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LBC Holdings LLC

Independent Auditors' Report Consolidated Financial Statements as of and for the 8 month Period ended 31 December 2004

This report contains 21 pages



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To the Board of Directors
LBC Holdings LLC
1209 Orange Street
Wilmington
Delaware 19801
United States of America

We have audited the accompanying consolidated balance sheet of LBC Holdings LLC and its subsidiaries ("the Group") as of 31 December 2004 and the related consolidated statements of income and cash flows for the 8 month period then ended. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing applicable in France. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2004, and of the results of its operations and its cash flows for the 8 month period then ended in accordance with Financial Reporting Standards generally accepted in France.

Without qualifying our opinion, we draw attention to the following matters in Notes 1 and 9 to the consolidated financial statements:

- (i) The Group was formed on 13 May 2004 and we have not audited the pro forma comparative information included in the Group's financial statements. Accordingly, our audit opinion does not extend to such pro forma comparative information.
- (ii) As at 31 December 2004, the Group is in breach of a covenant included in a Senior Facility Agreement. This condition and other matters as set forth in Note 9 indicate the existence of a material uncertainty which could affect the ability of the Group to continue as a going concern.

Paris La Défense, 27 April 2005
KPMG Audit

Laurent des Places
Partner



**LBC Holdings LLC Consolidated Financial Statements
for the 8 month Period Ended December 31, 2004**

LBC Holdings LLC
DECEMBER 31, 2004
CONSOLIDATED BALANCE SHEET—ASSETS

	December 31,	
	2004	May 13, 2004
	(In €'000)	
Goodwill on acquisitions	50,215	51,835
Intangible fixed assets.....	1,406	1,232
Tangible fixed assets.....	193,792	206,231
Financial assets.....	800	842
TOTAL FIXED ASSETS	246,213	260,140
Operating accounts receivable.....	21,616	24,471
Other accounts receivable and adjustments	6,791	8,202
Deferred expenses.....	9,551	13,183
Premium on notes issuance.....	7,158	7,635
Marketable securities.....	884	608
Cash and cash equivalents	8,946	115,729
TOTAL CURRENT ASSETS	54,946	169,828
TOTAL ASSETS	301,159	429,968

LBC Holdings LLC
DECEMBER 31, 2004
CONSOLIDATED BALANCE SHEET—LIABILITIES

	December 31,	
	2004	May 13, 2004
	(In €'000)	
Share capital	73,700	73,700
Consolidated reserves	0	0
Net result for the period	(5,626)	0
Translation adjustments	(4,915)	477
GROUP SHAREHOLDERS' EQUITY	63,159	74,177
TOTAL MINORITY INTERESTS	4,696	4,374
TOTAL PROVISIONS FOR RISKS & CHARGES	5,762	4,825
Banks borrowings and financial debts from credit institutions	186,112	271,169
Operating Liabilities	20,705	34,359
Deferred tax reserve	16,395	18,246
Others Liabilities and adjustments	4,330	22,818
CURRENT LIABILITIES	227,542	346,592
TOTAL LIABILITIES	238,000	355,791
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	301,159	429,968

LBC Holdings LLC
DECEMBER 31, 2004
CONSOLIDATED INCOME STATEMENT

	8 month period ended December 31, 2004	Proforma 12 months 2004 (Unaudited)	Proforma 12 Months 2003 (Unaudited)
	(in € '000')	(in € '000')	(in € '000')
Net sales	77,473	116,255	121,995
Other operating revenues.....	895	1,162	678
Purchases.....	(23,961)	(36,663)	(36,843)
Taxes other than corporate income taxes.....	(3,083)	(4,529)	(3,983)
Personnel costs.....	(24,048)	(36,348)	(35,945)
Amortisation, depreciation and provisions.....	(15,485)	(23,103)	(22,386)
Other operating expenses.....	(760)	(812)	(671)
NET OPERATING INCOME	11,031	15,962	22,845
Share of joint venture operations.....	59	71	23
Net financial expense / (income).....	10,374	17,374	19,227
INCOME / (LOSS) FROM ORDINARY ACTIVITIES	716	(1,341)	3,641
Exceptional items, net.....	(2,570)	(2,358)	(5,198)
Income tax.....	1,610	2,941	4,837
NET INCOME / (LOSS) BEFORE MINORITY INTERESTS	(3,464)	(6,640)	(6,394)
Minority Interests.....	541	694	634
NET INCOME /(LOSS)	(4,005)	(7,334)	(7,028)
Goodwill depreciation.....	(1,620)	(2,591)	(2,591)
GROUP SHARE / NET INCOME (LOSS)	(5,626)	(9,925)	(9,619)

