

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2003

Company Registration no: 264420

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BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2003

The Directors present their report and the financial statements for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The Company has operated and continues to operate as an investment holding company.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £2,210,000 (2002: £534,000). No final dividend is proposed (2002: £500,000) resulting in a transfer to reserves of £2,210,000 (2002: £34,000).

DIRECTORS

The following Directors served during the year:

Mr V H Sher
Mr G C L Rowan
Mr D J Farmer
Mr G P Robbins

The Directors at 31 December 2003 had no interests in the shares of Group companies which are required to be shown in this report.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of its profit or loss for the period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'D J Farmer', written in a cursive style.

**D J FARMER
SECRETARY**

55 Bishopsgate
London
EC2N 3AH

14 June 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 11, which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the accounting policies set out in the statement of accounting policies.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

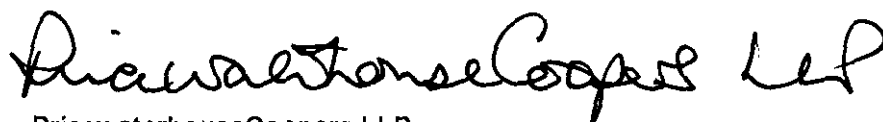
BASIS OF AUDIT OPINION

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

14 June 2004

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER

	Notes	<u>2003</u> <u>£'000</u>	<u>2002</u> <u>£'000</u>
Investment income	3	3,929	530
Other income		6	6
Provision for impairment of the value of investments	7	(1,500)	-
Other costs		(1)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		2,434	536
Tax on profit on ordinary activities	4	(224)	(2)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		2,210	534
Dividends paid and proposed	5	-	(500)
		<hr/>	<hr/>
Transfer to retained profit		2,210	34
Retained profit brought forward		8,622	8,588
Retained profit carried forward		<u>10,832</u>	<u>8,622</u>

There were no recognised gains or losses in the year other than the profit above and therefore no separate statement of total recognised gains and losses has been prepared.

All activities of the Company are continuing.

The notes on page 6 to page 11 form part of these accounts.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**BALANCE SHEET AS AT 31 DECEMBER**

	Notes	<u>2003</u> <u>£'000</u>	<u>2002</u> <u>£'000</u>
<u>FIXED ASSETS</u>			
Tangible assets	6	5	5
Investments	7	29,375	30,875
		<u>29,380</u>	<u>30,880</u>
<u>CURRENT ASSETS</u>			
Debtors	8	862	33,884
Cash at Bank		5	8
		<u>867</u>	<u>33,892</u>
		<u>30,247</u>	<u>64,772</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	2,526	2,526
Share premium account		53	53
Profit and Loss Account		10,832	8,622
Equity shareholders' funds	10	<u>13,411</u>	<u>11,201</u>
<u>CREDITORS</u>	11	16,836	53,571
		<u>30,247</u>	<u>64,772</u>

"The financial statements on pages 4 to 11 were approved by the Board of Directors on 14 June 2004 and signed on its behalf by:"

V H SHER



G C L ROWAN



DIRECTORS

The notes on page 6 to page 11 form part of these accounts.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards applicable in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, which are reviewed in accordance with FRS18, Accounting Policies, is given below.

FIXED ASSET INVESTMENTS

Fixed asset investments are periodically valued. Investments acquired subsequent to the latest valuation are included in the balance sheet at cost. At each balance sheet date the aggregate carrying value of investments is reviewed, with provision made for impairment.

CONSOLIDATION

Consolidated financial statements are not submitted as the Company is a wholly owned subsidiary of another body corporate incorporated in Great Britain.

DIVIDEND INCOME

Dividend income from overseas subsidiaries is shown inclusive of withholding taxes which are shown as overseas taxation within the taxation charge for the year.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities expressed in foreign currencies are translated into sterling at rates ruling at the balance sheet date. Any profit or loss arising on translation is included in the profit and loss account.

DEPRECIATION

Tangible fixed assets are depreciated in equal annual instalments over their estimated useful lives using an annual rate of 2% for freehold land and buildings.

2. DIRECTORS' REMUNERATION

The Directors did not receive any remuneration in respect of their services to the Company during the year (2002: Nil).

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)**

	<u>2003</u> <u>£'000</u>	<u>2002</u> <u>£'000</u>
3. <u>INVESTMENT INCOME</u>		
Dividend income from shares in subsidiary undertakings	3,929	530
	<u>3,929</u>	<u>530</u>
4. <u>TAXATION</u>		
UK Corporation tax	224	2
	<u>224</u>	<u>2</u>

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30 percent). The differences are explained below:

	<u>2003</u> <u>£'000</u>	<u>2002</u> <u>£'000</u>
Profit on ordinary activities before tax	<u>2,434</u>	<u>536</u>
Profit on ordinary activities multiplied by standard rate of corporate tax in the UK of 30%	730	161
Effects of:		
Expenses not deductible for tax purposes	-	-
Taxation on dividends from overseas companies	(924)	-
Overseas taxation	222	-
UK dividends not taxable	(254)	(159)
Provision for impairment of the value of investments	450	-
Current tax charge for year	<u>224</u>	<u>2</u>

The Company had no timing differences for deferred tax purposes in the year (2002: £nil).

