

Registered Number : 781544

ROTHMANS OF PALL MALL (OVERSEAS) LIMITED
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1998



CONTENTS

	Page
Directors' Report	2-3
Balance Sheet	4
Notes to the Accounts	5
Statement of Directors' Responsibilities	6
Auditors' Report	7

DIRECTORS' REPORT

The Directors submit their report and the audited accounts for the year ended 31st March 1998.

Activities and Results

The Company owns certain trade marks and has entered into Trade Mark Licence agreements in favour of group undertakings. Under an agency agreement the Company has entered into transactions as agent for group undertakings, the records and results thereof being incorporated in the accounting records and accounts of those undertakings.

The Directors do not foresee any major change in the nature or scale of activities at present.

Dividends

The Directors do not recommend the payment of a dividend.

The Year 2000 Issue and the Introduction of the Euro

The impact on the Company's activities from both these events is being considered within the overall context of the Rothmans International B.V. Group. Further details with respect to these issues are set out within the financial statements of that company. Details of where copies of these financial statements can be obtained are given in Note 2 on page 5.

Directors

Ridirectors Limited served as the sole Director throughout the year ended 31st March 1998. Subsequent to the year end, on 6th April 1998, W M Kuzminski was appointed as a Director of the Company.

Directors' Interests

According to the register, kept under Section 325 of the Companies Act 1985, no Director holding office at 31st March 1998 had any interest in the shares of the Company, its subsidiary undertakings, its parent company or its fellow subsidiary undertakings, either at the beginning or end of the year.

Auditors

The Company's auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers and Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors.

An elective resolution has been passed that, in accordance with Section 379A and 386 of the Companies Act 1985 (as Amended), the Company dispenses with the obligation under Section 384 of the Act to appoint auditors annually.

General Meetings

Elective resolutions have been passed in accordance with Section 379A of the Companies Act 1985 (as amended) to dispense with the laying of accounts before the Company in General Meeting (pursuant to Section 252 of the Act) and to dispense with the holding of Annual General Meetings (pursuant to Section 366A of the Act).

DIRECTORS' REPORT


On Behalf of the Board

Registered No: 781544

For and on behalf of
Risecretaries Limited
Secretary

Registered Office:

Oxford Road
Aylesbury
Bucks
HP21 8SZ

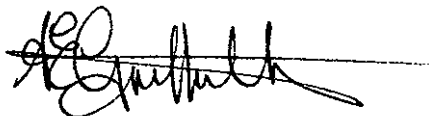

20th November 1998

BALANCE SHEET AS AT 31ST MARCH 1998

	Notes	1998 £	1997 £
Fixed assets			
Investments in subsidiary undertakings	6	102	102
Current assets			
Amounts owed by immediate parent undertaking		69,244	69,244
		<hr/>	<hr/>
		69,346	69,346
Creditors: amounts falling due within one year			
Amounts owed to subsidiary undertakings		(100)	(100)
		<hr/>	<hr/>
Net assets		69,246	69,246
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	5,000	5,000
Profit and loss account		64,246	64,246
		<hr/>	<hr/>
Equity shareholders' funds		69,246	69,246
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 20th November 1998

For and on behalf of Ridirectors Ltd.



The company has been inactive during the period. No profit and loss account and no statement of total recognised gains and losses have therefore been prepared.

The notes on page 5 form an integral part of these accounts.

The Report of the Auditors is set out on page 7.

NOTES TO THE ACCOUNTS 31ST MARCH 1998

1. The accounts have been prepared on historical cost accounting principles and in accordance with applicable Accounting Standards in the United Kingdom.
2. The Directors regard Compagnie Financière Richemont AG, a listed company incorporated in Switzerland, to be the ultimate parent company; shares representing 50% of the voting rights of that company are held by Compagnie Financière Rupert which, for the purposes of Financial Reporting Standard 8, is regarded by the directors as the ultimate controlling party. The Directors consider that the Company is controlled, for operational purposes, by Rothmans International B.V., for which group accounts are drawn up. At 31st March 1998 the Company's immediate parent company for which group accounts were drawn up was Rothmans International Tobacco (UK) Ltd, a company registered in England and Wales.

Copies of the group accounts of Rothmans International B.V. are available from The Secretary, De Boelelaan 32 1083 Amsterdam, The Netherlands. Copies of the group accounts of Compagnie Financière Richemont AG are available from The Secretary, Rigistrasse 2, CH-6300 Zug, Switzerland.

3. The Company did not employ anyone during the year or during the preceding year.
4. The Directors did not receive any emoluments during the year or during the preceding year.
5. The remuneration of the auditors was borne by the immediate parent undertaking.
6. The wholly owned subsidiary undertakings, Cigarette Exporters International Limited and Intellectual Property Services Limited, which are registered in England and Wales, have not traded during the year. Group accounts have not been prepared, as the Company is a wholly owned subsidiary undertaking of another Company incorporated in the United Kingdom, which is itself preparing group accounts.
7. Under an agency agreement the Company has entered into transactions as agent for group undertakings, the records and results thereof being incorporated in the accounting records and accounts of those undertakings. The Company did not enter into any other transactions during the year.
8. Called up Share Capital of the Company is as follows:

	1998	1997
Authorised, allotted, called up and fully paid - 5,000 Ordinary shares of £1 each	£5,000	£5,000
	<u> </u>	<u> </u>

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on the next page, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 4 and 5 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The Directors are required to use a going concern basis in preparing the financial statements unless this is inappropriate.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF
ROTHMANS OF PALL MALL (OVERSEAS) LIMITED**

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 6 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

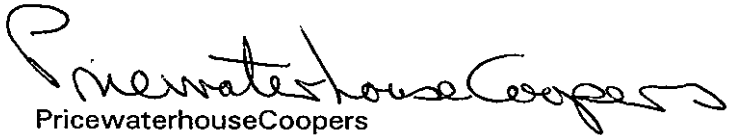
Basis of Opinion

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 31st March 1998 and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London 20 November 1998