See Note 20 for proforma reconciliations

LBC Holdings LLC
DECEMBER 31, 2004
CONSOLIDATED STATEMENT OF CASH FLOWS
(For the period from May 13, 2004 to December 31, 2004)

	December 31, 2004
Net income before minority interests	(3,464)
<i>Adjustments to reconcile net income to cash flow:</i>	
Amortisation, depreciation and provisions.....	17,178
Changes in deferred taxes	875
Gains and losses from disposals, net of tax.....	69
Equity in loss / (gain) of associated company	59
Cash flow from operating activities before changes in working capital.....	14,715
<i>Net change in working capital:</i>	
Operating accounts receivables.....	2,855
Operating accounts payables.....	(13,654)
Others, net.....	4,945
CASH FLOW FROM OPERATING ACTIVITIES.....	8,861
Additions to intangible assets.....	(385)
Additions to tangible fixed assets.....	(11,817)
Additions to investments.....	(174)
Proceeds from disposals of fixed assets	155
Net change in other investments	0
NET CASH USED IN INVESTING ACTIVITIES.....	(12,221)
Net borrowings (repayments) under senior credit facility.....	(1,539)
High yield bond issuance	0
Previous Shareholder current account payment	(19,161)
Dividends to Minority Interest.....	(217)
Net change in other borrowings and liabilities.....	(83,518)
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES.....	(104,435)
Conversion and translation adjustments.....	1,288
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(106,507)
Cash and cash equivalents at beginning of the period.....	116,337
Cash and cash equivalents at end of the period.....	9,830

LBC Holdings LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE 8 MONTHS PERIOD ENDED DECEMBER 31, 2004
(Figures in €'000)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, RULES AND METHODS

Overview

The consolidated financial statements at December 31, 2004 presented herein consist of balance sheets, a statement of income, a statement of cash flows and the related notes. The comparative accounts presented herein consist of balance sheets at May 13, 2004 and proforma income statements for the year ending December 31, 2003 and December 31, 2004. The profit and loss account shows the activity of 8 complete months. The estimated net result of 13 days of activity is not significant taking into consideration that our invoicing generally takes place at month end.

Accounting Principles

The consolidated financial statements of LBC Holdings LLC ("the Company") have been prepared in accordance with accounting principles generally accepted in France and rules described in CRC regulation 99-02 related to consolidated financial statements. The audited consolidated statements included herein have been prepared on the same basis as the annual consolidated financial statements of the former LBC Group prior to its acquisition by OEP (see Note 3), in accordance with accounting principles generally accepted in France.

Companies controlled totally or through majority ownership are fully consolidated ("global integration" under French GAAP). Jointly controlled companies are consolidated using the proportionate method. Significant transactions between consolidated companies and intercompany operations are eliminated in the consolidated financial statements.

Balance sheet accounts of foreign companies are translated into euros at the closing date exchange rate. Income statement items are translated into euros at the average exchange rate for the period. Translation adjustments are booked in shareholders' equity. The Group's share in translation adjustments are included under the caption "translation adjustments" in shareholders' equity.

Currency Closing rate May 13, 2004 Average rate for the period Closing rate December 31, 2004

US dollar	1.1911	1.2556	1.3621
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Due to the seasonality of our revenues, the results for the 8 month period ended December 31, 2004 are not necessarily indicative of the results expected for a full year.

Intangible fixed assets, mainly business goodwill and software are depreciated over their useful life.

Goodwill arising on an acquisition represents the cost of the acquisition over the fair value of the net identifiable assets.

Tangible fixed assets are stated at the historical cost. Depreciation is charged to the income statement on a straight-line basis over their estimated useful lives. Tanks and tank containments are depreciated over a period of 20 years.

Investments in non-consolidated companies are stated at cost less impairment losses. An impairment is recognised when the carrying amount of an asset exceeds its recoverable amount.

