o., Warsaw, Poland has moved to Rest of World region from Europe & Africa.

6 Seasonality or cyclicity of interim operations

The financial results of the interim financial statements of the Group are not materially affected by seasonal or cyclical events.

7 Financial risk management

The financial liabilities used by the Company mainly comprise bank loans and overdrafts, finance leases, debts from supply and performance and hire purchase contracts and other loans granted. The main purpose of these financial liabilities is the financing of the Group's business activities. Various financial assets such as trade receivables and cash which result directly from said business activities continue to be available to the Group.

The Group is exposed to the following risks from financial instruments:

- credit risk,
- liquidity risk, and
- market risk

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at December 31, 2013.

There have been no changes in the risk management department or in any risk management policies since the year end.

8 Notes to the Condensed consolidated interim statements of comprehensive income and balance sheet

8.1 Revenues

KEUR	Sep 30, 2014	Sep 30, 2013
Sales of goods		
Europe & Africa	175,434	175,757
Asia Pacific	154,597	135,646
Rest of world	50,835	47,879
Revenues	380,866	359,282

8.2 Expenses by nature

Expenses by nature mainly consist of:

KEUR	Sep 30, 2014	Sep 30, 2013
Raw material, consumables used and merchandise	193,253	185,282
Employee benefit expense	68,790	66,652

8.3 Other income

KEUR	Sep 30, 2014	Sep 30, 2013
Others	417	198
Lease and rental income	291	236
Income from government subsidies	219	71
Premiums from tax authority	115	148
Income from R&D	88	53
Income from insurance companies	82	61
Income tax benefit for local market sale	62	225
Gain on sale of fixed assets	43	149
Currency translation gain - net	0	521
Income from research funding	0	225
Other income	1,317	1,887

Others contain many different items all each below KEUR 30.

8.4 Other expenses

KEUR	Sep 30, 2014	Sep 30, 2013
Other taxes	1,597	1,214
Currency translation loss - net	128	—
Others	14	172
Other expenses	1,740	1,386

8.5 Finance expense

KEUR	Sep 30, 2014	Sep 30, 2013
Shareholder loan interest	4,881	9,356
Interest on borrowings	5,958	5,035
Amortization of transaction costs	1,422	1,142
Interest expenses for finance leases	102	114
Discounting of provisions	275	295
Other financial expenses	421	196
Total interest expense that is not measured at fair value through profit and loss	13,059	16,139
Net loss on financial instruments at fair value through profit	7	—
Finance expense	13,067	16,139

Net loss on financial instruments at fair value through profit or loss relates to interest rate derivatives.

8.6 Finance income

KEUR	Sep 30, 2014	Sep 30, 2013
Other interest income	193	30
Total interest income that is not measured at fair value through profit and loss	193	30
Net gain on financial instruments at fair value through profit	858	264
Finance income	1,051	294

Net gain on financial instruments at fair value through profit or loss relates to interest rate derivatives.

8.7 Intangible assets

KEUR	Sep 30, 2014	Dec 31, 2013
Goodwill	95,053	95,053
Licences, patents, trademarks and other rights	32,591	39,861
Development costs	4,536	3,337
Total	132,180	138,251

8.8 Property, plant and equipment

KEUR	Sep 30, 2014	Dec 31, 2013
Land and buildings	43,097	46,134
Plant and machinery	15,987	15,044
Furniture & equipment	5,905	7,293
Prepayments & construction in progress	1,982	4,497
Assets under Finance lease	4,602	1,791
Total	71,573	74,759

KEUR	Sep 30, 2014	Dec 31, 2013

During 2014 there is a reclass from Land and buildings to Assets under Finance lease with a net book value of KEUR 4,590 at December 2013 for a leased Building. If this reclass had been done in December 2013 the Land and buildings would be KEUR 41,544 and Assets under Finance lease would be KEUR 6,381.

8.9 Other non-current financial assets

KEUR	Sep 30, 2014	Dec 31, 2013
Interest rate derivatives	374	718
Investments	26	26
Guarantees and deposits	22	22
Other non-current financial assets	422	766

8.10 Inventories

KEUR	Sep 30, 2014	Dec 31, 2013
Raw materials and supplies	24,304	23,718
Finished goods and work in progress	18,520	13,836
Prepayments on inventory	949	392
Inventories	43,773	37,945

Inventories recognised as expense amounted to KEUR 189,937 as of September 30, 2014 (September 30, 2013: KEUR 181,521). As of September 30, 2014, the write downs of inventories recognised as expense amount to KEUR 3,576 (September 30, 2013: KEUR 3,248).

8.11 Other current financial assets

KEUR	Sep 30, 2014	Dec 31, 2013
Loans	457	429
Interest rates derivates	1,088	—
Other current financial assets	1,545	429

8.12 Other current assets

KEUR	Sep 30, 2014	Dec 31, 2013
VAT receivable	4,893	7,482
Income tax receivables	2,433	1,926
Prepaid expenses	1,739	721
Withholding tax receivable	215	240
Government grant	268	619

	Sep 30, 2014	Dec 31, 2013
KEUR		
Other	1,260	1,611
Other current assets	10,808	12,599

8.13 Interest-bearing loans and borrowings

Non-current interest-bearing loans and borrowings

	Sep 30, 2014	Dec 31, 2013
KEUR		
Non-current bank loans	147,680	153,377
Shareholder loan	70,521	68,160
Non-current interest-bearing loans and borrowings	218,200	221,536

Current interest bearing loans and borrowings

	Sep 30, 2014	Dec 31, 2013
KEUR		
Current bank loans	18,902	31,491
Current interest-bearing loans and borrowings	18,902	31,491

8.14 Provisions for pensions

	Sep 30, 2014	Dec 31, 2013
KEUR		
Present value of funded Defined Benefit Obligation (DBO)	9,719	12,419
Fair value of plan assets	—	-3,634
Net liability	9,719	8,785

8.15 Other provisions

	Sep 30, 2014	
	current	non-current
KEUR		
Warranty provisions	2,101	3,749
Indemnity for termination of employment	449	—
Others	384	—
Other current & non-current provisions	2,934	3,749

	Dec 31, 2013	
	current	non-current
KEUR		
Warranty provisions	984	6,109
Indemnity for termination of employment	600	—
Others	498	—
Other current & non-current provisions	2,082	6,109

8.16 Other non-current financial liabilities

	Sep 30, 2014	Dec 31, 2013
KEUR		
Non-current finance lease liabilities	3,566	3,694
Other non-current financial liabilities	143	96
Other non-current financial liabilities	3,708	3,790

8.17 Trade and other payables

	Sep 30, 2014	Dec 31, 2013
KEUR		
Trade accounts payable	81,759	63,040
Payroll liabilities	17,313	17,198
Advance payments received	5,859	3,324
VAT payable	3,709	2,493
Withholding tax payable	84	51
Others	4,825	3,865
Trade and other payables	113,549	89,971

8.18 Other current financial liabilities

	Sep 30, 2014	Dec 31, 2013
KEUR		
Current finance lease liabilities	257	380
Interest rate derivatives	7	327
Other current financial liabilities	264	707

9 Additional disclosures on financial instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Disclosures are to be disclosed by classes that take into account the characteristics of the financial instruments. At Wittur, the classification is based on the presentation on the balance sheet.

	Category in accordance with IAS 39	Carrying amount Sep. 30, 2014	Amounts recognised in balance sheet according to IAS 39		Amounts recognised in balance sheet according to IAS 17	Fair value Sep. 30, 2014
KEUR			Amortised cost	Fair Value		
Financial assets						
Non-current assets						
Other non-current financial assets						
Interest rate derivatives	FAFV	374	—	374	—	374
Investments	LaR	26	26	—	—	26
Guarantees and deposits	LaR	22	22	—	—	22
Current assets						
Trade and other receivables	LaR	98,225	98,225	—	—	98,225
Other current financial assets						
Interest rates derivatives	FAFV	1,088	—	1,088	—	1,088
Loan	LaR	457	457	—	—	457
Cash and cash equivalents	LaR	36,205	36,205	—	—	36,205
Financial liabilities						
Non-current liabilities						
Interest-bearing loans and borrowings	FLAC	147,680	147,680	—	—	147,680
Other financial liabilities						
Finance lease obligations	FLAC	3,566	—	—	3,566	n/a
Other financial liabilities	FLAC	143	143	—	—	143
Current liabilities						
Interest-bearing loans and borrowings	FLAC	18,902	18,902	—	—	18,902
Trade and other payables	FLAC	113,549	113,549	—	—	113,549
Other financial liabilities						
Finance lease obligations	FLAC	257	—	—	257	n/a
Interest rate derivatives	FLFV	7	—	7	—	7
Aggregated by category in accordance with IAS 39						
Loans and receivables (LaR)		134,935				
Financial liabilities at fair value (FLFV) through profit or loss		7				
Financial assets at fair value (FAFV) through profit or loss		1,462				
Financial liabilities measured at amortised cost (FLAC)		284,095				

	Category in accordance with IAS 39	Carrying amount Dec. 31, 2013	Amounts recognised in balance sheet according to IAS 39		Amounts recognised in balance sheet according to IAS 17	Fair value Dec. 31, 2013
			Amortised cost	Fair Value		
KEUR						
Financial assets						
Non-current assets						
Other non-current financial assets						
Interest rate derivatives	FAFV	718	—	718	—	718
Investments	LaR	26	26	—	—	26
Guarantees and deposits	LaR	22	22	—	—	22
Current assets						
Trade and other receivables	LaR	85,179	85,179	—	—	85,179
Other current financial assets						
Loan	LaR	429	429	—	—	429
Cash and cash equivalents	LaR	19,998	19,998	—	—	19,998
Financial liabilities						
Non-current liabilities						
Interest-bearing loans and borrowings	FLAC	153,377	153,377	—	—	153,377
Other financial liabilities						
Finance lease obligations	FLAC	3,694	—	—	3,694	n/a
Other financial liabilities	FLAC	96	96	—	—	96
Current liabilities						
Interest-bearing loans and borrowings	FLAC	31,491	31,491	—	—	31,491
Trade and other payables	FLAC	89,971	89,971	—	—	89,971
Other financial liabilities						
Finance lease obligations	FLAC	380	—	—	380	n/a
Interest rate derivatives	FLFV	327	—	327	—	327
Aggregated by category in accordance with IAS 39						
Loans and receivables (LaR)		105,655				
Financial liabilities at fair value (FLFV) through profit or loss		327				
Financial assets at fair value (FAFV) through profit or loss		718				
Financial liabilities measured at amortised cost (FLAC)		279,009				

The tables above do not include the shareholder loan, which matures in 2040. The carrying amounts are KEUR 70,521 (December 31, 2013: KEUR 68,160). The fair values of the shareholder loan are KEUR 227,208 (December 31, 2013: KEUR 293,798).

For finances lease liabilities, it is assumed that their carrying amounts approximate their fair values.

For financial instruments with current maturities including cash and cash equivalents, accounts receivable and payable as well as other receivables and payables it is assumed that their carrying amounts approximate their fair values.

The fair values of non-current financial instruments are calculated as the present values of the estimated future cash flows using market interest rates for discounting.

The fair values of non-current financial liabilities with variable interest rates are estimated to be equal to their carrying amounts since the interest rates agreed and those available on the market do not significantly differ.

The following tables provide the fair value measurement hierarchy of the Group's non-current assets and liabilities.

The different hierarchy levels have been defined as follows:

Level 1 input are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers between Level 1, Level 2 and Level 3 during the interim period.

Quantitative disclosures to the fair value measurements hierarchy for assets as at September 30, 2014:

		Fair value measurement using			
Sep. 30, 2014 KEUR	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value:					
Other non-curr. financial assets/derivative financial assets	30.09.2014		374		374
Other curr. financial assets/derivative financial assets	30.09.2014		1,088		1,088
Assets for which fair values are disclosed:					

Quantitative disclosures to the fair value measurements hierarchy for liabilities as at September 30, 2014:

		Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Sep. 30, 2014 KEUR	Date of valuation				
Liabilities measured at fair value:					
Derivative financial liabilities			7		7
Liabilities for which fair values are disclosed:					
Interest bearing loans and borrowing	30.09.2014			147,680	147,680

Quantitative disclosures to the fair value measurements hierarchy for assets as at December 31, 2013:

		Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Dec. 31, 2013 KEUR	Date of valuation				
Assets measured at fair value:					
Derivative financial assets	31.12.2013		718		718
Assets for which fair values are disclosed:					

Quantitative disclosures to the fair value measurements hierarchy for liabilities as at December 31, 2013:

		Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Dec. 31, 2013 KEUR	Date of valuation				
Liabilities measured at fair value:					
Derivative financial liabilities	31.12.2013		327		327
Liabilities for which fair values are disclosed:					
Interest bearing loans and borrowing	31.12.2013			153,377	153,377

The table above does not include the shareholder loan, which matures in 2040. The fair value hierarchy of the shareholder loan is Level 3 and the corresponding amount is KEUR 227,208.

10 Events after the balance sheet date

No further events occurred between September 30, 2014 and December 9, 2014 that would require adjustments to the amounts recognised in these consolidated financial statements or would need to be disclosed.

Wiedenzhausen, December 9, 2014

Dr. Walter Rohregger

Dr. Daniel Wiest

CEO

CFO

IFRS Consolidated financial statements of

**Wittur International Holding GmbH,
Wiedenzhausen, Germany**

**for the period from
January 1 to December 31, 2013**

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FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

KEUR	Note	2013	2012
Revenues	(5.1)	479,775	455,928
Cost of sales	(5.2)	-357,905	-336,747
Gross profit		121,870	119,182
Selling expenses	(5.2)	-19,749	-22,290
Research & development expenses	(5.2)	-5,787	-5,715
Administrative expenses	(5.2)	-59,335	-64,471
Other income	(5.4)	2,771	2,470
Other expenses	(5.5)	-1,734	-2,585
Earnings before interest and taxes (EBIT)		38,034	26,590

KEUR	Note	2013	2012
Finance expense	(5.6)	-21,377	-21,568
Finance income	(5.7)	840	469
Earnings before income taxes (EBT)		17,497	5,492
Income taxes	(5.8)	-9,268	-5,102
NET RESULT FOR THE PERIOD FOR CONTINUING OPERATIONS		8,230	390
Loss after taxes for Discontinued Operations	(5.9)	-607	-417
NET RESULT FOR THE PERIOD		7,622	-27
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		-4,854	-556
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains and losses		515	-2,066
Income tax relating to the components of OCI		-93	531
Other comprehensive income, net of tax		-4,431	-2,091
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,191	-2,119
Attributable to equity shareholders arises from:			
Continuing operations		3,191	-2,078
Discontinued operations		—	-41

Consolidated balance sheet

KEUR	Note	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
ASSETS				
Intangible assets	(5.10)	138,251	151,784	168,161
Property, plant and equipment	(5.11)	74,759	75,466	74,844
Investment properties	(5.12)	1,845	1,858	1,872
Other non-current financial assets	(5.13), (7)	766	47	41
Other non-current receivables	(5.14)	—	52	5
Deferred tax assets	(5.8)	5,461	6,136	4,756
Non-current assets		221,081	235,344	249,679
Inventories	(5.15)	37,945	34,203	40,805
Trade and other receivables	(5.16)	85,179	77,924	68,021
Other current financial assets	(5.17), (7)	429	367	—

KEUR	Note	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Other current assets	(5.18), (8)	12,599	14,272	15,390
Cash and cash equivalents	(5.19)	19,998	22,372	20,560
Current assets		156,150	149,138	144,776
Assets classified as held for sale	(5.9)	1,600	5,056	—
Total assets		378,832	389,538	394,455
KEUR	Note	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
EQUITY AND LIABILITIES				
Subscribed capital	(5.20)	25	25	25
Retained earnings		-24,852	-24,825	-24,825
Net gain/loss for the year		7,622	-27	—
Other components of equity	(5.20)	15,502	19,975	22,025
Reserves of disposal group classified as held for sale	(5.9)	—	-41	—
Total equity		-1,702	-4,893	-2,775
Non-current interest-bearing loans and borrowings	(5.21)	221,536	237,473	236,897
Provisions for pensions	(5.22)	8,361	9,056	7,331
Other non-current provisions	(5.23)	6,109	5,482	2,941
Other non-current financial liabilities	(5.24), (7)	3,790	5,584	6,266
Deferred tax liabilities		9,518	15,226	23,581
Non-current liabilities		249,315	272,822	277,016
Current interest-bearing loans and borrowings	(5.21)	31,491	17,267	22,579
Trade and other payables	(5.25)	89,971	89,359	86,593
Provisions for pensions	(5.22)	424	541	494
Other current provisions	(5.23)	2,082	1,876	2,652
Other current financial liabilities	(5.26), (7)	707	643	610
Income tax liabilities	(5.8)	6,543	7,628	7,287
Current liabilities		131,219	117,314	120,213
Liabilities associated with the assets classified as held for sale	(5.9)	—	4,295	—
Total equity and liabilities		378,832	389,538	394,455

