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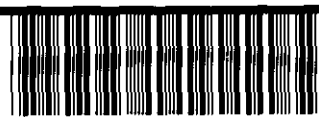
DB OVERSEAS HOLDINGS LIMITED

Company Number: 1268118

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 December 2005

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REPORT OF THE DIRECTORS  
For the year ended 31 December 2005

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The Directors present their annual report on the affairs of the Company together with the audited financial statements for the year ended 31 December 2005.

#### ACTIVITIES AND REVIEW OF BUSINESS

The principal activities of the Company are funding group undertakings and acting as an investment company. As a result of an undertaking from DB Investments (GB) Ltd the Company is able to continue trading as a going concern. The position at the end of the year is reflected in the audited balance sheet as set out on page 5.

#### RESULTS AND DIVIDENDS

The profit and loss account of the Company for the year ended 31 December 2005, after providing for taxation, show a loss of £14,073,000 (2004: loss of £7,706,000) resulting in a year end accumulated deficit of £108,858,000 (2004: £94,785,000). Accordingly, the Directors do not recommend the payment of a dividend for the year ended 31 December 2005 (2004: £nil).

#### DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2005 were as follows:

V E Harman  
D G Penfold  
A C F Smith  
S B Milne (Appointed 23 February 2006)

A W Bartlett was secretary of the Company during the year. There were no changes during or subsequent to the year end.

As at the date of approval, and during the year, the company provided an indemnity to its directors in the form of a qualifying third party indemnity provision.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards. 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 UK 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 which enable them to ensure that the financial statements comply with the Companies Act 1985. They have a 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with the law.

REPORT OF THE DIRECTORS (continued)  
For the year ended 31 December 2005

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**DIRECTORS' INTERESTS**

None of the Directors had an interest in the share capital of the Company during the year.

None of the Directors had any disclosable interest in the shares or debentures of any UK group undertaking at the end of the period, or were granted or exercised any right to subscribe for shares in, or debentures of, any UK group undertaking during the period.

**AUDITORS**

Pursuant to section 379A of the Companies Act 1985 the Company has elected to dispense with the annual appointment of Auditors and KPMG Audit Plc will, therefore, continue in office.

By Order of the Board of Directors on 6<sup>th</sup> December 2006



**A Bartlett**  
*Secretary*

Winchester House  
1 Great Winchester Street  
London EC2N 2DB

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DB OVERSEAS HOLDINGS LIMITED  
For the year ended 31 December 2005

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We have audited the financial statements of DB Overseas Holdings Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Respective responsibilities of Directors and auditors*

As described in the Statement of Directors' Responsibilities on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

*Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- The financial statements have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square  
London EC4Y 8BB

Dated 11 December 2006

PROFIT AND LOSS ACCOUNT  
For the year ended 31 December 2005

	<i>Note</i>	<u>2005</u> £000	<u>2004</u> £000
Administrative expenses		(1,070)	(745)
Loss on sale of current asset investments		-	(1,491)
Income from shares in group undertakings		4,769	4,422
Loss on disposal of fixed asset investment	3	(6)	(3,998)
Profit on disposal of fixed asset investment	4	12	-
Income from loans to group undertakings	2	6,768	6,140
Interest receivable and similar income	2	7,342	7,631
Amounts written back to investments		-	4,285
Provision for diminution in value of fixed asset investments	8	(5,766)	-
Interest payable and similar charges	2	(31,647)	(29,027)
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LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(19,598)	(12,783)
Tax credit on loss on ordinary activities	7	5,525	5,077
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LOSS AFTER TAX FOR THE FINANCIAL YEAR		(14,073)	(7,706)
RETAINED LOSS BROUGHT FORWARD		(94,785)	(87,079)
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RETAINED LOSS CARRIED FORWARD		(108,858)	(94,785)

All the above items relate to the continuing operations of the Company.

The Company has no recognized gains and losses in the period other than those passing through the profit and loss account; therefore a statement of total recognized gains and losses is not required.

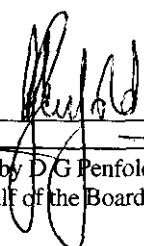
The Notes to the Accounts set out on pages 7 to 12 form part of the financial statements.