Accounts receivables and liabilities expressed in euros are stated at their historical value irrespective of due date and remuneration rate. Advances and liabilities expressed in foreign currencies are converted at the exchange rate as at the closing date. A provision is booked to reflect the risk of non-collection due the financial position of debtors.

Exceptional or extraordinary items are defined as profit or losses that result from events or operations that are not part of the ordinary activity of the company and that should not as a consequence happen repeatedly or frequently.

Deferred tax assets and liabilities contain tax liabilities corresponding to the cancellation of depreciation expenses, expenses to be spread over more than one year and temporary differences in taxation resulting from the application of fiscal obligations. A French group releasing agreement has been signed between LBC France Holding SAS, LBC France SAS, LBC SA, LBC Sotrasol SA, LBC Nantes SA, and LBC Marseille-Fos SAS with effect on August 1, 2004. This agreement is governed by the group relief provisions of articles 223A and thereafter of the French General Tax Code.

Employee retirement commitments are booked as a liability. An actuarial valuation is carried out where this obligation exists based on the following assumptions:

- Discount Rate: 3.9%
- Estimated annual salary increase: 2%
- Retirement age: 60 or local legal age
- Social Security contributions: 43% or local regulations
- Turnover: probability to be in the company: 50% if under 45 years old and 100% above 45 years old
- Mortality rate: INSEE tables

NOTE 2: SCOPE OF CONSOLIDATION

Applied consolidation rules and methods

Company	Address	December 31, 2004	
		% Interest	Method
LBC Holdings LLC (Parent company)	1209 Orange stret – Wilmington Delaware 19801 -USA	100.0000	Parent
LBC Acquisition Corp inc.....	1209 Orange stret – Wilmington Delaware 19801 - USA)	100.0000	full integration
LBC Houston LP.....	11666 Port Road - Seabrook Texas 77 586 - USA	100.0000	full integration
LBC Finance SARL.....	23 avenue de la Porte Neuve 2227 LUXEMBOURG	100.0000	full integration
LBC Luxembourg SARL.....	23 avenue de la Porte Neuve 2227 LUXEMBOURG	100.0000	full integration
LBC Luxembourg Holding SCA...	23 avenue de la Porte Neuve 2227 LUXEMBOURG	100.0000	full integration
LBC Belgium BVBA.....	Bredestraat 4 2000 Antwerpen - BELGIUM	100.0000	full integration
Financière GTS SA.....	Haven 275 - Leon Bonnetweg 28 2030 Anvers - BELGIUM	100.0000	full integration
LBC Antwerpen SA.....	Haven 275 - Leon Bonnetweg 28 2030 Anvers - BELGIUM	100.0000	full integration
LBC Rotterdam BV.....	Oude Maasweg 4 – PO BOX 5000 – 3197 Botlek - NETHERLANDS	100.0000	full integration
LBC France Holding SAS.....	5 ter rue du Dôme 75 116 Paris - FRANCE	100.0000	full integration
LBC France SAS.....	5 ter rue du Dôme 75 116 Paris - FRANCE	100.0000	full integration
LBC SA.....	5 ter rue du Dôme 75 116 Paris - FRANCE	100.0000	full integration
LBC Sotrasol SA.....	5 ter rue du Dôme 75 116 Paris - FRANCE	99.8917	full integration
Sogestrol SAS.....	Route de la Chimie 76 700 Gonfrville L'Orcher- FRANCE	49.9459	Proportionate
LBC Nantes SA.....	103, quai Emile Cormerais 44 800 St Herblain - FRANCE	99.5554	full integration
LBC Marseille-Fos SAS.....	Route du Port Pétrolier 13117 Lavéra - FRANCE	99.9889	full integration
Terliq SA.....	El Poligono El Fangal, Valle de Escombreras – 30350 Cartagena - SPAIN	78.1438	full integration
Terquisa SA.....	Calle Santa Cruz de Marcenado 31 – Madrid - SPAIN	56.2876	full integration
LBC Tanquipor SARL.....	Parque Industrial do Barreiro 2830 BARREIRO - PORTUGAL	71.1111	full integration

CHDR (30% control) is excluded from the consolidated companies scope because it is not material to overall operations.

NOTE 3: THE ACQUISITION

Pursuant to a share purchase agreement entered into on March 25, 2004 by and between One Equity Partners and Fimalac S.A., One Equity Partners agreed to acquire Fimalac's Shareholding in LBC S.A. and its subsidiaries. In connection with the acquisition, One Equity Partners formed LBC Holdings LLC on April 15, 2004. On May 13, 2004 the transaction was effective and completed. Accordingly, the comparative balance was prepared as of that date.