Consolidated statement of cash flows

KEUR	Note	2013	2012
Operating activities			
Profit (loss) after Tax		7,622	-27
Depreciation, Amortisation and Impairment		23,491	24,767
Taxes	(5.8)	8,227	5,121
Interest	(5.6),(5.7)	20,959	21,098
Loss on sale of discontinued operations		317	—
Gain/loss on sale of fixed assets		-173	-868
Losses from disposal of fixed assets		213	100
Cash generated from operations (excluding working capital changes)		60,656	50,191
Changes in working capital		-14,068	-782
Net movement in provisions, pension obligations and other liabilities		261	3,789
Net movement in other assets		64	-1,074
Interest received		349	477
Income taxes paid		-12,637	-14,097
Net cash flow from operating activities		34,625	38,504
Investing activities			
Purchase of property, plant & equipment		-10,581	-8,294
Purchase of intangible assets		-2,330	-1,452
Disposal of assets		674	487
Proceeds from disposal of Group company		920	—
Net cash flow used in investing activities		-11,317	-9,259
Net cash flow before financing activities		23,309	29,245
Financing activities			
Repayment of shareholder loan		-70,000	—
Proceeds from borrowings		73,379	—
Repayment of borrowings	(5.21)	-16,114	-18,564
Payment of refinancing fees		-3,300	—
Interest paid		-9,137	-7,854
Net cash flow used in financing activities		-25,171	-26,418
Net increase / (decrease) in cash		-1,863	2,827
Effects currency translation		-544	-981
Cash and cash equivalents at beginning of period		22,405	20,559
Cash and cash equivalents at the end of period		19,998	22,405

Consolidated statement of changes in equity

Attributable to owners of the parent

	Subscribed capital	Retained earnings	Capital reserves	Other reserves	Reserves of disposal group classified as held for sale	Total equity
KEUR						
Balance as of Jan. 1, 2012	25	-24,825	22,025	—	—	-2,775
Net result for the period	—	-27	—	—	—	-27
Other comprehensive income	—	—	—	-2,050	-41	-2,091
Total comprehensive income	—	-27	—	-2,050	-41	-2,119
Balance as of Dec. 31, 2012	25	-24,852	22,025	-2,050	-41	-4,893
Balance as of Jan. 1, 2013	25	-24,852	22,025	-2,050	-41	-4,893
Net result for the period	—	7,622	—	—	—	7,622
Other comprehensive income	—	—	—	-4,472	41	-4,431
Total comprehensive income	—	7,622	—	-4,472	41	3,191
Balance as of Dec. 31, 2013	25	-17,230	22,025	-6,523	—	-1,702

Other comprehensive income, net of tax KEUR -4,431 (2012: KEUR -2,091) consists of other reserves KEUR -4,472 (2012: KEUR -2,050) and reserves of the disposal group classified as held for sale KEUR 41 (2012: KEUR -41).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

1.1 Reporting entity

Wittur International Holding GmbH (“Wittur” or the “Company”) is a limited liability company domiciled in Wiedenzhausen, Germany. The address of the Company’s registered office is Rohrbachstraße 26-30, 85259 Wiedenzhausen, Germany. The consolidated financial statements of the Company as of and for the business year ended December 31, 2013 comprise the Company and its subsidiaries (together referred to as “Wittur Group” or the “Group” and individually as “Group entities”).

The parent company of Wittur International Holding GmbH is TriWay HoldCo AB, Stockholm. The ultimate controlling party is Way Luxco S.a.r.l., Luxembourg. The entity owners or others do not have the power to amend the financial statements after issue.

The Wittur Group is a leading independent solution provider for components, modules and systems for the lift industry. It is a development partner and supplier to the major international lift companies, as well as small and medium-sized manufacturers. Its range of products comprises mainly the development and manufacture of doors, cars, safety components, gearless drives, hydraulic, frames and complete lift packages. The Wittur Group does not install lifts and doesn’t offer maintenance services for lifts.

1.2 Basis of preparation

The consolidated financial statements have been prepared in accordance and in conformity with all International Financial Reporting Standards (IFRS) and the publications of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU as of December 31, 2013.

These financial statements cover the business year from January 1, 2013 to December 31, 2013 (comparison period: January 1, 2012 to December 31, 2012) and were authorised for issue by the Executive Board of the Company on March 19, 2014. On December 9, 2014, the consolidated financial statements were extended to include the following information to improve transparency of the net assets, financial position and results of operations:

- The warranty provisions were divided into a non-current and current portion. The amounts classified as current are KEUR 984 as of December 31, 2013, KEUR 1,111 as of December 31, 2012 and KEUR 2,498 as of January 1, 2012. The accounting policies were supplemented accordingly.
- The disclosures on pension provisions were supplemented. This relates primarily to the biometric bases and information concerning pension plans and plan assets.
- Way Luxco S.a.r.l., Luxembourg, was stated as ultimate controlling party.
- The disclosures with respect to IFRS 7 were extended to include two additional explanatory sentences. This relates mainly to the establishment of classes on the basis of balance sheet items and disclosures on the fair value of finance leases.
- Disclosures were made on management remuneration for 2012.

These are the Company’s first consolidated financial statements under IFRS and include a reconciliation of equity from German GAAP (HGB) to IFRS for the opening balance sheet and the last balance sheet date the group prepared consolidated financial statements under German GAAP, as well as a reconciliation of net income for the period the group prepared its last consolidated financial statements under German GAAP.

The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities.

The consolidated statement of comprehensive income is prepared based on the cost of sales method.

The consolidated financial statements are presented in Euros. Unless otherwise noted, all amounts are shown in thousands of Euros (KEUR) in accordance with the commercial rounding practices. The parent company’s functional currency is Euro.

Key assets and liabilities shown in the consolidated financial statements are measured as follows:

Assets	
Balance sheet item	Measurement principle
Non-current assets	
Intangible assets	Amortised cost
Property, plant and equipment	Amortised cost
Investment properties	Amortised cost
Other non-current financial assets	Amortised cost
Other non-current receivables	Amortised cost
Deferred tax assets	Non-discounted amount measured at the tax rate that are expected to apply to the period when the asset is realized or the liability settled
Current assets	
Inventories	Lower of net realisable value and cost
Trade receivables and other receivables	Amortised cost
Other current financial assets	Amortised cost
Cash and cash equivalents	Amortised cost
Liabilities	
Balance sheet item	Measurement principle
Non-current liabilities	
Non-current interest-bearing loans and borrowings	Amortised cost
Provisions for pensions	Actuarial projected unit credit method
Other non-current provisions	Present value of the settlement amount
Derivative financial instruments	Fair value
Other non-current liabilities	Amortised cost
Deferred tax liabilities	Non-discounted amount measured at the tax rate that are expected to apply to the period when the asset is realized or the liability settled
Current liabilities	
Trade and other payables	Amortised cost
Current interest-bearing loans and borrowings	Amortised cost
Provisions for pensions	Actuarial projected unit credit method

Assets	
Balance sheet item	Measurement principle
Non-current assets	
Other current provisions	Present value of the settlement amount
Income tax liabilities	Amount expected to be paid to the taxation authorities, using the tax rate that have been enacted or substantively enacted by the end of the reporting period

1.3 Explanation of transition to IFRS

Wittur Group applied IFRS 1 “*First-time Adoption of International Financial Reporting Standards*” in making the transition to IFRS, with January 1, 2012 as the date of transition to IFRS. IFRS 1 requires that all IFRS standards and interpretations that are effective for the first IFRS consolidated financial statements as of December 31, 2012, shall be applied consistently and retrospectively for all fiscal periods presented.

The Group has applied the following exemptions for first-time adopters in accordance with IFRS 1:

- Business combinations are presented as they have been recognised in previous consolidated financial statements according to German GAAP.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1, January 2012.

The following reconciliations describe the effect of the differences between German GAAP and IFRS on equity as of December 31, 2013 and in the opening balance sheet as of January 1, 2012, as well as on net income for the business year from January 1 to December 31, 2012.

	Dec. 31, 2012	Jan. 1, 2012
KEUR		
Equity under HGB	-36,792	-11,658
Intangible assets	26,415	3,349
Trade receivables and other receivables	171	171
Inventories	-2,148	-2,364
Non-controlling interest	-550	-580
Interest-bearing loans and borrowings	5,614	7,272
Derivative financial instruments	—	-945
Provisions for pensions and other employee benefits	-1,907	-308
Finance lease	187	135
Deferred taxes	4,117	2,153
Equity under IFRS	-4,893	-2,775

	2012
KEUR	
Net result under HGB	-24,500
Intangible assets	23,065
Inventories	216
Non-controlling interests	30
Interest-bearing loans and borrowings	-1,658
Derivative financial instruments	945
Provisions for pensions	325
Finance lease	52
Deferred taxes	1,845
Current taxes	-347

	2012
KEUR	
Net result under IFRS	-27
Other comprehensive income	
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	
Exchange differences on translation of foreign operations	-556
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	
Actuarial gains and losses	-2,066
Income tax relating to the components of OCI	531
Other comprehensive income, net of tax	-2,091
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-2,119

Intangible assets

For IFRS a different depreciation period for software was used based on the actual useful life of the assets. The different depreciation periods used under German GAAP and IFRS resulted in a negative effect on equity amounting KEUR -16 as of Dec. 31, 2012 (Jan. 01, 2012: KEUR -16).

In the consolidated financial statements of Wittur Group according to German GAAP goodwill is amortised over a period of 15 years and transaction costs related to the acquisition of Wittur Group in 2010 have been capitalized as part of the goodwill.

According to IFRS goodwill is not amortised. Instead, goodwill arising in a business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination and an impairment test of the cash-generating units is performed at least annually. Transaction costs related to the acquisition have not been capitalized as part of the goodwill, instead are expensed under IFRS.

Different treatments on goodwill resulted in an equity effect of KEUR 26,432 as of Dec. 31, 2012 (Jan. 01, 2012: KEUR 3,366) and an effect on the net result of KEUR 23,065 in 2012.

Trade receivables and other receivables

General allowances for doubtful accounts receivable recognised in the consolidated financial statements according to German GAAP are not permitted according to IFRS and have been released for accounting under IFRS. The explained effects increased receivables and equity by KEUR 171 as of Dec. 31, 2012 (Jan. 01, 2012: KEUR 171).

Inventories

The pure administrative surcharges in the consolidated financial statements according to German GAAP recognised as a markup percentage during the intercompany profit-elimination on group level have been eliminated for IFRS. This had an equity effect of KEUR -2,148 as of Dec. 31, 2012 (Jan. 01, 2012: KEUR -2,364) and impact on the net result of KEUR 216 in 2012.

Non-controlling interests

The minority interests at Wittur Group do classify as puttable instruments according to IFRS and have been reclassified from equity recognised under German GAAP to liabilities for the IFRS consolidated financial statements. The reclassification had an effect on equity of KEUR -550 as of Dec. 31, 2012 (Jan. 01, 2012: KEUR -580) and impact on net result of KEUR 30 of 2012.

Interest-bearing loans and borrowings

In the consolidated financial statements of Wittur Group according to German GAAP bank loans are recognised at their nominal amount. For IFRS the effective interest method according to IAS 39 is applied. Under this method a financial liability is recognised initially at fair value less transaction costs that are directly attributable to the issue of the financial liabilities. Subsequently the liabilities are measured at amortised cost. The transaction costs are amortised as interest expense

through profit and loss with an increase in the liability. The effective interest method leads to an effect on equity of KEUR 5,614 at Dec. 31, 2012 (Jan. 01, 2012: KEUR 7,272) and an effect of KEUR -1,658 on net result in 2012.

Derivatives

In order to limit the interest rate risk arising from loans that bear a variable interest rate Wittur Group entered into interest caps and swaps. Under IFRS the swaps and caps are measured at fair value through profit and loss. As of Jan. 01, 2012 the fair value of the caps and swap increases liabilities by KEUR 945 with and negative effect on equity, because no provision for the derivatives was recognised in the consolidated financial statement according to German GAAP. As of Dec. 31, 2012 the derivatives were also recognised in the consolidated statements according to German GAAP and resulted in an impact on net result of KEUR 945.

Provisions for pensions and other employee benefits

For determining the defined benefit obligations of the provisions for pensions and other employee benefits different discount rates under German GAAP and IFRS must be used.

Under IFRS actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions have been recognised directly in equity.

The different treatments had an effect on equity of KEUR -1,907 as of Dec. 31, 2012 (Jan. 01, 2012: KEUR -308) and an impact of KEUR 325 on net result and of KEUR -1,535 on comprehensive income in 2012.

Finance lease

Under IFRS, some leases with the Group as lessee are classified as finance leases which were treated as operating leases under German GAAP. For IFRS those leased assets have been capitalised and a lease liability is recognised. The lease expenses recognised under German GAAP are reversed for IFRS and allocated to the repayment of the lease liability and an interest portion. This had an impact on equity of KEUR 187 as of Dec. 31, 2012 (Jan. 1, 2012: KEUR 135) and an effect on net result from the depreciation of leased assets and interest expenses amounting KEUR 52 in 2012.

Deferred taxes

The adjustments as described above resulted in additional differences between the carrying amount of assets and liabilities in the IFRS Consolidated Financial Statements and their tax basis. Deferred taxes were recognised on temporary differences. This resulted on a positive impact on equity of KEUR 4,117 as of Dec. 31, 2012 and KEUR 2,153 as of Jan. 1, 2012 and a positive effect on net result of KEUR 1,845 in 2012.

Current taxes

In HGB 2012 a current taxes adjustment was reversed in P&L as no longer required, however this was adjusted in equity within the IFRS opening balance sheet, therefore impacting IFRS net result of KEUR-347 in 2012.

Exchange differences on translation of foreign operations

According to IFRS exchange differences on translation of foreign operations are recognised in the other comprehensive income amounting KEUR - 556 as of Dec. 31, 2012.

Consolidated statement of cash flows

Differences between HGB and IFRS in the consolidated statement of cash flows mainly arise from the allocation of cash in- and outflow to operating, investing and financing activities.

1.4 Basis of consolidation

The consolidated financial statement comprises the statement of Wittur International Holding GmbH and its subsidiaries as at December 31, 2013. Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential

voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Internal Group profit and loss, expenses and revenues as well as receivables and liabilities between consolidated companies are eliminated.

1.5 Consolidated companies

The Group's consolidated financial statements as of December 31, 2013 include, besides Wittur International Holding GmbH, a total of 28 subsidiaries. In 2013 two companies were merged and one company was sold. For the disposal we refer to Note 5.8. As of December 31, 2012 the Group had non-controlling interests, however due to materiality does not present it separately. As of December 31, 2013 the following companies were consolidated:

	Share- holding in % Dec. 31, 2013	Share- holding in % Dec. 31, 2012	Share- holding in % Jan. 1, 2012
Wittur Group companies			
Wittur International Holding GmbH, Wiedenzhausen, Germany	Parent Company	Parent Company	Parent Company
Wittur Holding GmbH, Wiedenzhausen, Germany	100.00%	100.00%	100.00%
Wittur Deutschland Holding GmbH, Wiedenzhausen	—	99.74%	99.74%
Wittur Co-Invest GmbH & Co. KG, Wiedenzhausen, Germany	—	94.90%	94.90%
Wittur Reorganisation GmbH, Munich, Germany	—	—	99.74%
Wittur Deutschland Vertrieb Holding GmbH, Wiedenzhausen, Germany	100.00%	99.74%	99.74%
Wittur GmbH, Wiedenzhausen, Germany	100.00%	99.74%	99.74%
Wittur Electric Drives GmbH, Dresden, Germany	100.00%	99.74%	99.74%
Wittur Austria Holding GmbH, Scheibbs, Austria	100.00%	100.00%	100.00%
Wittur GmbH, Scheibbs, Austria	100.00%	100.00%	100.00%
Wittur Austria GmbH, Scheibbs, Austria	100.00%	—	—
Wittur s.r.o., Krupina, Slovakia	100.00%	100.00%	100.00%
Wittur Italia Holding s.r.l., Colorno, Italy	100.00%	100.00%	100.00%
Wittur IT Holding s.r.l., Colorno, Italy	—	—	100.00%
Wittur S.p.A., Colorno, Italy	100.00%	100.00%	100.00%
Wittur Hydraulic Drives s.r.l., Bagnatica, Italy	—	100.00%	100.00%
Wittur Asansör San. ve Tic. A.Ş., Istanbul, Turkey (formerly: Wittur Asansör Sanayi ve Ticaret Ltd.Sti.)	100.00%	100.00%	100.00%
Wittur Elevator Components S.A., Zaragoza, Spain	100.00%	100.00%	100.00%
Wittur Ltd., Mold, Flintshire, Great Britain	100.00%	99.74%	99.74%
Wittur Sp. z o.o., Warsaw, Poland	100.00%	99.74%	99.74%
Wittur B.V., Almere, Netherlands	100.00%	99.74%	99.74%
Wittur S.A.S. Evry, France	100.00%	99.74%	99.74%
Wittur AB, Spanga, Sweden	100.00%	99.74%	99.74%
Wittur s.r.o., Hustopece, Czech Republic	100.00%	99.97%	99.74%
Wittur kft., Budapest, Hungary	100.00%	99.74%	99.74%
Wittur Ltd., Natanya, Israel	100.00%	99.74%	99.74%
Wittur Elevator Components (Suzhou) Co. Ltd., Wujiang, People's Republic of China	100.00%	100.00%	100.00%
Wittur Ltd., Hong Kong, Special Administrative Region, Peoples's Republic of China	100.00%	100.00%	100.00%
Wittur Elevator Components India Pvt. Ltd., Sriperumbudur, India	100.00%	99.74%	99.74%
Wittur Pte. Ltd., Singapore	100.00%	99.74%	99.74%
Wittur Pty. Ltd., Sydney, Australia	100.00%	99.83%	99.83%

	Share- holding in % Dec. 31, 2013	Share- holding in % Dec. 31, 2012	Share- holding in % Jan. 1, 2012
Wittur Group companies			
Wittur Ltda., Sao Paulo, Brazil	100.00%	100.00%	100.00%
Wittur S.A., Buenos Aires, Argentina	100.00%	99.99%	99.99%
Wittur Colombia S.A.S., Barranquilla, Colombia	100.00%	—	—

2 Estimates and judgements

2.1 General provisions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The assumptions and estimates principally relate to the consolidation of business combinations, the assessment of the recoverability of the carrying amount of intangible assets (in particular goodwill), the group-wide determination of useful lives of material assets, taxation and the recognition of deferred tax assets and the measurement and recognition of provisions for pensions and other provisions. Assumptions and estimates are based on premises derived from knowledge at the time.

