

Wednesday, 16 September 2009

Announcement regarding the distribution of Thomas Cook shares and dividend payments to bondholders of Arcandor AG by way of enforcement of a pledged securities deposit

Bayerische Landesbank has taken on the role of the security trustee for the benefit of the bondholders in connection with the issue of a € 275 million global bearer bond (ISIN: DE000A0N0N07; WKN: A0N0N0 - the **Arcandor Bond**) by Arcandor Aktiengesellschaft (the **Issuer**) having its seat in Essen, Federal Republic of Germany. In the collateral agency agreement (*Sicherheitsentreuhandvertrag*) dated 9 July 2008 (the **Collateral Agency Agreement**), the Issuer has irrevocably and unconditionally granted a pledge pursuant to German law as security for the claims of Bayerische Landesbank as security trustee (and thereby also for the claims of the bondholders). The pledge encompasses all current and future rights and claims which the Issuer has vis-à-vis Bayerische Landesbank as deposit bank relating to the Issuer's securities deposit, which was established for a specified number of registered shares of Thomas Cook Group plc under English law (each with a nominal value of € 0.10) (the **Pledged Shares**) which serve as security for the Arcandor Bond (the **Pledged Deposit Account**).

The Issuer filed for insolvency on 9 June 2009. The local court (*Amtsgericht*) of Essen appointed a preliminary insolvency administrator on the same day. Furthermore, insolvency proceedings in relation to the Issuer were opened on 1 September 2009.

Pursuant to paragraph 12 (a) (v) of the terms and conditions of the Arcandor Bond (the **Terms and Conditions**), which can be downloaded from the Issuer's website at www.arcandor.com, as soon as the Issuer files for insolvency or a court opens bankruptcy or other insolvency proceedings against the Issuer, each bondholder is entitled to declare any and all of his claims under the bonds due and payable. The bondholders can do so by giving notice to the principal paying agent and have a right to demand repayment of their principal amount plus any interest accrued up to (but excluding) the date of repayment. Bayerische Landesbank, in its capacity as security trustee, has informed the Issuer that certain bondholders have exercised this right.

Following the submission of their termination notices some bondholders requested Bayerische Landesbank to enforce the pledged securities deposit pursuant to section 3 (c) of the Terms and Conditions. Pursuant to this provision, the security trustee is required to enforce the security in accordance with the terms of the Collateral Agency Agreement upon the occurrence of an enforcement event. According to the Collateral Agency Agreement, the security trustee is entitled to appropriate the Pledged Shares and to distribute them to the bondholders on a pro-rata basis (see section 3 (c) (iv) of the Terms and Conditions).

Bayerische Landesbank appropriated the Pledged Shares by notice dated 4 August 2009 to ensure that the bondholders would benefit from the dividend payments in respect of the Pledged Shares made on 4 September 2009 (the **Dividend Payment**).

A pro-rata distribution of the Pledged Shares and the Dividend Payment (subject to the last paragraph of this announcement) to the bondholders must be made according to the proportion between the total ascertained principal amount of the bonds of the respective bondholder and the total ascertained principal value of all outstanding bonds.

Further to a preference of a majority of the bondholders, Bayerische Landesbank will distribute the Pledged Shares and the Dividend Payment as follows: On or about 21 September 2009 Clearstream

will disseminate to each depository bank which directly holds deposit accounts with Clearstream on which Arcandor Bonds are booked (each a **First Tier Depository Bank**),

- deposit certifications (the **Deposit Certifications**) containing information on the number of the Arcandor Bonds held by each First Tier Depository Bank on 18 September 2009 (the **Reference Date**); and
- forms of request to be filled-in by the relevant bondholders to disclose into which deposit account the Pledged Shares and into which cash account (including the name of the relevant bank and the respective SWIFT Code) the Dividend Payment should be booked upon distribution (the **Booking Requests**).

From 21 September 2009 the Arcandor Bond will be quoted with the addition "ex". The addition expresses the fact that bondholders who acquire the Arcandor Bond after 21 September 2009 will have no right to claim distribution of Pledged Shares.

Upon receipt of such information, each First Tier Depository Bank will pass on the relevant information to the next depository bank along the depository chain to ultimately communicate all relevant information to and, if possible, receive instructions from each bondholder. Each bondholder's depository bank will then forward the Booking Requests to the bondholders via the depository chain and demand instructions as to the deposit account into which the Pledged Shares and the cash account into which the Dividend Payment should be booked. Each First Tier Depository Bank will send the filled-in Booking Requests together with the Deposit Certifications to Bayerische Landesbank

by Wednesday, 30 September 2009, 4 p.m. CET at the latest.

On or about 7 October 2009 (the **Transfer Order Date**) Bayerische Landesbank will order the transfer of the Pledged Shares and the Dividend Payment on a pro rata basis, based on the proportion as set out in paragraph 3 (c) (iv) of the Terms and Conditions (the **Pro Rata Shares**). The Pro Rata Shares will be ordered to be transferred into the specific accounts so notified by the bondholders in the Booking Requests via the First Tier Depository Banks.

Should a First Tier Depository Bank not disclose properly filled-in Booking Requests (either not at all, or misleading or incomplete ones) to Bayerische Landesbank by Wednesday, 30 September 2009, 4 p.m. CET, the Pledged Shares and the Dividend Payments in relation to those Arcandor Bonds outstanding will be treated as follows: On the Transfer Order Date the Pledged Shares and the Dividend Payments will be automatically ordered to be booked into the securities account (*Wertpapierrechnungskonto*) in the Clearstream system or, as the case may be, into the corresponding cash account each of which is attributable to the bond deposit account into which the respective Arcandor Bonds were booked at the Reference Date. Bayerische Landesbank cannot exclude, that bondholders who will receive their portion of Pledged Shares via the Clearing system may be obliged to pay a higher stamp tax than the bondholders who elected distribution of their Pro Rata Shares via a Booking Request to Bayerische Landesbank.

Bayerische Landesbank does not assume any liability in connection with the timely delivery of any of the Pledged Shares or the Dividend Payment into the bondholders' accounts. Orders to transfer the relevant number of Pledged Shares and the Dividend Payment to accounts specified in accordance with the proceedings set out above shall discharge the liability of the Bayerische Landesbank under the Collateral Agency Agreement.

Any pro-rata distribution of Pledged Shares and Dividend Payment will be made subject to the deduction of all taxes, costs and expenses (including, but not limited to, outstanding collateral agency fees), incurred in connection with the enforcement. In particular, until final clarification with the English tax authorities that Bayerische Landesbank has not incurred any stamp tax liability in connection with the enforcement and distribution of Pledged Shares and either (i) satisfactory evidence has been submitted to Bayerische Landesbank that all relevant stamp taxes have been paid, or (ii) satisfactory evidence has been submitted to Bayerische Landesbank that the transfer of the Pro Rata Shares to the respective bondholder is exempt from any stamp tax the Dividend Payment and, possibly, an adequate portion of the Pledged Shares will be retained in an amount equivalent to the maximum aggregate amount of the stamp tax. After clarification with the English tax authorities, receipt of

satisfactory evidence of payment of taxes, or receipt of satisfactory evidence of tax exemption any excess amounts and any excess Pledged Shares will be distributed to the bondholders as outlined above.

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