The acquisition was accounted for in accordance with French GAAP. As a result, for the purposes of preparing our consolidated financial statements, the total purchase price was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the date of the Acquisition, with any excess of the purchase price over the identifiable net assets acquired allocated to goodwill. Expected payments to be received from the previous shareholder have been allocated to goodwill.

The total consideration paid for the acquisition was € 243.0 million on a debt free basis. The debt of LBC S.A. and its subsidiaries amounted € 108.4 million and the purchase price amounted to € 134.6 million.

The acquisition was financed by an equity investment from One Equity Partners LLC (OEP) (€ 73.7million); a loan from OEP of € 2.0 million; the issuance of Senior Subordinated Notes (€ 133.0 million) and by a pool of banks through a Senior Facility Agreement (€ 46.0 million).

Fees and expenses related to the acquisition and its financing are estimated at € 12.9 million. The discount or premium related to the issuance of subordinated notes is € 7.6 million which has been booked as a deferred cost and amortized over the duration of the notes (10 years). The acquisition cost of € 3.6 million is included in the goodwill (see note 4 - Goodwill). The estimated guarantee payment from the previous shareholders relative to investments € 1.2 million has been booked as a goodwill reduction. The financing expense of € 9.3 million is amortized as a non-cash interest cost over the length of the respective financing resources.

NOTE 4: GOODWILL

For the purposes of preparing our consolidated financial statements subsequent to the Acquisition, the total purchase price was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the date of the Acquisition, with any excess of the purchase price over the identifiable net assets acquired allocated to goodwill.

	(€ Millions)
Estimated purchase price	134,600
Estimated costs and expenses of the Acquisition.....	2,377
Estimated total consideration.....	136,977
Net assets acquired as at May 13, 2004	(85,142)
Estimated goodwill on Acquisition	51,835

The following table details changes in goodwill.

	Balance May 13, 2004	Net Other Increase / (Decrease)	Balance December 31, 2004
Goodwill			
Gross value	51,835	0	51,835
Amortisation	0	1,620	1,620
Net	51,835	1,620	50,215

NOTE 5: INTANGIBLE ASSETS

	Balance May 13, 2004	Balance December 31, 2004
Intangible fixed assets		
Gross value	2,929	3,188
Dep./Prov.	1,697	1,782
Net book value	1,232	1,406

NOTE 6: TANGIBLE FIXED ASSETS

	Balance May 13, 2004	Balance December 31, 2004
Land	20,275	17,828
Buildings	77,882	77,811
Industrial fixtures and equipment.....	348,478	339,755
Industrial fixtures and equipment—under capital lease contracts	0	0
Other tangible fixed assets	10,699	11,143
Tangible fixed assets in progress.....	6,359	6,224
Gross tangible fixed assets	463,692	452,761
Less accumulated depreciation and amortisation	257,461	258,969
Net tangible fixed assets	206,231	193,792

NOTE 7: OPERATING ACCOUNTS RECEIVABLE

	Balance May 13, 2004	Balance December 31, 2004
Trade accounts receivables.....	24,958	21,969
Other operating accounts receivable.....	264	253
Provisions for bad debt	(751)	(606)
Net operating accounts receivables	24,471	21,616

All trade accounts receivables are due within 1 year.

NOTE 8: DEFERRED FINANCING COST AND ISSUANCE PREMIUMS

	Balance May 13, 2004	Conversion adjustment	Amortization	Balance December 31, 2004
Deferred Financing expense	9,291	(36)	521	8,734
Premiums on note issuance	7,635		477	7,158
Net deferred financing expense	16,926	(36)	998	15,892

The deferred financing expense is linked to the € 133 million Senior Subordinated Notes issuance and the Senior Facility Agreement (see. note 9- Net debt). This amount is booked in the balance sheet on the line deferred expenses together with other operating deferred expenses amounting € 0.8 million for a total of € 9.6 million

The premium is relative to the issuance of the € 133 million Senior Subordinated Notes issuance (see. note 9 - Net debt).