Within the scope of business combinations, general estimates are also made when determining the fair values of the assets acquired. In principle fair value is determined based on the prognosis of future cash flow.

2.2 Economic useful lives of property, plant and equipment and intangible assets

The applied economic lives of non-current assets are based on estimates of the management. The Group reviews the estimated economic useful lives of property, plant and equipment and intangible assets at the end of every financial year.

2.3 Taxation

The Company and its subsidiaries are subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the respective authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provisions required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned.

2.4 Estimates and assumptions

The key assumptions concerning the future economic situation and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable.

Deferred tax assets

Management judgment is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. For further details refer to note 5.8 Income taxes.

Fair value of financial instruments

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 7 Additional disclosures on financial instruments.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair values of the derivatives are presented in the balance sheet on a gross basis.

Pension and other post-employment benefits

The carrying amount of defined benefit pensions plans and other post-employment benefits are based on actuarial valuations. The actuarial valuations involved making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The net pension liability at December 31, 2013 is KEUR 8,785 (2012: KEUR 9,597). Further details are given in note 5.22 Provisions for pensions.

Other provisions

Such provisions are recognised when it is considered probable that economical, legal, ecological and decommissioning obligations will result in future outflows of economic benefits, when the costs can be estimated reliably and the measures in question are not expected to result in future inflows of economic benefits. The estimate of future costs is subject to many uncertainties, including legal uncertainties based on the applicable laws and regulations and with uncertainties regarding to the actual conditions in the different countries and operating locations. In particular, estimates of costs are based on earlier experiences in similar cases, the conclusions of expert opinions commissioned by the Group, current costs and new developments that have a bearing on the costs. Any changes to these estimates could have an impact on the future results of the Group. At December 31, 2013, the carrying amount of recognised other provisions were KEUR 8,191 (2012: KEUR 7,358).

3 Significant accounting policies

The accounting policies set out below have been applied consistently by all Group entities.

3.1 New accounting standards and interpretations

Wittur Group applied all effective standards and interpretations issued by the IASB and the IFRIC for preparation of the consolidated financial statements if their application was required as of December 31, 2013.

The following standards and interpretations have been issued by the IASB prior to the preparation of the consolidated financial statements and must be adopted for reporting periods starting January 1, 2014 or at a later date. Wittur Group will adopt them at their mandatory effective date and has analyzed the effects caused by the implementation.

Standard/Interpretation	Amendment	Application mandatory from	Adopted by EU Commission
IFRS 10; Consolidated Financial Statements	Preparation and presentation of consolidated financial statements	01.01.2014 ¹⁾	Yes

Standard/Interpretation	Amendment	Application mandatory from	Adopted by EU Commission
IFRS 11; Joint Arrangements	Accounting for joint ventures and joint operations	01.01.2014 ¹⁾	Yes
IFRS 12; Disclosure of Interests in Other Entities	Disclosure of interests in other entities	01.01.2014 ¹⁾	Yes
IAS 27; Separate Financial Statements	Accounting for subsidiaries, joint ventures and associates in their separate annual financial statements and the corresponding notes	01.01.2014 ¹⁾	Yes
IAS 28; Investments in Associates and Joint Ventures	Accounting for investments in associates and joint ventures	01.01.2014 ¹⁾	Yes
IAS 32; Financial Instruments: Presentation	Amendments for offsetting financial assets and financial liabilities	01.01.2014	Yes
IAS 36; Impairment of Assets	Disclosures on the recoverable amount of impaired assets	01.01.2014	Yes
IAS 39; Financial Instruments: Recognition and Measurement	Novation of Derivatives and Continuation of Hedge Accounting	01.01.2014	Yes
IFRS 9; Financial Instruments / IFRS 7; Financial Instruments Disclosures	Amendments and concretization for accounting and disclosure of financial instruments	01.01.2018	No
Interpretations			
IFRIC Interpretation 21; Levies	Account for liabilities to pay levies imposed by governments	01.01.2014	No

- 1) The original regulations of the IASB required an application starting in fiscal year 2013. In the Official Journal of the European Union, L360 dated December 29, 2012, however, the European Commission enacted an initial application date for the amendments for fiscal years beginning on or after January 1, 2014.

IFRS 10 “Consolidated Financial Statements” will prescribe a new harmonized consolidation model. IFRS 10 no longer distinguishes between traditional subsidiaries (IAS 27) and special-purpose entities (SIC-12). According to IFRS 10 the pivotal criteria of consolidating an entity is having its control. IFRS 10 defines control if an investor has the power over an investee, is exposed to variable returns and is able to use power to affect its amount of variable returns. IFRS 10 will replace SIC-12 “Consolidation – Special Purpose Entities” as well as the requirements relevant to consolidated financial statements in IAS 27 “Consolidated and Separate Financial Statements.”

Based on the current structure of Wittur Group and its economic relations there are no changes expected that will affect the results of operations, financial positions or cash flows.

IFRS 11 “Joint Arrangements” will replace IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities – NonMonetary Contributions by Venturers.” IFRS 11 governs the accounting for joint ventures and joint operations. Proportionate consolidation for joint ventures will no longer be permissible as a result of the discontinuation of IAS 31. Amended IAS 28 “Interests in Associates and Joint Ventures” will now govern the application of the equity method when

accounting for investments in both associates and joint ventures. In case of a joint operation, the share of assets, liabilities, expenses and revenues is directly recognised in the consolidated financial statements and annual financial statements of the joint operator.

Based on the current structure of Wittur Group and its economic relations there are no changes expected that will affect the results of operations, financial positions or cash flows.

IFRS 12 “Disclosure of Interests in Other Entities” will prescribe the information to be disclosed in the notes to the financial statements about interests in subsidiaries, associates, joint arrangements and non-consolidated structured entities. The objective of these disclosures is to enable the users of an entity’s financial statements to understand the nature of its interests in other entities, the risks associated with them, and the effects of the interests on its financial position and results of operations.

Wittur Group does not expect major changes in presentation of the results of operations, financial positions or cash flows caused by the implementation.

IAS 27 “Separate Financial Statements” was renamed and adapted together with the enacting of IFRS 10 and will now exclusively govern the accounting for subsidiaries, joint ventures and associates in their separate annual financial statements and the corresponding notes.

Wittur Group does not expect effects on the results of operations, financial positions or cash flows caused by the implementation.

IAS 28 “Investments in Associates and Joint Ventures” was renamed and adapted together with the enacting of IFRS 11. IAS 28 will govern the accounting of investments in associates and joint ventures which are in the scope of IFRS 11 using the equity method.

Wittur Group does not expect effects on the results of operations, financial positions or cash flows caused by the implementation.

IAS 32 “Financial Instruments: Presentation” was amended to specify the requirements for offsetting financial instruments. To meet the new offsetting requirements in IAS 32, an entity’s right to set off must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default or insolvency of the entity and all counterparties. It is further specified that a gross settlement mechanism also complies with the offsetting requirements according to IAS 32, provided no major credit liquidity risks remain, and receivables and payables are processed in a single settlement step, making it equivalent to a net settlement.

Wittur Group does not expect major changes in the results of operations, financial position or cash flows caused by the implementation.

IAS 36 “Impairment of Assets” was amended to modify the disclosures on recoverable amounts of impaired assets. The disclosures were initially amended as a consequence of the release of IFRS 13 “Fair Value Measurement” and now clarify that the disclosure of information about the recoverable amount of impaired assets is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

Wittur Group does not expect major changes in the results of operations, financial position or cash flows caused by the implementation.

IAS 39 “Financial Instruments: Recognition and Measurement” was amended to allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

The accounting and presentation of the derivatives held at Wittur Group are not affected by the amended Standard. Wittur Group therefore does not expect changes in the results of operations, financial position or cash flows.

IFRS 9 “Financial Instruments” will govern the classification and measurement of financial assets and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 defines two instead of four measurement categories (IAS 39) for financial assets, with classification to be based partly on the company’s business model and partly on the characteristics

of the contractual cash flows from the respective financial asset. In the case of equity investments that are not held for trading, an entity may choose at initial recognition to recognize future changes in their fair value in other comprehensive income. The disclosure requirements under IFRS 7 concerning the first-time application of IFRS 9 were amended at the same time.

Wittur Group does not expect major changes in results of operations, financial position or cash flows caused by the implementation of the new standard.

IFRIC Interpretation 21 “Levies” will clarify how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. The discussed question is when the entity should recognize a liability to pay a levy. IFRIC 21 is an interpretation of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (obligating event). The interpretation now clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Wittur Group does not expect changes in results of operations, financial position or cash flows caused by the implementation of the interpretation.

3.2 Foreign currencies

The Group’s consolidated financial statements are presented in euros (KEUR), which is also the parent company’s functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is classified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 January 2012 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Prior to 1 January 2012, the date of transition to IFRS, the Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Group companies

The assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The exchange rates of certain significant currencies versus the Euro changed as follows:

Currency	ISO Code	Rate at closing date			Average exchange rate	
		Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012	2013	2012
Argentine Peso	ARS	8,955	6,485	5,569	7,265	5,833
Australian Dollar	AUD	1,542	1,271	1,272	1,377	1,246
Brazilian Real	BRL	3,258	2,704	2,416	2,867	2,462
Chinese Yuan Renminbi	CNY	8,349	8,221	8,159	8,166	8,170
Czech Koruna	CZK	27,427	25,151	25,787	25,984	25,155
British Pound	GBP	0,834	0,816	0,835	0,849	0,819
Hong Kong Dollar	HKD	10,693	10,226	10,051	10,302	10,063
Hungarian Forint	HUF	297,040	292,300	314,580	296,941	292,639
New Israeli Sheqel	ILS	4,788	4,926	4,945	4,795	4,955
Indian Rupee	INR	85,366	72,560	68,713	77,875	67,918
Polish Zloty	PLN	4,154	4,074	4,458	4,197	4,210
Swedish Krona	SEK	8,859	8,582	8,912	8,651	8,707
Singapore Dollar	SGD	1,741	1,611	1,682	1,662	1,624
Turkish Lira	TRY	2,961	2,355	2,443	2,533	2,338

3.3 Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

3.4 Intangible assets

Purchased intangible assets

Purchased intangible assets are recognised at cost or, if acquired in a business combination, at their respective fair values. They are amortised on a straight line basis over their useful lives. With the exception of goodwill no intangible asset with indefinite useful life is recognised. Intangible assets with indefinite useful lives are subject to an annual impairment test and not to scheduled amortisation.

Scheduled amortisation of intangible assets may take place over the following useful life period:

Intangible assets

Useful life
in years

3 – 20

Research and development costs

Expenditure on research activities, undertaken with purpose of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (badwill) it is recognised immediately in profit or loss. Capitalized goodwill is not subject to amortisation. It is assessed annually for impairment and can be assessed more frequently, if there might be any indication for impairment during the year.

3.5 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and the costs of dismantling and removing the items.

If parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other operating income or other operating expenses in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives for the current and comparative periods are as follows:

	Useful life in years
Buildings	25
Buildings (constructed after 1st Jan 2001)	33
Plant	8
Factory equipment	5
Fixtures and fittings	4

	Useful life in years
IT equipment	3
IT equipment (networks)	8

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.7 Impairment of intangible assets and of property, plant and equipment

The carrying amounts of the Group's intangible assets and items of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated at least once in a year at the same time.

The recoverable amount is defined as the higher of the attributable fair value less the costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the carrying amount exceeds the recoverable amount, the difference is recognised as an impairment loss in the income statement. For the impairment test, assets are reflected at the lowest level for which cash flows are separately identifiable. If the cash flow for an asset is not separately identifiable, the impairment test is conducted on the basis of the cash-generating unit (CGU) to which the asset belongs. Goodwill is allocated to CGU's to perform an annual impairment test on goodwill. The allocation is made to those CGU's or groups of CGU's that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed even in case of subsequent increase in value. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Investment Properties

IAS 16 and IAS 40 permit investment properties to be carried at historical cost less provisions for depreciation and impairment.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

The estimated useful live for the current and comparative periods is as follows:

Investment properties

25

3.9 Inventories

Inventories include raw materials and supplies, work in progress, semi-finished goods, finished goods and merchandise.

Inventories are measured at the lower of cost or net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost of inventories includes direct material and production costs and an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

3.10 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.11 Financial instruments

Financial instruments comprise trade and other receivables, cash and cash equivalents, other financial assets, loans and borrowings, trade and other payables as well as other financial liabilities.

Cash and cash equivalents comprise cash balances and call deposits.

Financial assets are recognised initially at fair value and, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Subsequent measurement depends on the categorisation of the financial instrument as described below:

Loans and receivables comprise trade receivables and other financial assets and are measured at amortised cost less any impairment losses. Impairment losses on trade receivables are recognised using separate allowance accounts. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Financial instruments at fair value through profit or loss: An instrument is classified at fair value through profit or loss, if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss. The Group does not apply the fair value option but has derivatives which fall into the sub-category held for trading.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial liabilities are measured at fair value on initial recognition. For all financial liabilities not subsequently measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition are also recognised. Trade payables and other financial liabilities are generally measured at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount is shown in the Group's balance sheet only if, at the relevant balance sheet date, there is a legitimate claim to offset the amounts accounted for against each other and if it is intended that a settlement be made on a net basis or that the liability in question be extinguished at the same time by realising the asset concerned.

3.12 Financial income and expenses

Financial income comprises interest income on funds invested and changes in the fair value of derivative financial instruments. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of derivative financial instruments, impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

3.13 Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.14 Provisions for pensions and other employee benefits

Pensions for provisions and other employee benefits are carried as liabilities in accordance with IAS 19.67 using the projected unit credit method. The Group accounts for actuarial gains and losses in other comprehensive income. The same applies to past service costs. The amount which has to be accounted for as a liability from a defined-benefit pension plan comprises of the cash value of the defined-benefit pension obligation less the fair value of the plan assets which exist for the direct fulfilment of obligations. Actuarial valuations for the obligations are drawn up annually on the balance sheet date. An actuarial valuation is made on the basis of various assumptions. These include the calculation of the discount rates for unaccrued interest, future wage and salary increases, the mortality rate and future pension increases. Because the valuation

and the assumptions on which it is based are complex and long-term, a performance-related obligation reacts very sensitively indeed to any change in said assumptions. All assumptions are thus reviewed on each annual financial statement date.

3.15 Other provisions

A provision is recognised, if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of discounting is material, provisions are measured at their present value. The amount assumed to flow out in the subsequent year is recognised as current portion of the provision.

3.16 Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

Rental and lease payments made by the Group under operating leases are recognised in other operating expenses as they incur.

3.17 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

4 Financial risk management

The financial liabilities used by the Company mainly comprise bank loans and overdrafts, finance leases, debts from supply and performance and hire purchase contracts and other loans granted. The main purpose of these financial liabilities is the financing of the Group's business activities. Various financial assets such as trade receivables and cash which result directly from said business activities continue to be available to the Group.

The Group is exposed to the following risks from financial instruments:

- credit risk,
- liquidity risk, and
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

4.1 Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group only concludes business transactions with creditworthy third parties. All customers wishing to conclude business transactions with the Group on credit are subjected to a test of their creditworthiness. In addition to that, the receivables are monitored continuously, so that the Group is not exposed to any substantial risks of non-payment. In the case of transactions which are not carried out in the country of the operative unit concerned no credits are granted without prior approval from the head of accounts receivable controlling. There are no substantial concentrations of non-payment risks in the Group. The Group does not see a credit risk for financial assets that are neither past due nor impaired.

4.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, e.g. settlement of its financial debt and paying its suppliers. The Group's approach of managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group continuously monitors the risk of a liquidity bottleneck using a liquidity planning tool. It is the aim of the Group to maintain a balance between ongoing coverage of the need for funds and the guarantee of flexibility by the use of overdrafts, loans, finance leases and hire purchase contracts.

Beyond effective working capital and cash management, the Group mitigates liquidity risk by having undrawn credit facilities.