5. DIVIDENDS PAID AND PROPOSED

Final dividend proposed	<u>-</u>	<u>500</u>
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6. TANGIBLE FIXED ASSETS

Freehold land and buildings at 31 December 2002 and at 31 December 2003:

	<u>£'000</u>
Cost	13
Depreciation	(8)
Net book amount	<u>5</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

7. FIXED ASSET INVESTMENTS

	<u>Shares in Subsidiary Undertakings £'000</u>
<u>At valuation/cost</u>	
At 1 January 2003	30,875
Provision for impairment of the value of investments	(1,500)
At 31 December 2003	<u>29,375</u>

The Directors have considered the value of all the fixed asset investments as at 31 December 2003 and are satisfied that their aggregate value was not less than £29,375,000.

The Company holds more than 10% of the equity of the companies listed on the next page.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)**

<u>Company and country of incorporation/ registration</u>	<u>Principal places of business</u>	<u>Main activities</u>	<u>Percentage of equity shares held %</u>
<u>Subsidiary Undertakings</u>			
<u>Great Britain</u>			
Amalgamated Metal Trading Ltd	London	London Metal Exchange ring dealer	100
AMT Futures Ltd	London	Commodity and financial futures brokers	100
<u>Singapore</u>			
Amalgamet (South East Asia) Pte Ltd	Singapore	Metals, concentrates and minerals trading	100
<u>USA</u>			
Amalgamet Inc	New York	Metals, concentrates and minerals trading	100
<u>Canada</u>			
Premetalco Inc	Toronto, Calgary, Edmonton, Montreal, Vancouver	Metals, concentrates and minerals trading; steel service centres; chemicals distribution; construction materials manufacture and distribution; manufacture of heat exchangers	(Note)
<u>Note:</u> The Company's holding in Premetalco Inc comprises 59.5% of the ordinary shares, the other 40.5% of which are held by The British Metal Company Limited, a fellow subsidiary undertaking of Amalgamated Metal Investment Holdings Limited.			
<u>Thailand</u>			
Thailand Smelting & Refining Company Limited (Thaisarco)	Phuket	Tin smelting and minerals trading	50 *
* The Company holds 50% of the ordinary shares of Thaisarco, and Escoy Holdings Bhd (below) holds the other 50%, giving the Company an effective 75.25% holding.			
<u>Malaysia</u>			
Escoy Holdings Bhd	Penang	Investment holding company and property investment	50.5

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)**

	<u>2003</u> <u>£'000</u>	<u>2002</u> <u>£'000</u>
8. <u>DEBTORS</u>		
Amounts falling due within one year :		
Amounts owed by Group undertakings :		
- Parent undertakings	-	33,340
- Fellow subsidiary undertakings	14	14
- Dividends receivable	848	530
	<u>862</u>	<u>33,884</u>
Amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment.		
9. <u>CALLED UP SHARE CAPITAL</u>		
Authorised:		
10,108,000 ordinary shares of 25p each	<u>2,527</u>	<u>2,527</u>
Allotted, called up and fully paid:		
10,104,410 ordinary shares of 25p each	<u>2,526</u>	<u>2,526</u>
10. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
Brought forward	11,201	11,167
Recognised gain		
Profit for the year	2,210	534
Dividend proposed	-	(500)
Carried forward	<u>13,411</u>	<u>11,201</u>
11. <u>CREDITORS</u>		
Amounts falling due within one year:		
Amount owed to Group undertakings:		
- Proposed dividend	-	500
- Parent undertakings	16,835	106
- Fellow subsidiary undertakings	-	52,963
Taxation	1	2
	<u>16,836</u>	<u>53,571</u>

Amounts owed to Group undertakings are unsecured, interest free and have no fixed date of repayment.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

12. CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of Amalgamated Metal Corporation PLC (note 13) whose financial statements include a consolidated cash flow statement. Consequently, in accordance with FRS1 the Company is exempt from preparing a cash flow statement as part of these financial statements.

13. PARENT UNDERTAKINGS

The Company is a subsidiary of Amalgamated Metal Investment Holdings Limited, which is incorporated in England and Wales.

The Directors consider the Company's ultimate holding company to be AMCO Investments Limited ("AMCO"), a company incorporated in England and Wales. AMCO became the ultimate holding company on 21 November 2003 on its acquiring 99.6% of the ordinary shares of Amalgamated Metal Corporation PLC ("AMC") pursuant to its offer made on 4 November 2003. Prior to such acquisition, the ultimate holding company was considered by the Directors to be TUI AG by virtue of its wholly owned subsidiary, Preussag UK Limited, holding 99.4% of the ordinary shares of AMC.

As parent company of the group of undertakings of which the Company is a member, AMC prepares consolidated financial statements which include the Company. Copies of the financial statements of AMC are available at its registered office, 55 Bishopsgate, London, EC2N 3AH

14. RELATED PARTIES

There were no material related party transactions which would require disclosure under FRS8, "Related Party Disclosures".