NOTE 9: NET DEBT

Net debt, including amounts payable within one year, is as follows:

	May 13, 2004	Net increase (decrease)	December 31, 2004
Other Credit Facilities	92,161	(83,518)	8,643
Senior Credit Facility	46,007	(1,539)	44,468
11% Senior Subordinated Notes	133,000	0	133,000
Accrued interest	125	2,515	2,640
Gross debt	271,293	(82,542)	188,751
Marketable Securities	608	276	884
Cash and Cash Equivalents	115,729	(106,783)	8,946
Net debt	154,956	(23,965)	178,921

In the balance sheet accrued interest is booked in other liabilities and adjustments.

As at May 13, 2004 other Credit Facilities include LBC assumed bank debt of € 92.1 million and an outstanding debt to the prior shareholder € 19.2 million, both of which were paid off with available cash shortly after completion of the transaction .

The opening balance sheet includes the proceeds from the Notes issuance, and the Senior Facility Agreement but not the repayment of the previous existing debt and the current account from the prior shareholder (included in the Balance Sheet item other liabilities and adjustments for € 19.2 million).

As at December 31, 2004, we had outstanding net debt including accrued interest of € 178.9 million. As at December 31, 2004 LBC Holdings LLC and its consolidated subsidiaries also had unused facilities of € 40.0 million under the Senior Credit Facilities, consisting of a € 15.0 million Capex Facility, a € 15.0 million Revolving Credit Facility and a € 10.0 million Bank Guarantee Facility.

On May 13, 2004, LBC Holdings LLC and its subsidiaries entered into an agreement (the "Senior Credit Facilities") with BNP Paribas as mandated lead arranger, agent and security agent pursuant to which the lenders agreed to provide in aggregate € 96.3 million in bank financing.

The Senior Credit Facilities consist of the following facilities:

- the Term A Facility, which is a U.S. dollar denominated term loan facility, in an amount equal to the U.S. dollar equivalent of € 41.3 million, less the U.S. dollar amount of the Letter of Credit Facility referred to below, with a final maturity seven years after the date of the Acquisition;
- the Term B Facility, which is a € 15.0 million euro denominated term loan facility, with a final maturity eight years after the date of the Acquisition;
- the Capex Facility, which is a € 15.0 million euro or U.S. dollar denominated term loan facility with final maturity seven years after the date of the Acquisition;
- the Revolving Credit Facility, which is a € 15.0 million euro denominated revolving credit facility with final maturity seven years after the date of the Acquisition;
- the Bank Guarantee Facility, which is a € 10.0 million euro bank guarantee facility pursuant to which bank guarantees denominated in euros can be requested; and
- the Letter of Credit Facility, which is a US\$ 7.2 million letter of credit facility pursuant to which a letter of credit denominated in U.S. dollars may be issued in support of the Industrial Revenue Bonds.

On May 13, 2004, the Company issued € 133.0 million aggregate principal amount of its 11% senior subordinated notes due 2014 (the "Notes"). The Notes will pay interest semi-annually on each May 15 and November 15, commencing November 15, 2004. At any time on or before May 15, 2009, the Notes may be redeemed in whole or in part by the Company paying a "make whole" premium. At any time on or after May 15, 2009, the Company may redeem all or part of the Notes by paying a specified premium. In addition, on or before May 15, 2007, the Company may redeem up to 35% of the Notes with the net proceeds from specified equity offerings. If LBC Holdings LLC undergoes a change of control or sells certain of its assets, it may be required to offer to purchase the Notes. The Notes are general obligations and will rank subordinate to all of the Company's existing and future senior indebtedness. The Notes are secured by a second ranking pledge of certain intercompany loans made by the Company to certain of its subsidiaries.

As at December 31, 2004 the company is in breach of one of its Senior Facility Agreement Financial Covenants: Based on Proforma full year results the ratio consolidated cashflow over Total debt Service is 0.95 instead of a required minimum of 1.0. This breach, per the Senior Facility Agreement constitutes an event of default and may create a situation of cross default on other credit agreements. The company is in negotiation with the Bank syndicate in order to obtain a waiver on this ratio and modify its definition including indemnifications received from the previous shareholder under the Share Purchase Agreement and excluding exceptional items generating a cash profit in subsequent years. The Directors are confident that the company will be able to negotiate a waiver with interested parties so that the situation described above does neither create an event of default on the financing obligations of the company nor impair its ability to continue as a going concern.