Future cash outflows arising from financial liabilities that are recognised and unrecognised in the consolidated balance sheet are presented in the following table. This includes payments to settle the liabilities and interest payments. Financial liabilities that are repayable on demand are included on the basis of the earliest date of repayment. Cash flows for instruments with a variable interest rate are determined with reference to the market conditions at the balance sheet date.

Dec. 31, 2013 KEUR	< 1 year	1 - 5 years	over 5 years	Total
Interest-bearing loans and borrowings	39,057	182,228	—	221,285
Other financial liabilities	658	1,592	3,157	5,407
Trade and other payables	89,971	—	—	89,971
Sub-Total	129,686	183,820	3,157	316,664
Derivative financial instruments	327	—	—	327
Total	130,013	183,820	3,157	316,991
Dec. 31, 2012 KEUR	< 1 year	1 - 5 years	over 5 years	Total
Interest-bearing loans and borrowings	22,816	132,735	—	155,550
Other financial liabilities	1,484	1,766	3,553	6,803
Trade and other payables	89,359	—	—	89,359
Sub-Total	113,659	134,501	3,553	251,713
Derivative financial instruments	—	964	—	964
Total	113,659	135,465	3,553	252,677
Jan. 1, 2012 KEUR	< 1 year	1 - 5 years	over 5 years	Total
Interest-bearing loans and borrowings	30,102	79,959	76,517	186,579
Other financial liabilities	1,538	2,299	3,948	7,785
Trade and other payables	86,593	—	—	86,593
Sub-Total	118,233	82,258	80,465	280,956
Derivative financial instruments	—	945	—	945

Jan. 1, 2012 KEUR	< 1 year	1 - 5 years	over 5 years	Total
Total	118,233	83,203	80,465	281,901

The table above does not include the shareholder loan, which matures in 2040. The contractual undiscounted payments for the shareholder loan are KEUR 891,211 (2012: KEUR 1,830,347 and as of January 1, 2012: KEUR 1,692,592). The change of the contractual undiscounted payments from 2012 to 2013 relate to the repayment of the shareholder loan of KEUR 70,000 in 2013 plus undiscounted payments on interest on it of KEUR 869,136.

4.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following types of risk: foreign currency exchange rate risk and interest rate risk. Financial instruments exposed to market risk include interest-bearing loans and derivative financial instruments.

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign currency exposures of individual affiliates are managed and optimised against the functional currency of the respective entity.

Foreign currency risks exist as there are sales and purchases in different currencies. Management is in process to analyse the underlying risks and to implement adequate instruments to mitigate these risks.

Foreign currency risks the Group is exposed to result from its operating activities. Although Group entities mainly operate in their individual functional currency, some Group entities are exposed to foreign currency risks based on planned payments in a currency other than their functional currency.

Foreign currency risks are presented by application of sensitivity analyses required by IFRS 7. These show the effects of hypothetical changes of relevant risk variables on result before tax as a consequence of upward revaluation and devaluation of EUR against CNY and EUR against TRY which are material for the group. All other currencies are not material. In the scope of these analyses are financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. According to the requirements of IFRS 7 differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration. No effects, except for those from result before tax, resulted on shareholders' equity. As hedge accounting is not applied, there are no effects on other comprehensive income.

KEUR	2013	2012
+5% increase of EUR		
against CNY	95	363
against TRY	583	273
Total	678	636
-5% decrease of EUR		
against CNY	-95	-363
against TRY	-583	-273
Total	-678	-636

Interest rate risk

Interest rate risk is the risk of fair values and / or cash flows being negatively affected by changes in interest rates.

The Group is exposed to interest rate risks from loans with variable interest rates. Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. These show the effects of changes in market interest rates on finance income and expense. The interest rate sensitivity analyses are based on the following assumptions:

Changes in the market interest rates of all non-derivative financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7.

Interest rate changes also impact profit or loss because of interest rate derivatives.

Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments and the interest payments which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of income-related sensitivities.

KEUR	effect on result before tax
Scenario 1: increase in interest rate structure by 100 base points	
2013	-1,415
2012	-1,468
Scenario 2: decrease in interest rate structure by 100 base points	
2013	176
2012	593

5 Notes to the consolidated statement of comprehensive income and balance sheet

5.1 Revenues

KEUR	2013	2012
Sales of goods		
Europe & Africa	235,593	236,338
Asia Pacific	180,694	160,147
Rest of world	66,890	62,054
Gross sales revenues	483,177	458,539
Sales deductions	-3,402	-2,611
Revenues	479,775	455,928

5.2 Expenses by nature

Expenses by nature mainly consist of:

KEUR	2013	2012
Raw material, consumables used and merchandise	243,275	231,274
Employee benefit expense	90,850	84,821

5.3 Employee benefit expense

KEUR	2013	2012
Wages and salaries	71,355	67,373
Social insurance contributions	17,322	16,119
Pension costs	2,173	1,330

KEUR	2013	2012
Employee benefit expense	90,850	84,821

The number of employees was 2,957 as of December 31, 2013 (2012: 2,785).

5.4 Other income

KEUR	2013	2012
Currency translation gain - net	764	—
Income tax benefit for local market sale	343	861
Lease and rental income	289	315
Income from research funding	225	—
Gain on sale of fixed assets	173	282
Premiums from tax authority	148	—
Income from R&D	80	103
Income from insurance companies	78	—
Income from government subsidies	74	109
Commissions received	30	1
Refunded social security employer premium from government	—	165
Others	567	634
Other income	2,771	2,470

Others contain many different items all each below KEUR 30.

5.5 Other expenses

KEUR	2013	2012
Other taxes	1,521	2,225
Currency translation loss - net	—	260
Others	213	100
Other expenses	1,734	2,585

5.6 Financial expenses

KEUR	2013	2012
Shareholder loan interest	11,470	11,518
Interest on borrowings	7,184	6,796
Amortization of transaction costs	1,602	1,659
Interest expenses for finance leases	153	206
Discounting of provisions	345	413
Other financial expenses	623	957
Total interest expense that is not measured at fair value through profit and loss	21,377	21,549
Net loss on financial instruments at fair value through profit or loss	—	19
Finance expense	21,377	21,568

Net loss on financial instruments at fair value through profit or loss relates to interest rate derivatives.

5.7 Finance income

KEUR	2013	2012
Other interest income	411	469
Total interest income that is not measured at fair value through profit and loss	411	469
Net gain on financial instruments at fair value through profit or loss	429	—
Finance income	840	469

Net gain on financial instruments at fair value through profit or loss relates to interest rate derivatives.

5.8 Income taxes

The following table provides a breakdown of deferred taxes:

KEUR	Dec. 31, 2013		Dec. 31, 2012	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets	2,300	15,876	2,082	20,723
Intangible assets	85	11,371	44	15,029
Property, plant and equipment	1,310	4,506	632	5,674
Investment properties	—	—	—	—
Other non-current financial assets	898	—	1,041	20
Other non-current receivables	7	—	364	—
Current assets	1,318	196	2,227	243
Inventories	894	—	1,359	—
Trade receivables and other receivables	425	—	792	1
Other current financial assets	—	196	75	242
Cash and cash equivalents	—	—	—	—
Non-current liabilities	3,104	291	2,242	346
Non-current interest-bearing loans and borrowings	326	27	—	31
Provisions for pensions	279	21	259	-18
Other non-current provisions	1,124	—	1,005	6
Derivative financial instruments	—	—	—	—
Other non-current liabilities	1,375	244	978	326
Current liabilities	527	63	602	546
Trade and other payables	3	18	222	4
Current interest-bearing loans and borrowings	2	—	153	3
Other current provisions	464	45	227	539
Tax losses carried forward	5,120	—	5,615	—
Total before netting	12,370	16,427	12,767	21,857
Offsetting of deferred taxes	-6,909	-6,909	-6,631	-6,631
Presented in consolidated balance sheet	5,461	9,518	6,136	15,226

A deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates is not recognized because it is probable that the temporary difference will not reverse in the foreseeable future.

The following table shows the amount of the deferred taxes before netting to be expected to be recovered or settled prior / after more than 12 months:

KEUR	Dec. 31, 2013	Dec. 31, 2012
Deferred tax assets:		
- Deferred tax assets to be recovered after more than 12 months	10,268	9,658
- Deferred tax asset to be recovered within 12 months	2,102	3,109
	12,370	12,767
Deferred tax liabilities:		
- Deferred tax liability to be recovered after more than 12 months	16,168	21,069
- Deferred tax liability to be recovered within 12 months	259	789
	16,427	21,857

Deferred taxes are recognised only to the extent that it is more likely than not that the related tax benefits will be realisable. Country-specific tax rates were used in each case to calculate deferred taxes.

The following table reconciles the expected income tax expense to the actual income tax expense presented in the consolidated financial statements. The effective tax expense results from the application of an income tax rate of 26.3% (2012: 26.3%) to consolidate profit for the period (before taxes) in accordance with IFRS. The income tax rate is made up of corporation tax at 15% (2012: 15%), a solidarity surcharge of 5.5% (2012: 5.5%) and trade tax at 10.5% (2012: 10.5%). The tax rate applied is the German tax rate.

KEUR	2013	2012
Current taxes	-14,159	-14,597
Deferred taxes	4,891	9,495
Income taxes	-9,268	-5,102
Earnings before income taxes (EBT)	17,497	5,492
Expected tax rate	26.3%	26.3%
Expected income taxes	-4,606	-1,446
		0
Tax effects resulting from:		0
Differences in tax rates	1,283	1,595
Reduction for impairment or reversal of reductions for impairment on deferred tax assets on tax loss	—	130
Adjustments for current and deferred income taxes for prior years	804	324
Non-recognition of deferred tax assets	-726	-811
Non-deductible expenses	-6,313	-5,075
Tax-exempt income	48	156
Changes to deferred tax resulting from tax rate changes	45	0
Other effects	198	24
Income taxes	-9,268	-5,102
Effective income tax rate	53.0%	92.9%

The non-deductible expenses result mainly from non-deductible interest (thereof Germany 2013: KEUR 2,324; 2012: KEUR 2,666) and non-refundable withholding taxes (thereof Germany 2013: KEUR 485; 2012: KEUR 257 and Italy 2013: KEUR 1,150; 2012: KEUR 1,951).

The Group has tax losses of KEUR 26,470 (2012: KEUR 26,261) that are available for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets are recognised for tax losses carry-forward of KEUR 21,892 (2012: KEUR 23,496) to the extent that the realisation of the related tax benefit through future taxable profits are expected. The deferred tax assets amounting to KEUR 5,120 (2012: KEUR 5,615) have been recognised in respect of these losses. The Group did not recognise income tax assets in respect of losses amounting to KEUR 4,578 (2012: KEUR 2,765). Losses amounting to KEUR 171 (2012: nil) expire in 2014.

Apart from tax loss carry forwards, no deferred tax assets on interest carry forwards amounting to KEUR 25,394 (2012: KEUR 16,739) were recognised in Germany as it is not probable that these interest carry forwards can be utilised.

5.9 Discontinued operations

September 2012, the Board decided to divest the shares of Wittur Hydraulic Drives s.r.l., Bagnatica, Italy. The operations of Wittur Hydraulic Drives s.r.l., Bagnatica, Italy have been classified as a discontinued operation held for sale. In July 2013, the shareholders of the Company approved the plan to divest the shares. The sale of the shares of Wittur Hydraulic Drives s.r.l., Bagnatica, Italy was completed on September 13, 2013. At 31 December 2013, the land and building on which Wittur Hydraulic Drives s.r.l., Bagnatica, Italy operates, which is held by Wittur S.p.A., Colorno, Italy is classified as assets held for sale. The sale of the land and building was completed in January 2014. The results for the year are presented below:

KEUR	2013	2012
Revenues	4,892	10,077
Expenses	-5,294	-10,476
Loss before tax from a discontinued operation	-401	-399
Tax income:		
Related to current pre-tax profit/(loss)	111	-19
Results from operating activities net of tax	-290	-417
Loss on sale of Discontinued Operations	-1,248	—
Deferred Tax credit on loss on sale of Discontinued Operations	931	—
Loss for the year from Discontinued Operations	-607	-417

The major classes of assets and liabilities classified as held for distribution as at 31 December are, as follows:

KEUR	Dec. 31, 2013	Dec. 31, 2012
ASSETS		
Intangible assets	—	184
Property, plant and equipment	1,600	154
Inventories	—	1,193
Trade receivables and other receivables	—	2,984
Other current financial assets	—	497
Cash and cash equivalents	—	43
Assets classified as held for sale	1,600	5,056
LIABILITIES		
Provisions for pensions	—	293
Deferred tax liabilities	—	32
Trade and other payables	—	3,942
Provisions for pensions	—	13
Income tax liabilities	—	15
Liabilities associated with the assets classified as held for sale	—	4,295
Net assets directly associated with disposal group	—	761

KEUR	Dec. 31, 2013	Dec. 31, 2012
INCLUDED IN OTHER COMPREHENSIVE INCOME		
Other reserves	—	-41
Reserves of disposal group classified as held for sale	—	-41

Notes to the consolidated balance sheet

5.10 Intangible assets

KEUR	Goodwill	Licences, patents, trademarks and other rights	Development costs	Total
Cost				
At Dec. 31, 2012	95,053	85,772	2,071	182,896
Additions - internal development	—	—	1,777	1,777
Additions - acquired separately	—	530	—	530
Transfers	—	18	—	18
Disposals	—	-67	-56	-123
Change in consolidation	—	-34	—	-34
Currency translation	—	-239	-24	-263
At Dec. 31, 2013	95,053	85,981	3,767	184,801
Accumulated amortisation				
At Dec. 31, 2012	—	30,915	198	31,112
Additions (amortisation)	—	15,508	257	15,765
Transfers	—	0	—	0
Disposals	—	-60	—	-60
Change in consolidation	—	-34	—	-34
Currency translation	—	-208	-25	-233
At Dec. 31, 2013	—	46,121	430	46,551
Carrying amount				
At Dec. 31, 2012	95,053	54,858	1,873	151,784
At Dec. 31, 2013	95,053	39,861	3,337	138,251

KEUR	Goodwill	Licences, patents, trademarks and other rights	Development costs	Total
Cost				
At Jan. 1, 2012	95,053	86,193	941	182,188
Additions - internal development	—	—	1,080	1,080
Additions - acquired separately	—	331	—	331
Transfers	—	-152	148	-4
Disposals	—	-33	—	-33
Discontinued Operations	—	-563	-99	-662

KEUR	Goodwill	Licences, patents, trademarks and other rights	Development costs	Total
Currency translation	—	-4	0	-3
At Dec. 31, 2012	95,053	85,772	2,071	182,896
Accumulated amortisation				
At Jan. 1, 2012	—	14,026	—	14,026
Additions (amortisation)	—	17,539	53	17,592
Transfers	—	-148	148	—
Disposals	—	-27	—	-27
Discontinued Operations	—	-473	—	-473
Currency translation	—	-3	-3	-6
At Dec. 31, 2012	—	30,915	198	31,112
Carrying amount				
At Jan. 1, 2012	95,053	72,167	941	168,161
At Dec. 31, 2012	95,053	54,858	1,873	151,784

Goodwill is allocated to regions as follows:

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Analysis of Goodwill			
Europe & Africa	46,336	46,336	46,336
Eurasia	8,241	8,241	8,241
Americas	1,476	1,476	1,476
China	35,877	35,877	35,877
Asia Pacific	3,124	3,124	3,124
Total Goodwill	95,053	95,053	95,053

Goodwill is tested for impairment at least once a year by comparing the carrying amounts of the regions to which goodwill is allocated with their value in use. Value in use is determined using the discounted cash flow method based on the current three year planning for the region concerned. The principal planning assumptions are expected market trends in relation to the company's development, changes in production and other cost, changes in discount rates. Assumptions are based on general market forecasts, current developments and past experience. The long-term growth rate used are a maximum of 1% p.a.. Cash flows are forecasted on the basis of revenue and cost projections for each region to which goodwill is allocated. The discount rate applied is the pre-tax weighted cost of capital for 2013 by region is as follows:

	Dec. 31, 2013/2012
Analysis of pre-tax Weighted Average Cost of Capital	
Europe & Africa	8.6%
Eurasia	14.9%
Americas	20.0%
China	10.3%
Asia Pacific	10.9%

Goodwill is impaired if the region's value in use is less than its carrying amount. The value in use of all CGUs exceeded their carrying values at the impairment test date. Reasonably possible changes in the key assumptions would not cause a goodwill impairment.

The remaining useful live for significant other intangible assets is as follows:

Intangible assets

Useful life
in years

3 – 20

5.11 Property, plant and equipment

	Land and buildings	Plant and machinery	Furniture & equipment	Prepayments & construction in progress	Assets under Finance lease	Total
KEUR						
Cost						
At Dec. 31, 2012	53,771	15,609	8,741	4,724	1,944	84,790
Additions - acquired through business						—
Additions - acquired separately	281	1,464	1,459	7,355	30	10,588
Transfers	2,327	3,600	1,654	-7,598	—	-18
Disposals	-67	-1,298	-1,613	-3	—	-2,981
Change in consolidation	-2,331	-14	-25	—	—	-2,369
Currency translation	-620	-1,180	-743	20	-2	-2,525
At Dec. 31, 2013	53,361	18,182	9,472	4,497	1,972	87,483
Accumulated depreciation						
At Dec. 31, 2012	5,000	2,561	1,680	0	82	9,324
Additions (depreciation)	2,606	2,612	2,328	—	100	7,646
Revaluation	-10	—	—	—	—	-10
Disposals	-57	-1,259	-1,369	—	—	-2,685
Change in consolidation	-2	-14	-25	—	—	-41
Currency translation	-310	-763	-436	—	-1	-1,509
At Dec. 31, 2013	7,227	3,138	2,179	0	181	12,725
Carrying amount						
At Dec. 31, 2012	48,771	13,048	7,060	4,724	1,863	75,466
At Dec. 31, 2013	46,134	15,044	7,294	4,497	1,791	74,759
	Land and buildings	Plant and machinery	Furniture & equipment	Prepayments & construction in progress	Assets under Finance lease	Total
KEUR						
Cost						
At Jan. 1, 2012	53,830	17,258	6,375	929	2,025	80,417
Additions - acquired separately	232	723	1,666	5,640	3	8,264
Transfers	182	-804	2,521	-1,816	-79	4
Disposals	-347	-552	-893	—	—	-1,792
Discontinued Operations	-72	-899	-854	—	—	-1,825
Currency translation	-54	-117	-74	-29	-5	-278
At Dec. 31, 2012	53,771	15,609	8,741	4,724	1,944	84,790
Accumulated depreciation						
At Jan. 1, 2012	2,765	1,608	1,201	0	—	5,574
Additions (depreciation)	2,434	2,321	2,144	—	82	6,981
Disposals	-84	-532	-877	—	—	-1,494
Discontinued Operations	-63	-763	-743	—	—	-1,569
Currency translation	-51	-72	-45	—	—	-168
At Dec. 31, 2012	5,000	2,561	1,680	0	82	9,324
Carrying amount						
At Jan. 1, 2012	51,065	15,651	5,174	929	2,025	74,844
At Dec. 31, 2012	48,771	13,048	7,060	4,724	1,863	75,466

No impairment was recognised for items of property, plant and equipment during the business year 2013 (2012: no impairment).

5.12 Investment Properties

KEUR	Investment Property
Cost	
At Dec. 31, 2012	1,872
Additions - acquired separately	—
Transfers	—
Disposals	—
Currency translation	—
At Dec. 31, 2013	1,872
Accumulated depreciation	
At Dec. 31, 2012	14
Additions (depreciation)	14
Transfers	—
Disposals	—
Currency translation	—
At Dec. 31, 2013	28
Carrying amount	
At Dec. 31, 2012	1,858
At Dec. 31, 2013	1,844

KEUR	Investment Property
Cost	
At Jan. 1, 2012	1,872
Additions - acquired separately	—
Transfers	—
Disposals	—
Currency translation	—
At Dec. 31, 2012	1,872
Accumulated depreciation	
At Jan. 1, 2012	—
Additions (depreciation)	14
Transfers	—
Disposals	—
Currency translation	—
At Dec. 31, 2012	14
Carrying amount	
At Jan. 1, 2012	1,872
At Dec. 31, 2012	1,858

KEUR	2013	2012
Rental income derived from investment properties	288	314
Direct operating expenses (including repairs and maintenance) generating rental income	-15	-17
Direct operating expenses (including repairs and maintenance) that did not generate rental income	—	—

KEUR	2013	2012
Net profit arising from investment properties carried at cost	273	298

Investment properties are amortised on a straight line basis over their useful lives.

The fair value based on external valuation of the investment property is KEUR 1,844 (2012: KEUR 2,677) and represents Level 3 of the fair value measurement hierarchy (we refer to note 7 Additional disclosures on financial instruments).

5.13 Other non-current financial assets

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Interest rate derivatives	718	—	—
Investments	26	26	27
Guarantees and deposits	22	21	14
Other non-current financial assets	766	47	41

5.14 Other non-current receivables

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Prepaid expenses / deferred charges	—	52	5
Other non-current receivables	—	52	5

5.15 Inventories

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Raw materials and supplies	23,718	20,335	23,826
Finished goods and work in progress	13,836	13,300	16,153
Prepayments on inventory	392	568	826
Inventories	37,945	34,203	40,805

Inventories recognised as expense amounted to KEUR 239,881 (2012: KEUR 233,983). As of December 31, 2013, the write downs of inventories recognised as expense amount to KEUR 3,906 (2012: KEUR 2,137).

5.16 Trade and other receivables

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Not past due	65,680	63,380	47,532
Past due less than 60 days	15,636	11,743	11,342
Past due more than 60 days	10,180	10,715	14,114
Total	91,496	85,838	72,988

The following table shows the development of allowances on trade receivables:

KEUR	Dec. 31, 2013	Dec. 31, 2012
Allowances at the beginning of the period	-7,914	-4,967
Additions	-2,343	-3,947
Reversal	353	224
Use	2,513	843
Currency translation	1,074	-67
Individual allowances at the end of the period	-6,317	-7,914

The currency translation effect in 2013 mainly relates to TRY.

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Trade receivables	85,179	77,924	68,021
Trade and other receivables	85,179	77,924	68,021

5.17 Other current financial assets

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Loans	429	367	—
Other current financial assets	429	367	—

5.18 Other current assets

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
VAT receivable	7,482	5,902	5,712
Income tax receivables	1,926	4,313	6,114
Prepaid expenses	721	803	822
Withholding tax receivable	240	311	331
Advance freight fee	—	418	409
Government grant	619	898	808
Other current assets	1,611	1,626	1,195
Other current assets	12,599	14,272	15,390

5.19 Cash and cash equivalents

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Cash on hand, cheques and cash at banks	19,998	22,362	20,559
Short term deposits at banks	0	10	1
Cash and cash equivalents according to consolidated balance sheet statement	19,998	22,372	20,560

	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
KEUR			

Overdrafts at banks are shown under current interest bearing loans and borrowings in the consolidated balance sheets.

5.20 Equity

For a detailed movement of the changes in equity refer to the consolidated statement of changes in equity.

Subscribed capital

The subscribed capital amounts to KEUR 25 (2012: KEUR 25) and is held by TriWay HoldCo AB, Stockholm. The share capital is fully paid in as of the balance sheet date.

Other components of equity

Currency translation differences: The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Remeasurements: Remeasurements comprise of actuarial gains and losses recognised in other comprehensive income according to IAS 19.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	Before tax	Tax (Charge) / credit	After tax
2013 KEUR			
Exchange differences on translation of foreign operations	-4,854	—	-4,854
Actuarial gains and losses	515	-93	422
Other comprehensive income	-4,339	-93	-4,431

Capital management

The primary objective of the Group's capital management is to maintain a capital structure that contributes to the creation of shareholder value. Wittur aims to manage its capital in a way that supports the profitable growth of operations by securing an adequate liquidity and capitalization of the group at all times ensuring the ability to meet the financial obligations.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group considers both capital and net debt as relevant components of funding, hence, part of its capital management. The Group manages the equity as capital under IFRS amounting to KEUR -1,702 (2012: KEUR -4,893).

The Group includes within net debt: interest bearing loans and borrowings from banks and finance leases; less cash and short-term deposits, excluding discontinued operations.

The assets employed in Wittur's business consist principally of net working capital, fixed assets, and investments which are funded by equity and net debt. Cash flow from operations is the principal source of Wittur's financing. External funding, as well as cash and cash equivalents, are managed centrally by the Group Treasury according to the Group Treasury Policy. Liquid assets are invested only in counterparties with high creditworthiness and deposits to ensure continuous access to the funds.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2013 and 2012.

No Group companies were subject to minimum capital requirements requested by external parties.

5.21 Interest bearing loans and borrowings

Wittur entered into a Senior Facility Agreement dated December 6, 2010. Wittur initially received two term facilities (A, B) with a nominal amount of KEUR 72,500 each at December 22, 2010. The maturity of facility A is December 6, 2016; the maturity of facility B is December 6, 2017. At September 5, 2013 the Senior Facility Agreement was amended. Wittur received a term facility (C) with a nominal amount of KEUR 60,000 at the reporting date. The maturity of facility C is December 7, 2018. The repayment of facility C is done at the termination date. The facility loans are bearing a variable interest rate based on the 1 month- EURIBOR interest rate plus a margin rate. The effective interest rates are in the range of 3.23% to 4.48% (2012: 3.11% to 4.36%).

The amount of borrowing costs capitalized during the year 2013 for facility (C) was KEUR 2,878.

Together with the term loan facilities an additional revolving credit facility including ancillary facilities of KEUR 30,000 max. was granted. The total revolving credit facility is split in an initial revolving credit facility and ancillary facilities. These credit and ancillary facilities are concluded with different banks. The revolving credit facilities are bearing a variable interest rate. The interest rate is based on an interest reference rate plus a margin.

The Senior Facility Agreement contains financial covenants as leverage cover, interest cover, CAPEX limitation and cash flow cover. Wittur is in compliance with all these covenants.

The following collateral was provided under the above mentioned Senior Facility Agreement:

- Pledging of bank accounts (2013: KEUR 19,998, 2012: KEUR 22,372)
- General assignments concerning all receivables, including insurance benefits (2013: KEUR 85,179, 2012: KEUR 77,924)
- Mortgages (KEUR 46,000 in 2013 and 2012)
- Assignments of assets (2013: KEUR 378,832, 2012: KEUR 389,538)

Given the positive economic situation in key markets, the position of the individual Group companies in the respective markets and positive results of operations, it is currently not expected that the collateral will be utilized.

Non-current interest bearing loans and borrowings

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Non-current bank loans	153,377	110,749	121,690
Shareholder loan	68,160	126,724	115,207
Non-current interest-bearing loans and borrowings	221,536	237,473	236,897

Current interest bearing loans and borrowings

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Current bank loans	31,491	17,267	22,579
Current interest-bearing loans and borrowings	31,491	17,267	22,579

5.22 Provisions for pensions

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as asset to the extent that a cash refund or a reduction in future payments is available.

Beside statutory pension funds, e.g. the German statutory pension insurance scheme (“Deutsche Rentenversicherung”), the Group operates no employer-financed defined contribution plans. The Group has paid and expensed KEUR 640 during 2013 (2012: KEUR 586) for German statutory pension insurance scheme.

Defined benefit plans

The Company operates various defined benefit pension schemes. Beneficiaries of these plans are employees in different countries, in particular in Germany, Austria, Italy and Turkey.

The amounts recognised in the balance sheet are determined as follows:

	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
KEUR			
Present value of funded Defined Benefit Obligation (DBO)	12,419	12,289	10,043
Fair value of plan assets	-3,634	-2,691	-2,218
Net liability	8,785	9,598	7,825

Of the figure shown for total benefit obligations as of December 31, 2013, KEUR 4,563 relates to the defined benefit plans in Germany, KEUR 3,814 to the plans in Austria, KEUR 2,718 to the plans in Italy and KEUR 951 to the plans in Turkey.

The expected contributions to be made within the next 12 months (next annual reporting period) out of the defined benefit plan obligations are KEUR 424 (2012: KEUR 541).

The plan assets consist of a liability insurance for the German defined benefit plan. There is no market price quotation in an active market with respect to the liability insurance. The fair value is based on actuarial calculations.

The amounts recognised in the income statement concerning defined benefit plans were as follows:

	2013	2012
KEUR		
Current service cost	1,278	761
Interest cost	323	404
Total	1,601	1,165

The movement in the DBO and in the fair value of plan assets over the year was as follows:

	DBO	Plan assets	Net liability
2012			
Balance at the beginning of the period	10,043	-2,218	7,825
Current service costs	761		761
Interest costs	404	-105	299
Interest cost/income not included in interest costs		35	
Employer's payments to plan assets		-403	

	DBO	Plan assets	Net liability
2012			
Benefit payments	-569		-569
Actuarial (gains) / losses	1,929		1,929
Discontinued operations	-306		-306
Currency translation differences	27		27
Balance at the end of the period	12,289	-2,691	9,598
	DBO	Plan assets	Net liability
2013			
Balance at the beginning of the period	12,289	-2,691	9,598
Current service costs	1,278		1,278
Interest costs	323	-81	242
Interest cost/income not included in interest costs		-189	
Employer's payments to plan assets		-673	
Benefit payments	-766		-766
Actuarial (gains) / losses	-430		-430
- thereof: gains/losses due to experience	27		27
- thereof: gains/losses due to changes in demographic assumptions	0		0
- thereof gains/losses due to changes in financial assumptions	-457		-457
Discontinued operations	0		0
Currency translation differences	-274		-274
Balance at the end of the period	12,420	-3,634	8,786

The Projected Unit Credit method was used for the valuation of pension provisions. The principal assumptions used in determining pension provisions for the Group's plans are shown below:

	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Discount rate:			
Germany	3.40%	3.00%	4.75%
Austria	3.40%	3.00%	4.75%
Italy	3.40%	3.00%	4.75%
Netherlands	3.40%	3.00%	4.75%
Turkey	8.60%	7.92%	9.25%
Salary increase:			
Germany	0.00%	0.00%	0.00%
Austria	2.50%	2.50%	2.50%
Italy	3.00%	3.00%	3.00%
Netherlands	0.00%	0.00%	0.00%
Turkey	8.60%	8.62%	8.00%
Inflation rate:			
Germany	0.00%	0.00%	0.00%
Austria	0.00%	0.00%	0.00%
Italy	2.00%	2.00%	2.00%
Netherlands	0.00%	0.00%	0.00%
Turkey	5.60%	5.62%	5.00%

As biometric bases, the 2005G mortality tables by Klaus Heubeck are used for Germany and Austria, the RG48 tables and C.N.R. of the University of Rome (reduced by 30%) are used for Italy, and the CSO80 and EVK00 tables (adjusted by 50%) are used for Turkey.

The defined benefit plans for employee termination payments are in accordance with Turkish social legislation, Italian TFR legislation and Austrian severance legislation (Abfertigungsrückstellung). The benefits of the plans in Austria and Turkey are dependent on the final salary and respective length of service. The benefits of the Italian plan are dependent on salary.

The German defined benefit plan considers only one retired person. Therefore the expected wage and salary trends for Germany are 0% and are agreed on an individual basis.

In Turkey the defined benefit plan relate to the benefits of the employee retirement indemnities as they are described in the Turkish Labor Law No.4857, which refers to Old Law No. 1475/14. The plan covers 165 employees with an average age of 36 years. The quantitative sensitivity analysis for significant assumptions as at 31. December 2013 is material and shown below:

2013 KEUR	Discount rate		Inflation rate	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity level				
Impact on the net defined benefit obligation	-61	55	-63	57

The following sensitivities result for the German plan:

	2013 KEUR	Discount factor	
	Sensitivity level	0.5% increase	0.5% decrease
Germany	Impact on DBO	-33	35
Austria	Impact on DBO	-129	133

5.23 Other provisions

KEUR	current	Dec. 31, 2013 non-current
Warranty provisions	984	6,109
Indemnity for termination of employment	600	—
Others	498	—
Other current & non-current provisions	2,082	6,109

KEUR	current	Dec. 31, 2012 non-current
Warranty provisions	1,111	5,482
Indemnity for termination of employment	550	—
Others	215	—
Other current & non-current provisions	1,876	5,482

Other non-current provisions

KEUR	Warranty provisions	Indemnity for termination of employment	Others
At Jan. 1, 2013	5,482	—	—
Additions	1,307	—	—
Use		—	
Reversals	-612	—	—
Foreign exchange	-68	—	—
At Dec. 31, 2013	6,109	—	—

KEUR	Warranty provisions	Indemnity for termination of employment	Others
At Jan. 1, 2012	2,941	—	—
Additions - other	2,541	—	—
Use	—	—	—
Foreign exchange	—	—	—
At Dec. 31, 2012	5,482	—	—

Other current provisions

KEUR	Warranty provisions	Indemnity for termination of employment	Others
At Jan. 1, 2013	1,111	550	215
Additions	984	500	453
Use	-1,111	-214	-96
Reversals	—	-232	-58
Transfers	—	—	-16
Foreign exchange	—	-4	—
At Dec. 31, 2013	984	600	499

KEUR	Warranty provisions	Indemnity for termination of employment	Others
At Jan. 1, 2012	2,498	32	122
Additions	1,111	550	191
Use	-2,498	-32	-25
Reversals	—	—	-71
Foreign exchange	—	—	-2
At Dec. 31, 2012	1,111	550	215

The warranty provisions are covering the expected warranties from the customers.