The debt Maturity as of December 31, 2004 is the following:

	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Other Credit Facilities	948	1,581	6,114	8,643
Senior Credit Facility	3,301	23,966	17,201	44,468
11% Senior Subordinated Notes			133,000	133,000
Accrued interest	2,640			2,640
Gross debt	6,889	25,547	156,315	188,751

The debt structure per currency and rates is the following:

	Fixed Interest rate	Floating interest rate	Total
Euro denominated debt.....	135,182	18,357	153,539
Dollar denominated debt.....	458	34,754	35,212
Gross debt.....	135,640	53,111	188,751

NOTE 10: SHAREHOLDERS' EQUITY AND MINORITY INTEREST

Changes in shareholders' equity are presented below.

	Balance May 13, 2004	Balance December 31, 2004
Consolidated equity at opening balance.....	73,700	74,177
Consolidated net result for the year.....	0	(5,626)
Translation adjustments.....	477	(5,392)
Group Shareholders Equity.....	74,177	63,159
Minority Interest.....	4,374	4,696

The translation adjustment at opening is due to different exchange rates between the article of incorporation agreement of LBC Holdings LLC and the exchange rate used in consolidation.

The Equity of LBC Holdings LLC is composed of 76 102.39 common units, 684 921.51 Series A preferred units and 119 052.40 Series B preferred units; all having a par value of \$ 100. Series A preferred units are entitled a cash rate per annum of 8% and Series B Preferred Units are entitled a cash rate per annum of 15% in the event there is a distribution declared or paid. Series A and Series B Preferred Units are not entitled to vote but are senior to common Units. If certain conditions are met and in particular by the Senior Facility agreement and the High Yield Bond indenture the Series B may be redeemed (i) upon the written request by the majority of holders or (ii) on May 15, 2015. The members of LBC Holdings LLC have expressed their intention to change in 2005 the Series B Preferred Units to a perpetual format. Distributions of accrued interest on Series A and B are subject to covenants on our Senior Facility Agreement. No distribution has been declared or paid as of December 31, 2004.

NOTE 11: PROVISIONS FOR RISKS AND CHARGES

	Balance May 13, 2004	Balance December 31, 2004
Provision for pension and retirement liabilities.....	1,726	1,937
Provision for risks.....	191	170
Provision for charges.....	2,908	3,655
TOTAL PROVISIONS FOR RISKS AND CHARGES.....	4,825	5,762

The provision for charges includes a € 2.4 million provision for land decontamination in our Antwerp terminal. This expense could, according to estimates reach a value of € 7.0 million but the Acquisition Agreement provides that the majority of such incremental cost would be borne by the prior shareholder.

This caption also includes a reserve for OEP management fees for € 0.47 million. The OEP management fee is an annual fee payable to OEP if certain conditions are met (particularly annual Ebitda level). If the conditions are not fulfilled, which is the case for 2004, the fee is accrued and bears interest and is only payable, together with accrued interest in subsequent years upon fulfilling certain conditions (particularly annual Ebitda level).

The other significant item is a redundancy plan provision for our Marseille Terminal amounting € 0.8 million booked in the period as an extraordinary provision for which € 0.3 million was expensed in the year.

NOTE 12: DEFERRED INCOME TAXES

Deferred income taxes are recognized using the liability method for timing differences between the recognition of certain items of income and expenses for financial reporting and tax purposes, as well as for consolidation adjustments (mainly purchase accounting adjustments and the elimination of non-deductible provisions). Deferred tax assets are recognized for ordinary and evergreen tax loss carry-forwards, to the extent that they are offset by deferred tax liabilities. Net deferred tax assets are recognized only where the related tax benefit can reasonably be expected to be realized.

Deferred tax assets and liabilities

	Balance May 13, 2004	Balance December 31, 2004
Deferred tax assets.....	924	57
Deferred tax liabilities	18,246	16,395
Net deferred tax position.....	17,322	16,338

In the balance sheet the deferred tax asset is included in the line other accounts receivables and adjustments.

Detail of our profit and loss taxes

	Balance December 31, 2004
Income tax	736
Deferred tax	874
Total.....	1,610

Basis of Income tax

	Balance December 31, 2004
Net Income	(5,625)
Income tax	1,610
Income before tax	(4,015)
Goodwill amortization.....	1,620
Permanent differences	0,000
Taxable result	(2,395)
Income tax at the rate of 35%.....	838
Others	(2,448)
Income tax.....	1,610

The Parent company LBC Holdings LLC is a non taxable entity and any taxes due on the LBC Holdings LLC taxable result is payable by its shareholders.