5.24 Other non-current financial liabilities

	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
KEUR			
Non-current finance lease liabilities	3,694	4,070	4,717
Interest rate derivatives	—	964	945
Other non-current financial liabilities	96	550	604
Other non-current financial liabilities	3,790	5,584	6,266

5.25 Trade and other payables

	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
KEUR			
Trade accounts payable	63,040	62,375	63,739
Payroll liabilities	17,198	16,289	13,342
Advance payments received	3,324	4,187	4,212
VAT payable	2,493	1,398	963
Withholding tax payable	51	1,080	943
Others	3,865	4,029	3,393
Trade and other payables	89,971	89,359	86,593

5.26 Other current financial liabilities

	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
KEUR			
Current finance lease liabilities	380	643	610
Interest rate derivatives	327	—	—
Other current financial liabilities	707	643	610

6 Disclosures on leases

The Group leases buildings and machineries under finance lease agreements. The net carrying amount of leased assets recognised under finance lease agreements is amounting to KEUR 1,791 (2012:

	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
KEUR			
Future minimum lease payments	5,311	6,253	7,181
Due within 1 year	562	934	934
Due between 1 and 5 years	1,592	1,766	2,299
Due later than 5 years	3,157	3,553	3,948
Discounting	1,237	1,541	1,854
Due within 1 year	182	292	324
Due between 1 and 5 years	476	434	564
Due later than 5 years	579	815	966
Net present value	4,074	4,713	5,327
Due within 1 year	380	643	610
Due between 1 and 5 years	1,116	1,332	1,735
Due later than 5 years	2,578	2,738	2,982

KEUR 1,863 and as of January 1, 2012: KEUR 2,025).

The Group has entered into commercial leases on certain motor vehicles. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Total falling due within one year	380	643	610
thereof due in the following time bands:			
< 30 days	32	54	51
30 – 90 days	63	107	102
90 – 180 days	95	161	153
180 days – 1 year	190	321	305

Payments amounting to KEUR 2,463 (2012: KEUR 2,518) were recognised as an expense in the income statement in respect of operating leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

KEUR	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
Future minimum lease payments			
Due within 1 year	2,151	1,993	2,017
Due between 1 and 5 years	3,110	3,105	2,695
Due later than 5 years	9	—	—
Total	5,270	5,098	4,712

7 Additional disclosures on financial instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments. The disclosures have to be made in accordance with the characteristics of the financial instruments. At Wittur, the breakdown is provided by balance sheet items:

KEUR	Category in accordance with IAS 39	Carrying amount Dec. 31, 2013	Amounts recognised in balance sheet according to IAS 39		Amounts recognised in balance sheet according to IAS 17	Fair value Dec. 31, 2013
			Amortised cost	Fair Value		
Financial assets						
Non-current assets						
Other non-current financial assets						
Interest rate derivatives	FAFV	718	—	718	—	718
Investments	LaR	26	26	—	—	26
Guarantees and deposits	LaR	22	22	—	—	22
Current assets						
Trade and other receivables	LaR	85,179	85,179	—	—	85,179
Other current financial assets						
Loan	LaR	429	429	—	—	429

	Category in accordance with IAS 39	Carrying amount Dec. 31, 2013	Amounts recognised in balance sheet according to IAS 39		Amounts recognised in balance sheet according to IAS 17	Fair value Dec. 31, 2013
KEUR			Amortised cost	Fair Value		
Cash and cash equivalents	LaR	19,998	19,998	—	—	19,998
Financial liabilities						
Non-current liabilities						
Interest-bearing loans and borrowings	FLAC	153,377	153,377	—	—	153,377
Other financial liabilities						
Finance lease obligations	FLAC	3,694	—	—	3,694	n/a
Other financial liabilities	FLAC	96	96	—	—	96
Current liabilities						
Interest-bearing loans and borrowings	FLAC	31,491	31,491	—	—	31,491
Trade and other payables	FLAC	89,971	89,971	—	—	89,971
Other financial liabilities						
Finance lease obligations	FLAC	380	—	—	380	n/a
Interest rate derivatives	FLFV	327	—	327	—	327
Aggregated by category in accordance with IAS 39						
Loans and receivables (LaR)		105,655				
Financial liabilities at fair value (FLFV) through profit or loss		327				
Financial assets at fair value (FAFV) through profit or loss		718				
Financial liabilities measured at amortised cost (FLAC)		279,009				

	Category in accordance with IAS 39	Carrying amount Dec. 31, 2012	Amounts recognised in balance sheet according to IAS 39		Amounts recognised in balance sheet according to IAS 17	Fair value Dec. 31, 2012
KEUR			Amortised cost	Fair Value		
Financial assets						
Non-current assets						
Other non-current financial assets						
Investments	LaR	26	26	—	—	26
Guarantees and deposits	LaR	21	21	—	—	21
Current assets						
Trade and other receivables	LaR	77,924	77,924	—	—	77,924
Other current financial assets						
Loan	LaR	367	367	—	—	367
Cash and cash equivalents	LaR	22,372	22,372	—	—	22,372

	Category in accordance with IAS 39	Carrying amount Dec. 31, 2012	Amounts recognised in balance sheet according to IAS 39		Amounts recognised in balance sheet according to IAS 17	Fair value Dec. 31, 2012
			Amortised cost	Fair Value		
KEUR						
Financial liabilities						
Non-current liabilities						
Interest-bearing loans and borrowings	FLAC	110,749	110,749	—	—	110,749
Other financial liabilities						
Finance lease obligations	FLAC	4,070	—	—	4,070	n/a
Interest rate derivatives	FLFV	964	—	964	—	964
Other financial liabilities	FLAC	550	550	—	—	
Current liabilities						
Interest-bearing loans and borrowings	FLAC	17,267	17,267	—	—	17,267
Trade and other payables	FLAC	89,359	89,359	—	—	89,359
Other financial liabilities						
Finance lease obligations	FLAC	643	—	—	643	n/a
Aggregated by category in accordance with IAS 39						
Loans and receivables (LaR)		100,710				
Financial liabilities at fair value (FLFV) through profit or loss		964				
Financial liabilities measured at amortised cost (FLAC)		222,637				

	Category in accordance with IAS 39	Carrying amount Jan. 01, 2012	Amounts recognised in balance sheet according to IAS 39		Amounts recognised in balance sheet according to IAS 17	Fair value Jan. 01, 2012
			Amortised cost	Fair Value		
KEUR						
Financial assets						
Non-current assets						
Other non-current financial assets						
Investments	LaR	27	27	—	—	27
Guarantees and deposits	LaR	14	14	—	—	14
Current assets						
Trade and other receivables	LaR	68,021	68,021	—	—	68,021
Cash and cash equivalents	LaR	20,560	20,560	—	—	20,560
Financial liabilities						
Non-current liabilities						
Interest-bearing loans and borrowings	FLAC	121,690	121,690	—	—	121,690
Other financial liabilities						
Finance lease obligations	FLAC	4,717	—	—	4,717	n/a
Interest rate derivatives	FLFV	945	—	945	—	945

	Category in accordance with IAS 39	Carrying amount Jan. 01, 2012	Amounts recognised in balance sheet according to IAS 39		Amounts recognised in balance sheet according to IAS 17	Fair value Jan. 01, 2012
			Amortised cost	Fair Value		
KEUR						
Other financial liabilities	FLAC	604	604	—	—	604
Current liabilities						
Interest-bearing loans and borrowings	FLAC	22,579	22,579	—	—	22,579
Trade and other payables	FLAC	86,593	86,593	—	—	86,593
Other financial liabilities						
Finance lease obligations	FLAC	610	—	—	610	n/a
Aggregated by category in accordance with IAS 39						
Loans and receivables (LaR)		88,622				
Financial liabilities at fair value (FLFV) through profit or loss		945				
Financial liabilities measured at amortised cost (FLAC)		236,792				

The tables above do not include the shareholder loan, which matures in 2040. The carrying amounts are KEUR 68,160 (2012: KEUR 126,724 and January 1, 2012: KEUR 115,207). The fair values of the shareholder loan are KEUR 293,798 (2012: KEUR 576,482 and January 1, 2012: KEUR 522,099).

The carrying amount of the finance lease obligations largely corresponds to the fair value.

	From interest	Currency translation	Changes in fair values	Impairment	Net result recognized in profit or loss
2013 KEUR					
Financial assets at fair value (FAFV) through profit or loss	—	—	718		718
Loans and receivables (LaR)	—	—	—	1,597	1,597
Financial liabilities at fair value (FLFV) through profit or loss	—	—	637		637
Financial liabilities measured at amortised cost (FLAC)	-18,655	—	—		-18,655
Net income (loss) from financial instruments per category	-18,655	—	1,355		-15,703
2012 KEUR					
Loans and receivables (LaR)	—	—	—	-2,947	-2,947
Financial liabilities at fair value (FLFV) through profit or loss	—	—	-19		-19
Financial liabilities measured at amortised cost (FLAC)	-18,314	—	—		-18,314
Net income (loss) from financial instruments per category	-18,314	—	-19		-21,279

For financial instruments with current maturities including cash and cash equivalents, accounts receivable and payable as well as other receivables and payables it is assumed that their carrying amounts approximate their fair values.

The fair values of non-current financial instruments are calculated as the present values of the estimated future cash flows using market interest rates for discounting.

The fair values of non-current financial liabilities with variable interest rates are estimated to be equal to their carrying amounts since the interest rates agreed and those available on the market do not significantly differ.

The following table provides the fair value measurement hierarchy of the Group's non-current assets and liabilities.

The different hierarchy levels have been defined as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers between Level 1, Level 2 and Level 3 during 2012 and 2013.

Quantitative disclosures fair value measurements hierarchy for assets as at December 31, 2013:

		Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Dec. 31, 2013 KEUR					
Assets measured at fair value:					
Derivative financial assets	31.12.2013		718		718
Assets for which fair values are disclosed:					

Quantitative disclosures fair value measurements hierarchy for liabilities as at December 31, 2013:

		Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Dec. 31, 2013 KEUR					
Liabilities measured at fair value:					
Liabilities for which fair values are disclosed:					
Interest bearing loans and borrowing	31.12.2013			153,377	153,377

The table above does not include the shareholder loan, which matures in 2040. The fair value hierarchy of the shareholder loan is Level 3 and the corresponding amount is KEUR 293,798.

Quantitative disclosures fair value measurements hierarchy for assets as at December 31, 2012:

		Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Dec. 31, 2012 KEUR	Date of valuation				
Assets measured at fair value:					
Assets for which fair values are disclosed:					

Quantitative disclosures fair value measurements hierarchy for liabilities as at December 31, 2012:

		Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Dec. 31, 2012 KEUR	Date of valuation				
Liabilities measured at fair value:					
Derivative financial liabilities	31.12.2012		964		964
Liabilities for which fair values are disclosed:					
Interest bearing loans and borrowing	31.12.2012			110,749	110,749

The table above does not include the shareholder loan, which matures in 2040. The fair value hierarchy of the shareholder loan is Level 3 and the corresponding amount is KEUR 576,482.

8 Government grants

Wittur S.A., Buenos Aires, Argentina receives a tax benefit of 14% on sales of complete systems in the local market. The main objective of this tax benefit is to promote the national industry. This tax benefit can be used to offset taxes (income tax, VAT import) or to pay suppliers. The government grant is recognised in other income (please see 5.4 Other income) and other current assets (please see 5.18 Other current assets).

In 2013 the Group received government grants in Austria of KEUR 225 in relation to the construction of a Test Tower in 2009.

9 Related party transactions

The following transactions were carried out with related parties:

The Group entered into the following arm's length transactions with related parties who are not members of the Group and had the following associated balances for the relevant financial year:

KEUR		Purchases of goods & services	Payables
Triton & related companies	2013	298	—
Triton & related companies	2012	662	-2

Outstanding balances at year end are unsecured and interest free and settlement occurs in cash.

Key management personnel consist of members of the Supervisory Board and the Executive Management Board, a total of 12 individuals as 31 December 2013 (2012:14).

Remuneration of key management personnel:

	Dec. 31, 2013	Dec. 31, 2012
KEUR		
Salaries & other short-term employee benefits	4,527	6,796
Termination benefits	673	403
Total remuneration of key management personnel	5,200	7,198

Loans to key management of the company:

	Dec. 31, 2013	Dec. 31, 2012
KEUR		
At 1 January	367	—
Interest accrued	62	—
Loans advanced during the year	—	367
At 31 December	429	367

The loan to key management personnel was advanced to a member of the Executive Management Board with an interest rate of 10% and is a revolving repayment.

Total management remuneration for 2012 amounted to KEUR 3,803.

10 Share-based payment

Executive managers working within the Group were allowed to buy shares indirectly as Limited Partners of a so-called Partnership.

If and to the extent that a manager ceases his employment before the occurrence of an exit event (so-called leaver event), the executive manager grants the General Partner of the Partnership the right to purchase and acquire all of his shares (leaver shares). The purchase price for the leaver shares will be determined, depending on the reasons for and time of leaving, as the higher or lower of the fair market value of the leaver shares or the cost of investment plus interest on these equity instruments.

As the reporting entity has no obligation to settle the entitlements at any time (neither in case of an exit nor in case of a leaver event), the award is accounted for as equity-settled share-based payment transaction according to IFRS 2. Since the executive managers had to pay the fair market value of the shares in course of the accession, no quantifiable benefits were granted. Therefore, no expenses have to be recognised at any time.

11 Auditor's fees and services

The following table provides a breakdown of professional fees recognised as expenses for the Group auditor:

	2013	2012
KEUR		
Auditing services	142	176
Certification services	7	7
Auditor's fees	149	183

12 Events after the balance sheet date

No further events occurred between December 31, 2013 and December 9, 2014 that would require adjustments to the amounts recognised in these consolidated financial statements or would need to be disclosed under this heading.

Wiedenzhausen, December 9, 2014

Dr. Walter Rohregger

CEO

Dr. Daniel Wiest

CFO

The following auditor's report (*Bestätigungsvermerk*) has been issued in accordance with Section 322 of the German Commercial Code (*Handelsgesetzbuch*) on the consolidated financial statements and group management report (*Konzernlagebericht*) of Wittur International Holding GmbH as of and for the fiscal year ended December 31, 2013. The group management report is neither included nor incorporated by reference in this offering memorandum.

Auditor's Report

We have audited the consolidated financial statements prepared by the Wittur International Holding GmbH, Wiedenzhausen, comprising the balance sheet, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2013. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

We issue this opinion on the basis of our duty-bound audit of the financial statements concluded as of March 19, 2014, and our supplementary audit referring to the changes to the disclosure of the maturity structure of warranty provisions, to disclosures in the notes to the consolidated financial statements concerning pension provisions and the ultimate controlling party as well as additional disclosures with respect to IFRS 7 and management remuneration for 2012. We refer to the enterprise's reasons for the changes as stated in the changed notes to the financial statements, section 1.2. The supplementary audit did not lead to any reservations.

Munich, March 19, 2014 / limited to the changes described above: December 9, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Klaus Schuster
Wirtschaftsprüfer
(German Public Auditor)

ppa. Michael Popp
Wirtschaftsprüfer
(German Public Auditor)

IFRS Consolidated financial statements of

**Wittur International Holding GmbH,
Wiedenzhausen, Germany**

**for the period from
January 1 to December 31, 2012**

Wittur International Holding GmbH
Wiedenzhausen

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2012

	12/31/2012 EUR	12/31/2011 EUR
ASSETS		
<u>A. FIXED ASSETS</u>		
I. Intangible assets		
1. Internally developed industrial property rights and similar rights and assets	2,035,805	941,283
2. Acquired concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	54,868,883	72,151,192
3. Goodwill	68,622,020	91,686,973
4. Prepayments	26,104	27,772
	125,552,812	164,807,220
II. Tangible assets		
1. Land, land rights and buildings including buildings on leasehold land	51,834,561	54,202,159
2. Technical equipment and machinery	13,110,841	13,620,346
3. Other equipment, factory and office equipment	7,146,489	7,219,003
4. Prepayments and construction in process	4,968,051	1,177,086
	77,059,942	76,218,594
III. Financial assets		
1. Other long-term equity investments	710	710
2. Long-term securities	20,901	14,076
3. Other loans	25,623	25,623
	47,234	40,409
	202,659,988	241,066,223
<u>B. CURRENT ASSETS</u>		
I. Inventories		
1. Raw materials and supplies	22,825,500	25,060,194
2. Work in process	3,597,606	5,760,840
3. Finished goods and merchandise	10,518,697	11,475,463
4. Prepayments	603,191	848,312
	37,544,994	43,144,809
II. Receivables and other assets		
1. Trade receivables	80,716,334	67,852,225
2. Other assets	14,396,681	14,299,816
	95,113,015	82,152,041
III. Securities	9,667	1,229
IV. Cash on hand, bank balances and checks	22,405,080	20,558,878
	155,072,756	145,856,957
<u>C. PREPAID EXPENSES</u>	791,503	771,707
<u>D. DEFERRED TAX ASSETS</u>	8,263,969	5,088,491
<u>E. CONSOLIDATED NET LOSS NOT COVERED BY EQUITY</u>	36,792,206	11,657,864
	403,580,422	404,441,242
<u>EQUITY AND LIABILITIES</u>		
<u>A. SHAREHOLDERS' EQUITY</u>		
I. Subscribed capital	25,000	25,000
II. Capital reserves	22,025,000	22,025,000