NOTE 13: SALES AND OPERATING PROFIT

The sales allocation by geographical area is presented below.

	Balance December 31, 2004
France	23,372
Other countries in Europe.....	28,964
United States.....	25,137
Net sales	77,473

The operating profit allocation by geographical area is presented below.

	Balance December 31, 2004
France	2,474
Other countries in Europe.....	541
United States.....	8,016
Net operating income	11,031

NOTE 14: AMORTIZATION, DEPRECIATION AND PROVISIONS

Amortisation, depreciation and provisions are as follows:

	Balance December 31, 2004
Amortisation.....	14,460
Depreciation	55
Provisions	970
Amortisation, depreciation and provisions	15,485

NOTE 15: NET FINANCIAL EXPENSE

	Balance December 31, 2004
Cash and interest accruals expense.....	11,045
Exchange rate loss (gain) in net	(1,823)
Amortization of deferred interest premiums and expenses.....	1,165
Cash and interest income.....	(13)
Net financial expense (income)	10,374

NOTE 16: EXCEPTIONAL ITEMS

The main items in the extraordinary result are:

	Balance December 31, 2004
Marseille Redundancy Plan	800
Other Headcount reductions	1,182
Other extraordinary items (net)	588
Net exceptional items (income)	2,570

NOTE 17: RELATED PARTY TRANSACTIONS

The acquisition costs and expenses include reimbursements to One Equity Partners of pre-closing transaction expenses of € 0.4 million. There is also a contingency cost of a € 0.5 million management fee to One Equity Partners (see Note 11 – Provisions for risk and charges).

NOTE 18: OFF BALANCE SHEET ITEMS

	Balance December 31, 2004
Leasing guarantees	2,287
Options	6,101
Financial guarantees, endorsements and collateral	182,831
Seveso Guarantee	2,004
Other commitments	10,371
Commitments Given	203,594

	Balance December 31, 2004
Previous Shareholder Indemnities	24,200
Options	4,705
Customers	2,942
Others commitments	687
Commitments received	32,534

The main financial guarantees are related to the High Yield Bond Issuance and the Senior Facility Agreement (See NOTE 9 – Net Debt) benefiting from pledges over certain group company shares, intercompany loans, and other assets including receivables of operating subsidiaries.

The leasing guarantees are guarantees related to a capital lease of a subsidiary not consolidated for € 522,000 (CHDR) and operating leases at our Rotterdam terminal.

The option commitments are related to a call on 90% of the equity in our Spanish subsidiaries and a put given to our minority shareholders on 100 % of the equity of our Spanish subsidiaries.

The Previous shareholder indemnity is subject to certain caps and sub-caps. Subject to certain limitations, the guarantee is valid 7 years from the date of the acquisition or until the statute of limitations.

NOTE 19: HEADCOUNT

The total number of employees as of December 31, 2004 is

	December 31, 2004
Management Employees.....	54
Non Management Employees / Office Staff.....	181
Blue collars and Office employees.....	345
Total headcount	580

NOTE 20: PROFORMA STATEMENTS

The proforma unaudited income statements have been derived from our audited consolidated December 31, 2003 and 2004 income statements. The proforma profit and loss account gives effect to the acquisition and the refinancing of the group as if they had occurred on January 1, 2003. The adjustments made in order to present the proforma unaudited consolidated profit and loss accounts have been based on available information and assumptions that management believes are reasonable. Main assumptions and reconciliations are listed below:

	8 month period ended December 31, 2004	Management Accounts 4 Months 2004 (unaudited)	Other Proforma Adjustments (unaudited)	Proforma 12 Months 2004 (Unaudited)
	(in € '000')	(in € '000')	(in € '000')	(in € '000')
Net sales	77,473	38,542	241	116,255
Other operating revenues	895	267		1,162
Purchases	(iv) (23,961)	(12,753)	51	(36,663)
Taxes other than corporate income taxes	(3,083)	(1,442)	(4)	(4,529)
Personnel costs.....	(24,048)	(12,238)	(62)	(36,348)
Amortisation, depreciation and provisions.....	(iv) (15,485)	(7,293)	(325)	(23,103)
Other operating expenses	(760)	(52)		(812)
NET OPERATING INCOME	11,031	5,030	(99)	15,962
Share of joint venture operations	59	13		73
Net financial expense / (income).....	(i) 10,374	999	6,001	17,374
INCOME / (LOSS) FROM ORDINARY ACTIVITIES...	716	4,044	(6,100)	(1,341)
Exceptional items, net.....	(2,570)	216	(4)	(2,358)
Income tax.....	(ii) 1,610	2,112	(780)	2,941
NET INCOME / (LOSS) BEFORE MINORITY INTERESTS	(3,464)	2,148	(5,324)	(6,640)
Minority Interests.....	541	153		694
NET INCOME /(LOSS).....	(4,005)	1995	(5,324)	(7,334)
Goodwill amortisation	(iii) (1,620)	(381)	(590)	(2,591)
GROUP SHARE / NET INCOME (LOSS)	(5,626)	1,614	(5,914)	(9,925)

Besides minor adjustments to take into consideration the dollar/euro exchange rate impact from 1.2556 \$/€ used for the 8 month period to 1.2437 \$/€ average rate for the full year, the main adjustments are listed below:

- (i) The adjustment of interest is based on a full year estimation of the Senior Facility Agreement and Senior Subordinated Notes Interest including cash interest and non cash interest less existing interest on debt refinanced post acquisition.
- (ii) The tax adjustment takes into consideration on a full year basis of the reduction in tax payable due to increased interest costs and is based on a full year impact of the French tax group and US tax consolidation.
- (iii) Goodwill: Amortisation on a full year basis of the goodwill post acquisition.
- (iv) The management fee has been adjusted taking into consideration a full year of actual shareholder management fee and eliminating previous shareholder management fee

	December 31, 2003 (Audited)	Other adjustments	Proforma 12 Months 2003 (Unaudited)
	(in € '000')	(in € '000')	(in € '000')
Net sales	121,995		121,995
Other operating revenues.....	678		678
Purchases..... (viii)	(37,131)	288	(36,843)
Taxes other than corporate income taxes.....	(3,983)		(3,983)
Personnel costs.....	(35,945)		(35,945)
Amortisation, depreciation and provisions..... (viii)	(21,501)	(885)	(22,386)
Other operating expenses.....	(671)		(671)
NET OPERATING INCOME	23,442	(597)	22,845
Share of joint venture operations.....	23		23
Net financial expense / (income)..... (v)	3,067	16,160	19,227
INCOME / (LOSS) FROM ORDINARY ACTIVITIES	20,398	(16,757)	3,641
Exceptional items, net.....	(5,198)		(5,198)
Income tax..... (vi)	7,860	(3,023)	4,837
NET INCOME / (LOSS) BEFORE MINORITY INTERESTS	7,340	(13,734)	(6,394)
Minority Interests.....	634		634
NET INCOME / (LOSS)	6,706	(13,734)	(7,028)
Goodwill amortisation..... (vii)	(1,141)	(1,450)	(2,591)
GROUP SHARE / NET INCOME (LOSS)	5,565	(15,184)	(9,619)

- (v) The adjustment of interest is based on a full year estimation of the Senior Facility Agreement and Senior Subordinated Notes Interest including Cash interest and non cash interest less existing interest on debt refinanced post acquisition.
- (vi) The tax adjustment takes into consideration on a full year basis of the reduction in tax payable due to increased interest costs and is based on a full year impact of the French tax group and US tax consolidation.
- (vii) Goodwill: Amortisation on a full year basis of the goodwill post acquisition.
- (viii) The management fee has been adjusted taking into consideration a full year of actual shareholder management fee and eliminating previous shareholder management fee.

NOTE 21: DIRECTORS COMPENSATION

Global compensation paid in 2004 to Directors by LBC Holdings LLC due to their function as Directors of the company is \$ 81,000.

NOTE 22: SUBSEQUENT EVENTS

The company is currently negotiating a waiver to a financial ratio and its definition for subsequent years under the Senior Facility Agreement (see note 9)

The members of LBC Holdings LLC have expressed their intention to change in 2005 the Series B Preferred Units to a perpetual format. Distributions of accrued interest on Series A and B are subject to covenants on our Senior Facility Agreement.