	12/31/2012 EUR	12/31/2011 EUR
III. Equity capital difference from currency translation	-1,593,908	-959,472
IV. Consolidated accumulated deficit	-57,798,858	-33,327,996
V. Compensating item for minority shares	550,560	579,604
VI. Consolidated deficit not covered by equity	36,792,206	11,657,864
	<u>0</u>	<u>0</u>
<u>B. PROVISIONS</u>		
I. Provisions for pensions and similar obligations	1,241,598	1,253,391
II. Tax provisions	4,544,216	6,609,127
III. Other provisions	29,959,066	23,366,117
	<u>35,744,880</u>	<u>31,228,635</u>
<u>C. LIABILITIES</u>		
I. Liabilities to banks	138,109,653	156,502,526
II. Prepayments received on account of orders	4,283,847	4,209,544
III. Trade payables	63,633,906	61,691,600
IV. Other liabilities	140,300,190	125,090,608
- of which from taxes: EUR 6,636,994 (PY: KEUR 3,278)		
- of which social security payables: EUR 2,239,665 (PY: KEUR 2,341)		
- of which to shareholder: EUR 126,724,276 (PY: EUR 115,216,698)		
	<u>346,327,596</u>	<u>347,494,278</u>
<u>D. DEFERRED INCOME</u>	<u>3,922</u>	<u>2,562</u>
<u>E. DEFERRED TAX LIABILITIES</u>	<u>21,504,024</u>	<u>25,715,767</u>
	<u>403,580,422</u>	<u>404,441,242</u>

Wittur International Holding GmbH
Wiedenzhausen

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD FROM JANUARY 1 THROUGH DECEMBER 31, 2012

	2012 EUR	2011 EUR
1. Sales	466,005,399	387,664,455
2. Increase or decrease in finished goods and work in progress	-190,996	-3,099,774
3. Other operating income	11,240,385	10,048,070
- of which from currency translation: TEUR 3,130 (PY: TEUR 3,639)		
4. Cost of materials		
a. Cost of raw materials and supplies and of purchased merchandise	-246,810,254	-206,548,876
b. Cost of purchased services	-3,604,359	-4,411,835
5. Personnel expense		
a. Wages and salaries	-69,651,653	-60,816,945
b. Social security, pension and other benefits	-18,282,744	-17,437,635
- of which relating to pensions: TEUR 1,314 (PY: TEUR 1,551)		
6. Amortization and depreciation	-47,748,458	-43,730,620
7. Other operating expenses	-86,965,724	-69,583,004
- of which from currency translation: TEUR -3,389 (PY: TEUR 3,275)		
8. Other interest and similar income	469,297	446,726
9. Write-down of long-term financial assets and current securities	-1,943	-1,943
10. Interest and similar expenses	-20,062,732	-19,476,232
<u>11. Profit/loss on ordinary activities</u>	-15,603,782	-26,947,613
12. Taxes on income	-6,616,487	-3,410,773
13. Other taxes	-2,279,637	-1,082,154
<u>14. Consolidated net loss for the year</u>	-24,499,906	-31,440,540
15. Share of minorities in the net loss for the year loss share attributable to other shareholders	-29,044	-23,918
<u>Consolidated net loss for the year after minority shares</u>	-24,470,862	-31,416,622
Loss carried forward	-33,327,996	-1,911,374
<u>Consolidated accumulated deficit</u>	-57,798,858	-33,327,996

Schedule of Consolidated Fixed Assets – Financial Year 2012

	Acquisition and manufacturing costs						Accumulated amortization/depreciation					Book values		
	1/1/2012	Additions	Disposals	Reclassifications	Currency changes	12/31/2012	1/1/2012	Additions	Disposals	Reclassifications	Currency change	12/31/2012	12/31/2012	12/31/2011
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
I. Intangible assets														
1. Internally developed industrial property rights and similar rights and assets	941	1,147	(		(	2,088	(	52	(		(	52	2,037	941
2. Acquired concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	85,902	290	-30		-7	86,155	13,751	17,578	-27		-10	31,292	54,868	72,151
3. Goodwill	115,332	(	(		(	115,332	23,645	23,062	(		(	46,710	68,622	91,687
4. Prepayments	28	15	-3	-	-1	39	(	12	(		-1	12	28	28
	202,202	1,452	-33		-8	203,611	37,396	40,650	-27		-11	78,014	125,552	164,807

	Acquisition and manufacturing costs						Accumulated amortization/depreciation					Book values		
	1/1/2012	Additions	Disposals	Reclassifications	Currency changes	12/31/2012	1/1/2012	Additions	Disposals	Reclassifications	Currency change	12/31/2012	12/31/2011	12/31/2010
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
II. Tangible assets														
1. Land, land rights and buildings including buildings on leasehold land	56,672	234	-341	11	-59	56,627	2,470	2,451	-82		-52	4,787	51,834	54,201
2. Technical equipment and machinery	13,009	762	-550	1,20	-92	14,329	-611	2,409	-530		-51	1,217	13,111	13,620
3. Other equipment, factory and office equipment	5,390	1,690	-901	46	-82	6,563	-1,829	2,181	-882		-47	-581	7,140	7,212
4. Prepayments and assets under constructions	1,177	5,602	(	-1,78	-29	4,968	(	(	(		(	(	4,968	1,177
	<u>76,248</u>	<u>8,296</u>	<u>-1,792</u>		<u>-264</u>	<u>82,481</u>	<u>29</u>	<u>7,040</u>	<u>-1,492</u>		<u>-150</u>	<u>5,423</u>	<u>77,063</u>	<u>76,210</u>

	Acquisition and manufacturing costs					Accumulated amortization/depreciation					Book values			
	1/1/2012	Additions	Disposals	Reclassifications	Currency changes	12/31/2012	1/1/2012	Additions	Disposals	Reclassifications	Currency change	12/31/2012	12/31/2011	12/31/2011
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
III Financial assets														
1. Equity investments	1	(	(		(	1	(	(	(		(	(	1	1
2. Long-term investments	14	7	(		(	21	(	(	(		(	(	21	14
3. Other loans	25	(	(		(	25	(	(	(		(	(	25	25
	<u>40</u>	<u>7</u>	<u>(</u>		<u>(</u>	<u>46</u>	<u>(</u>	<u>(</u>	<u>(</u>		<u>(</u>	<u>(</u>	<u>46</u>	<u>40</u>
	<u>278,491</u>	<u>9,753</u>	<u>-1,824</u>		<u>-272</u>	<u>286,148</u>	<u>37,425</u>	<u>47,690</u>	<u>-1,525</u>		<u>-161</u>	<u>83,430</u>	<u>202,660</u>	<u>241,064</u>

**Cash Flow Statement – Wittur International Holding GmbH
GROUP**

for the Financial Year from January 1 through December 31, 2012

	2012	2011
	KEUR	KEUR
+ Net income/loss for the year (before extraordinary events/transactions)	-24,500	-31,441
+ / - Depreciation of/write-ups on fixed assets	47,749	43,731
+ / - Increase/decrease in provisions	4,516	-4,167
- / + Income/loss from the disposal of fixed assets	-183	32
- / + Increase/decrease in inventories, trade receivables and other assets that are not allocable to investing or financing activities	-10,556	-6,974
+ / - Increase/decrease in trade payables and other liabilities that are not allocable to investing or financing activities	13,016	7,713
= Cash flow from operating activities	30,042	8,894
+ Payments received from the disposal of tangible assets and intangible assets	483	224
- Payments made for investments in tangible assets and intangible assets	-9,746	-9,090
- Payments made to acquire financial investments	-7	0
= <u>Cash flow from investing activities</u>	-9,271	-8,866
+ Payments received from additions to equity capital	0	0
- Payments made to shareholders	0	0
+ Payments received from taking out (financial) loans	0	8,611
- Payments made for the repayment of (financial) loans vis à vis direct and indirect shareholders	0	-181,081
- Payments made for the repayment of bonds and (financial) loans	-18,006	-8,613
= <u>Cash flow from financing activities</u>	-18,006	-181,083
<u>Net increase/decrease in cash and cash equivalents</u>	2,765	-181,055
+ / - Exchange rate and valuation-based changes in cash and cash equivalents	-523	-785
+ Cash and cash equivalents at the beginning of the year	19,507	201,347
= Cash and cash equivalents at the end of the year	21,748	19,507

	2012	2011
	KEUR	KEUR
<u>Structure of cash and cash equivalents at the end of the financial year</u>		
Marketable securities	10	1
+ Cash	22,405	20,559
- Bank liabilities due on demand	-667	-1,054
	<u>21,748</u>	<u>19,507</u>

The following changes were made in 2011 to improve the presentation of the financial position:

- 1) Reclassification to payments made for investments – KEUR 2,201 on account of a goodwill correction that does not have an impact on cash, with a commensurate change in provisions
- 2) Reclassification of KEUR 4,000 between bank liabilities due on demand and cash and cash equivalents
- 3) Reclassification of changes in shareholder loans from the cash flow from financing activities to cash flow from ongoing operating activities
- 4) Gross presentation of the payments received/made due to financial loans

Wittur International Holding GmbH, Wiedenszhausen

Statement of Changes in Consolidated Equity – Financial Year 2012

	Parent company						
	Subscribed capital	Capital reserves	Generated consolidated equity	Accumulated other consolidated income/loss	Equity capital - parent company	Equity capital - minorities	Consolidated equity
				Equity difference from currency translation			
As of 01/01/2011	25,000	22,025,000	-1,911,374	-257,091	19,881,535	603,522	20,485,057
Consolidated accumulated deficit	0	0	-31,416,622	-702,380	-32,119,002	-23,918	-32,142,920
As of 12/31/2011							
As of 01/01/2012	25,000	22,025,000	-33,327,996	-959,471	-12,237,467	579,604	-11,657,864
Consolidated accumulated deficit	0	0	-24,470,862	-634,436	-25,105,298	-29,044	-25,134,342
As of 12/31/2012	25,000	22,025,000	-57,798,858	-1,593,907	-37,342,765	550,560	-36,792,206

Wittur International Holding GmbH, Wiedenzhausen

Notes to the Consolidated Financial Statements for the Financial Year from January 1 through December 31, 2012

A. General Information on the Consolidated Financial Statements and the Financial Year End of the Consolidated Financial Statements

Wittur International Holding GmbH is a small corporation in terms of Section 267 HGB as of the balance sheet date December 31, 2012. Wittur International Holding GmbH has prepared these consolidated financial statements on account of Section 290 HGB.

The consolidated financial statements of Wittur International Holding GmbH as of December 31, 2012 were prepared in accordance with Section 242 et seqq. and 264 et seqq. HGB and the supplementary provisions of the German Limited Liability Company Act (GmbHG). The consolidated income statement was prepared in accordance with the cost of production method.

The financial year-end of the Parent Company, Wittur International Holding GmbH, Wiedenzhausen, and the companies included in the consolidated financial statements is December 31, 2012, except for Wittur Elevator Components India Pvt. Ltd (March 31 of the following year).

B. Consolidated Group and Consolidation Principles

Consolidated group

Companies included in the consolidated financial statements in accordance with the principles of full consolidation:

	Equity investment		Equity capital as of 12/31/2012	Net income/loss for the year 2012
	Direct	Indirect		
	%	%	EUR	EUR
<u>Germany</u>				
Wittur Holding GmbH, Wiedenzhausen	100.00		35,540,203.16	-6,677,097.81
Wittur Co-Invest GmbH & Co. KG, Wiedenzhausen		94.90	-867,073.04	-760,999.73
Wittur Deutschland Holding GmbH, Wiedenzhausen ¹		99.74	164,301,266.16	0.00
Wittur Electric Drives GmbH, Dresden ²		99.74	1,358,720.62	0.00
Wittur GmbH, Wiedenzhausen ³		99.74	903,269.28	0.00
Wittur Deutschland Vertrieb Holding GmbH, Wiedenzhausen		99.74	-601,126.63	-237,482.43
<u>Europe</u>				
Wittur Hydraulic Drives s.r.l, Bagnatica, Italy		100.00	2,098,777.78	-276,579.56
Wittur S.p.A., Colorno, Italy ⁴		100.00	38,214,359.93	17,182,569.38
Wittur Italia Holding s.r.l., Colorno, Italy		100.00	66,853,074.80	7,006,583.11
Wittur Elevator Components S.A., Zaragoza, Spain ⁵		100.00	13,338,416.24	-252,636.60
Wittur Ltd.,				

	Equity investment		Equity capital as of 12/31/2012	Net income/loss for the year 2012
	Direct	Indirect		
	%	%	EUR	EUR
Mold, Flintshire, Great Britain		99.74	921,846.87	434,495.33

-
- ¹ Transfer of profit/loss to Wittur Holding GmbH
² Transfer of profit/loss to Wittur Deutschland Holding GmbH
³ Transfer of profit/loss to Wittur Deutschland Vertrieb Holding GmbH
⁴ Treasury stock (10%)
⁵ Treasury stock (2.32%)

	Equity investment		Equity capital as of 12/31/2012	Net income/loss for the year 2012
	Direct	Indirect		
	%	%	EUR	EUR
Wittur GmbH, Scheibbs, Austria		100.00	13,099,076.75	9,050,402.74
Wittur Austria Holding GmbH, Scheibbs, Austria		100.00	15,724,206.96	-810,793.04
Wittur sr.o., Krupina, Slovakia		100.00	841,600.99	113,513.39
Wittur Sp. z o.o., Warsaw, Poland		99.74	470,423.61	-29,664.78
Wittur B.V., Almere, Netherlands		99.74	2,148,472.13	486,979.82
Wittur Asansör Sanayi ve Ticaret Ltd.Sti., Istanbul, Turkey		100.00	10,362,322.83	5,194,197.86
Wittur S.A.S. Evry, France		99.74	1,778,008.07	669,001.69
Wittur AB, Spanga, Sweden		99.74	3,448,977.90	2,285,830.07
Wittur sr.o., Hustopece, Czech Republic		99.97	754,717.80	159,851.04
Wittur kft., Budapest, Hungary		99.74	82,684.30	-44,553.26

Asia

Wittur Elevator Components (Suzhou) Co. Ltd., Wujiang, People's Republic of China		100.00	19,932,118.01	15,635,450.01
Wittur Ltd., Hong Kong, Special Administrative Region Peoples's Republik of China		100.00	1,712,596.17	728,258.89

Wittur Ltd., Natanya, Israel	99.74	-13,834.48	-229,167.19
Wittur Pte. Ltd., Singapore	99.74	-861,912.20	-620,090.36
Wittur Elevator Components India Pvt. Ltd., Chennai, India	99.74	1,896,935.75	-1,962,994.88
<u>South America</u>			
Wittur S.A., Buenos Aires, Argentina	99.99	3,031,571.35	144,703.28
Wittur Ltda., Sao Paulo, Brazil	100.00	3,100,635.54	808,023.41
<u>Australia</u>			
Wittur Pty. Ltd., Sydney, Australia	99.83	2,407,104.72	1,711,884.54

In accordance with Section 296 (2) HGB, the following indirect equity investments are not fully consolidated, but rather are stated at acquisition costs or at the lower fair value, since they are of minor importance in terms of providing a true and fair view of the Group's net assets, financial positions and results of operations.

	Equity investment		Net income/ loss for the year EUR
	Direct %	Indirect %	
Univert S.A., Buenos Aires, Argentina (Financial year from July 1, 2001 through December 31, 2001; inactive)		29.92	-161,065.02 72,081.66

In financial year 2012, the companies Wittur Reorganisation GmbH, Munich, and Wittur IT Holding s.r.l., Italy, ceased to exist as a result of intra-Group mergers.

LLeca S.A., Buenos Aires, Argentina was liquidated in financial year 2012.

Capital Consolidation

Capital consolidation is carried out in accordance with Section 301 (1 + 2) HGB (revaluation method). Accordingly, the carrying amounts of the investments are offset against the Group's share in the equity capital of the consolidated subsidiaries at the time of their first-time inclusion in the consolidated financial statements.

Provisions are stated pursuant to Section 253 (1) Clauses 2 and 3 as well as Section 253 (3) HGB, while deferred taxes are valued in accordance with Section 274 HGB.

Assets-side differences are initially allocated - in full or in part - to the assets of the individual subsidiaries. Any remaining assets-side differences are reported as goodwill and are amortized over a period of five years using the straight-line method pursuant to Section 309 (1) HGB in conjunction with Section 253 (3) HGB (cf. Section D.I.1).

Debt Consolidation

All loans and other receivables, provisions and liabilities arising between the companies included in the consolidated financial statements were offset against each other. Differences arising from valuation allowances for and discounting of Group receivables, from differences in the measurement of receivables and liabilities denominated in foreign currencies (lower/higher of cost or market principle respecting amounts denominated in foreign currency with residual terms of more than one year), and from provisions for intra-Group risks have been offset in profit and loss. Contingent liabilities are eliminated in the same way.

Consolidation Measures in the Income Statement

Sales revenues and other revenues from the supplying of goods and services between the companies included in the consolidated financial statements are offset in the consolidated income statement against the respective expenses attributable to them.

Elimination of intra-Group Results

Intra-Group results from the sale of tangible assets within the Group are eliminated in case of materiality. Inventories from supplies provided by consolidated Group companies that are to be included in the consolidated financial statements are stated at their intra-Group acquisition or manufacturing costs. The intra-Group results arising in this context are eliminated.

Currency Translation

In accordance with Section 308a HGB, the modified closing rate method is used for foreign currency translation of the individual local financial statements denominated in foreign currency. In this context, the asset and liability items stated in a consolidated subsidiary's balance sheet denominated in a foreign currency are translated at the spot exchange middle rate applicable as of the balance sheet date, except for shareholders' equity, which is translated into euros using historical rates. The items stated in the income statement are translated into euros using average rates. Any translation differences are reported under consolidated shareholders' equity as shareholders' capital difference from currency translation.

Period Allocation of Deferred Taxes

The tax deferrals recorded in the consolidated financial statements for deferred taxes concern temporary differences that are expected to reverse in future financial years.

They result from the commercial valuation of assets, liabilities and deferred items and their tax-based valuation in the individual balance sheets of the consolidated companies pursuant to Section 274 HGB and from adjusting the individual local financial statements included in the consolidated financial statements to the Group's uniform accounting and valuation, and from consolidation in the consolidated balance sheet pursuant to Section 306 HGB.

The valid tax rates applicable in the respective countries are used for determining the tax deferrals. Deferred tax assets and liabilities are not netted.

Deferred items pursuant to Sections 274 and 306 HGB are combined in accordance with Section 306 Clause 6 HGB.

C. Accounting and Valuation Principles

Accounting and valuation is based on the provisions stipulated in the German Commercial Code (HGB) respecting large corporations and on the uniform accounting and valuation principles of the Parent Company.

The realization and impairment principles are being observed; assets are stated no higher than their acquisition or manufacturing costs. It is only with respect to receivables and payables denominated in foreign currencies which have a residual term of up to one year that the acquisition costs and the realization principle pursuant to Section 256 a Clause 2 HGB are not observed.

Acquired intangible assets are stated at cost and, to the extent depreciable, are amortized over their expected useful lives net of scheduled amortization or are written down to the expected permanent lower fair value.

The Company makes use of the option provided for under Section 248 (2) HGB to capitalize internally generated intangible assets. The internally generated intangible assets are reported at manufacturing cost and are amortized over the anticipated

useful life net of scheduled amortization or written down to the expected permanent lower fair value. Total research and development costs are shown in the notes to the consolidated financial statements under Section D.I.2.

Tangible assets are stated at acquisition or manufacturing costs and, to the extent depreciable, are depreciated net of scheduled depreciation or are written down to the expected permanent lower fair value.

Financial assets are reported at acquisition cost or at the permanent lower fair value.

The tangible assets are depreciated over their expected useful lives on a straight-line basis or are written down to the expected permanent lower fair value. As a general rule, additions to property, plant and equipment are depreciated on a prorated basis. Low value items of up to EUR 410.00 are fully written down in the year of addition.

Raw materials and supplies are stated at cost or the lower fair value; the lower fair values are mainly determined on the basis of the conditions prevailing in the procurement market, while also accounting for the possible use of the inventories.

Write-downs for inventory risks resulting from the period of storage and reduced recoverability are recorded to an adequate and sufficient extent.

Finished goods and work in progress are stated at manufacturing costs. The manufacturing costs comprise production materials, direct labor costs, cost of materials, manufacturing overhead costs as well as appropriate, proportionate administrative overheads. Sufficient write-downs that were updated in this financial year were recorded with regard to slow moving and technically outdated goods. The goods were measured without loss in accordance with the conditions prevailing in the sales market.

Merchandise is reported at cost or the lower market prices.

Receivables and other assets are stated at nominal value. Adequate individual value adjustments have been recorded for all items that are subject to risk; general valuation allowances that were updated in this financial year were set up to account for the general credit risk.

Bank balances are recognized at nominal value or the lower fair value.

Prepaid expenses include payments made for circumstances that will first be reported as expenses in the following years.

The projected unit credit method was used for the valuation of pension provisions. The expected wage and salary trends for Germany stand at 0%, since only one person that is retired is concerned in this context. The assumptions listed in the following Table served as the basis of calculation:

	Salary trend	Mortality table	Inflation rate	Interest rate
Wittur GmbH, Austria	2.5%	2005 G Mortality	—	5.06%
Wittur Deutschland Holding GmbH	0%	Tables of Klaus Heubeck 2005 G Mortality	—	5.06%
Wittur S.p.A., Italy	0%	Tables of Klaus Heubeck RG48 (official Italian mortality tables)	2.0%	5.06%
Wittur Hydraulic Drives s.r.l., Italy	0%		2.0%	5.06%
Wittur B.V., Netherlands	0%	Forecast table 2010 – 2060	—	5.06%
Wittur Asansör Sa- nayi ve Ticaret, Ltd.Sti., Turkey	3.0%	Evk00	5.62%	7.92%

The discount rate of 5.06% used as of December 31, 2012 corresponds to the discount rate published by the German Federal Reserve Bank (Deutsche Bundesbank) for obligations with a residual maturity of 15 years pursuant to the Regulation on the

Discounting of Provisions (Rückstellungsabzinsungsverordnung – RückAbzinsV). The Company thus made use of the relief provisions for provisions concerning pension obligations pursuant to Section 253 (2) Clause 2 HGB, as permitted by law.

Other provisions take into account all recognizable risks and uncertain liabilities as well as anticipated losses from pending transactions. The provisions were stated at the settlement amounts – including price and cost increases – required by sound business judgment to meet future payment obligations. Long-term provisions were discounted on the basis of the average market interest rate of the past seven years in accordance with their respective residual term.

Liabilities are stated at the respective settlement amount.

Assets and liabilities denominated in foreign currencies with a residual term of up to one year are recognized at the spot exchange middle rates applicable as of the balance sheet date. Assets and liabilities with a residual term of more than one year are stated at the exchange rate applicable on the date of their occurrence, unless a depreciated or appreciated exchange rate at the balance sheet date requires that receivables be written down or that a higher valuation be applied with regard to liabilities, respectively.

Liabilities arising from deferred compensation that constitute long-term liabilities similar to pension obligations have been offset against assets that exclusively serve the purpose of meeting such pension obligations and which represent plan assets within the meaning of Section 246 (2) Clause 2 HGB. In accordance with a confirmation, the netted present value of the plan assets amounts to EUR 2,690,715.86 as of December 31, 2012 (2011: KEUR 2,218). The acquisition costs of the plan asset stood at EUR 2,690,715.86 as of December 31, 2012 (2011: KEUR 2,218). Accordingly, the respective settlement amount corresponded to the plan assets' present value. The netted expenses and income amounted to EUR 69,943.05 in financial year 2012 (2011: KEUR 52).

Derivative Financial Instruments

Derivative financial instruments are used at Wittur to limit risks from changes in interest rates. Since no valuation unit has been formed for these derivative financial instruments, the reporting is done on the basis of the imparity principle, which means that provisions are created for negative market values; while positive market values are not reported.

For acquired options, the entire option premium is capitalized as an asset and is subject to the strict lower of price or market value principle for reporting on the balance sheet date. A liability is recognized for still outstanding option premiums.

The market value is calculated on the basis of the market data applicable on the balance sheet date with the aid of the recognized option price models (for interest options) and by discounting anticipated future cash flows over the remaining term (for interest rate swaps).

D. Notes and Disclosures on the Consolidated Financial Statements

I. Consolidated Balance Sheet

1. Fixed Assets

The development of the Group's fixed assets is presented in the schedule of fixed assets found in these notes to the consolidated financial statements.

The equity investments that are not consolidated pursuant to Section 296 (2) HGB (cf. Section B) are stated at acquisition costs or the lower fair value applicable as of the balance sheet date.

Pursuant to Section 309 (1) HGB in conjunction with Section 253 (3) HGB, acquired goodwill is written down over five years according to schedule using the straight line method. The balance sheet item developed as follows:

	2012	2011
	KEUR	KEUR
Goodwill	91,687	116,952
Disposal from provisions due to correction circumstance	0	2,201
Scheduled amortization	23,065	23,065

	2012	2011
	KEUR	KEUR
Goodwill as of Dec. 31	68,622	91,687

2. Internally generated intangible assets

	2012	2011
	KEUR	KEUR
Capitalized development costs	2,088	941
Total development costs	4,775	4,860
thereof capitalized	1,147	941

Internally generated intangible fixed assets are reported under internally developed industrial property rights and similar rights and assets.

3. Receivables and Other Assets

The asset value of the Employers' Pension Liability Insurance in the amount of KEUR 2,691 (2011: KEUR 2,218), which was netted with the liabilities arising from deferred compensation, has a term of more than one year as of December 31, 2012.

In total, there are receivables in the amount of KEUR 7,291 which have a residual term of more than one year as of December 31, 2012 (2011: KEUR 6,991).

4. Provisions

The provisions item is structured as follows:

	2012	2011
	KEUR	KEUR
Pension provisions	1,242	1,253
Severance payment provisions	6,887	6,289
Tax provisions	4,544	6,609
Other provisions	23,072	17,078
Total provisions	35,745	31,229

Other provisions are mainly comprised of provisions for vacations, other personnel- related provisions and provisions for warranty commitments.

5. Deferred Taxes

The consolidated financial statements contain deferred taxes that are attributable to temporary differences between the commercial and the tax accounts (2011: deferred tax assets in the amount of KEUR 5,088 and deferred tax liabilities amounting to KEUR 25,716). They are composed of the following:

	Deferred tax assets KEUR	Deferred tax liabilities KEUR
- Individual local financial statements included in the consolidated financial statements (HB I)	3,342	335

	Deferred tax assets KEUR	Deferred tax liabilities KEUR
- Adjustments to the Group's uniform accounting and valuation (HB II)	4,929	21,169
Total	8,264	21,504

The significant temporary differences between the commercial and the tax balance sheet that result in deferred tax assets concern provisions and value adjustments in Turkey that need not be taken into account for tax purposes and severance payment provisions at Wittur GmbH in Austria that are not tax-deductible. The significant deferred tax liabilities as of December 31, 2012 are due to the disclosure of hidden reserves during the initial consolidation, which accounts for deferred tax liabilities in the amount of EUR 19.0 million, and to differences in the depreciation/amortization regulations concerning commercial law and tax law. The hidden reserves, in turn, are comprised of the revaluation of tangible assets and inventories, the valuation of the customer base and brand rights, and, to a smaller extent, of the knowledge on the technologies employed.

In total, carry-over losses of KEUR 27,491 (2011: KEUR 20,109) were classified as not recoverable and therefore not reported as deferred tax assets.

The local tax rates used for the calculation of the deferred taxes are between 10% and 35%.

6. Liabilities

	Total amount	Residual term			
		up to 1 year	1 year to 5 years	more than 5 years	of which secured
Liabilities	KEUR	KEUR	KEUR	KEUR	KEUR
to banks	138,110	14,809	123,301	0	150,000 ⁶
from prepayments received	4,184	4,212	63	9	
from trade payables	63,634	63,420	214	0	
Other liabilities	140,300	13,227	96	126,977	
	346,328	95,668	123,674	126,986	
2011	347,494	97,874	61,680	187,939	150,000

7. Derivative Financial Instruments

The following table shows the nominal volume, market values and the balance sheet items (each in KEUR) of the derivative financial instruments that were in the portfolio as of December 31, 2012:

Instrument	Nominal volume	Market value	Reported asset value	Reported provision or liability
Interest rate swap	30,000	-558	0	558
Interest rate cap	100,000	+2	2	408 ⁷

⁶ Depending on the respective company, the following collateral has been posted: pledges to affiliated companies, general assignments for all receivables, including insurance benefits, mortgages, assignments of bank accounts and the cessation of assets.

⁷ A liability is recognized for still outstanding option premiums.

II. Consolidated Income Statement

1. Sales Revenues

The breakdown of sales revenues is based on geographically determined markets pursuant to Section 314 (1) No. 3 HGB. A classification according to business activities is not required, since they do not significantly differ from each other within the Group.

	2012 KEUR	2011 KEUR
Europe	227,578	208,668
Middle East	27,753	28,515
Asia Pacific	169,726	116,209
America	40,710	33,958
Africa	2,946	2,676
Gross sales revenues	468,713	390,026
Less sales deductions	-2,708	-2,362
Net sales revenues	466,005	387,664

2. Other Operating Income

Other operating income is mainly comprised of currency gains in the amount of KEUR 3,130 (2011: KEUR 3,639), income from the sale of waste amounting to KEUR 1,960 (2011: KEUR 1,882), income from capitalized development costs in the amount of KEUR 1,147 (2011: KEUR 941) and income from the release of provisions amounting to KEUR 614 (2011: KEUR 483) and value adjustments of KEUR 793 (2011: KEUR 251). The item Other operating income also includes income attributable to other periods in the amount of KEUR 400 (2011: KEUR 246).

3. Personnel Expenses

Personnel expenses amounted to KEUR 87,934 (2011: KEUR 78,255).

4. Amortization and Depreciation

Amortization and depreciation amounted to KEUR 44,004 (2011: KEUR 43,731) and mainly concerned write-downs in the amount of KEUR 37,469 (2011: KEUR 37,428) from the purchase price allocation associated with the initial consolidation.

5. Other Operating Income

Other operating expenses are mainly comprised of administrative costs in the amount of KEUR 9,547 (2011: KEUR 9,685), direct variable selling costs amounting to KEUR 24,934 (2011: KEUR 20,739), personnel and temporary staff-related costs of KEUR 9,249 (2011: KEUR 7,923), production-related costs in the amount of KEUR 6,681 (2011: KEUR 5,364), currency losses of KEUR 3,389 (2011: KEUR 3,275), development and test/trial costs amounting to KEUR 1,284 (2011: KEUR 1,348) as well as rental and office space costs in the amount of KEUR 9,678 (2011: KEUR 7,834). The item Other operating expenses includes expenses attributable to other periods in the amount of KEUR 317 (2011: KEUR 401).

6. Taxes on Income

Taxes on income mainly relate to corporation taxes in the amount of KEUR 14,284 (2011: KEUR 8,458), income from deferred taxes amounting to KEUR 7,910 (2011: KEUR 5,873) resulting from scheduled write-downs concerning the purchase price allocation in the amount of KEUR 3,935 (2011: KEUR 4,943), and expenses from deferred taxes amounting to KEUR 1,279 (2011: KEUR 826). The main non-taxable expenses are attributable to the amortization of goodwill in the amount of KEUR 23,065 (2011: KEUR 23,065).

7. Interest and Similar Expenses

Interest expenses include expenses from the accrual of provisions in the amount of KEUR 677 (2011: KEUR 399).

E. Other Disclosures

1. Collateral for Third-Party Liabilities

On December 6, 2010, Wittur International Holding GmbH, Wiedenzhausen, concluded a loan agreement with UniCredit Bank AG, the lead manager, concerning a loan amount of up to KEUR 175,000.

The loan balance as of December 31, 2012 stood at KEUR 128,190 and was extended to various affiliated companies. Depending on the respective company, the following additional collateral was provided under the above mentioned loan agreement:

- Pledging of business shares
- Pledging of bank accounts
- General assignments concerning all receivables, including insurance benefits
- Mortgages
- Assignments of assets

Given the positive economic situation in key markets, the position of the individual Group companies in the respective markets and positive results of operations, it is currently not expected that the collateral will be utilized.

2. Other Financial Obligations

Rental obligations amount to KEUR 922 (2011: KEUR 1,043) per annum. The remaining obligations concern commitments from leasing agreements in the amount of KEUR 2,088 (2011: KEUR 1,835) and from other rental and long-term service agreements amounting to KEUR 3,010 (2011: KEUR 2,877).

3. Personnel

On an annual average, the number of staff employed by the Wittur Group companies included in the consolidated group stood at 2,699. The employees were engaged in the following divisions:

Production, direct	1,408
Production, indirect	260
Logistics and procurement	182
Research and development	117
Marketing and sales	266
Logistics and shipment	166
Administration	301
Total	<u>2,699</u>
2011	<u>2,422</u>

4. Auditor's Fee

The auditor's fees for financial year 2012 are broken down as follows:

1) Financial statements auditing services KEUR 183 (2011: KEUR 135)

5. Remuneration of Boards

The total remuneration granted to members of management and former members of management was not reported in accordance with Section 314 (2) Clause 2 HGB in conjunction with Section 286 (5) HGB.

Receivables include loans from members of current management in the amount of KEUR 367 (2011: EUR 0). These loans bear interest at the standard rate on the market and have an unlimited term.

6. Management Members

The management members are listed below:

- Stephan Rojahn, Managing Director (until March 18, 2012)
- Dr. Walter Rohregger, Managing Director (since March 18, 2012)
- Christian Witt, Managing Director (until May 16, 2012)
- Dr. Daniel Wiest, Managing Director (since March 14, 2012)

Wiedenzhausen, March 15, 2013

Dr. Walter Rohregger

Dr. Daniel Wiest

CEO

CFO

The following auditor's report (*Bestätigungsvermerk*) has been issued in accordance with Section 322 of the German Commercial Code (*Handelsgesetzbuch*) on the consolidated financial statements and group management report (*Konzernlagebericht*) of Wittur International Holding GmbH as of and for the fiscal year ended December 31, 2012. The group management report is neither included nor incorporated by reference in this offering memorandum.

Auditor's Report

We have audited the consolidated financial statements prepared by the Wittur International Holding GmbH, Wiedenzhausen, comprising the balance sheet, the income statement, the notes to the consolidated financial statements, cash flow statement and statement of changes in equity, together with the group management report for the business year from January 1 to December 31, 2012. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law is the responsibility of the parent Company's Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with (German) principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with (German) principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, March 15, 2013

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