BALANCE SHEET  
As at 31 December 2005

	<i>Note</i>	<u>2005</u> £000	<u>2004</u> £000
<b>FIXED ASSETS</b>			
Investments	8	454,723	454,030
<b>CURRENT ASSETS</b>			
Debtors	9	11,154	97,096
Cash at bank		90,169	79,605
<b>CREDITORS</b>			
Amounts falling due within one year	10	(12,768)	(94,129)
<b>NET CURRENT ASSETS</b>		88,555	82,572
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		543,278	536,602
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	(602,136)	(581,387)
<b>NET LIABILITIES</b>		(58,858)	(44,785)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	50,000	50,000
Reserves		(108,858)	(94,785)
<b>DEFICIT IN SHAREHOLDERS' FUNDS</b>		(58,858)	(44,785)

The Notes to the Accounts set out on pages 7 to 12 form part of the financial statements.

These financial statements were approved by the Board of Directors on 6<sup>th</sup> December 2006

  
 Signed by D G Penfold for and  
 on behalf of the Board of Directors

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS  
For the year ended 31 December 2005

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	Share Capital £000	Profit and Loss Account £000	Total £000
Shareholder's funds as at 1 January 2005	50,000	(94,785)	(44,785)
Loss after tax for the period	-	(14,073)	(14,073)
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Shareholder's funds as at 31 December 2005	50,000	(108,858)	(58,858)

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The Notes to the Accounts set out on pages 7 to 12 form part of the financial statements.

NOTES TO THE ACCOUNTS  
For the year ended 31 December 2005

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**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date;
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure; and
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards have had no material effect in their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

**Basis of preparation**

These financial statements have been prepared in accordance with the Companies Act 1985, UK applicable accounting standards and applicable Statements of Recommended Practice. The particular accounting policies are described below.

**(a) Income Recognition**

Interest income and expense is accounted for on an accruals basis.

**(b) Foreign currencies**

Foreign currency assets and liabilities have been translated into sterling at the market rates of exchange ruling at the balance sheet date. Gains and losses on exchange are included in the profit and loss account. Foreign currency income and expense is translated into sterling at the rate ruling on the date of receipt or payment.

**(c) Taxation**

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting policies.

Deferred tax is recognized, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

**(d) Cash Flow Statement**

The Company is exempt from the requirement to prepare a Cash Flow Statement under Financial Reporting Standard 1 (Revised 1996) as it is a wholly owned subsidiary undertaking of a company which prepares consolidated financial statements which are publicly available.

**(e) Fixed asset investments**

Fixed asset investments are held at cost less an impairment provision where the Directors consider it to be permanent. Any such provision is charged to the Profit and Loss Account in the period in which it arises. The holding cost in the financial statements includes all costs incurred in the acquisition of the investments.

**(f) Current asset investments**

Unlisted current asset investments are held at the lower of cost and Directors' valuation.



NOTES TO THE ACCOUNTS (continued)  
For the year ended 31 December 2005

## ACCOUNTING POLICIES (CONTINUED)

### (g) Group Financial Statements

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

## 2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2005</u>	<u>2004</u>
	£000	£000
Loss before taxation is arrived at after crediting:		
Income from shares in group undertakings	4,769	4,422
Profit on disposal of fixed asset investment	12	-
Interest receivable and similar income	7,342	7,254
Income from loans to group undertakings	6,768	6,140
Amounts written back to investments	-	4,285
Foreign exchange gain	-	377
And after charging:		
Administrative expenses	(1,070)	(745)
Loss on disposal of fixed asset investment	(6)	(3,998)
Loss on sale of current asset investment	-	(1,491)
Provision for diminution in value of fixed asset investments	(5,766)	-
Interest payable to group undertakings	(31,336)	(29,027)
Foreign exchange loss	(311)	-

Included in administrative expenses are non-audit fees payable to Company auditors of £7,827 for 2004, there were no such fees in 2005.

Audit fees for the current year and previous year has been borne by the ultimate parent company without recharge.

## 3. LOSS ON DISPOSAL OF FIXED ASSET INVESTMENT

The loss on disposal represents an adjustment of the profit on sale of a subsidiary in a prior period.

## 4. PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENT

The company held a 99.99% investment in Xavex Capital Management SGR S.P.A, an Italian Portfolio Management company. Xavex was liquidated in February 2005 resulting in a profit on liquidation of £11,620 as indicated above in note 2.

NOTES TO THE ACCOUNTS (continued)  
For the year ended 31 December 2005

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**5. REMUNERATION OF DIRECTORS**

None of the Directors received any emoluments during the year (2004: £nil).

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**6. STAFF NUMBERS AND COSTS**

There were no employees or staff costs during the year (2004: £nil).

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**7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES**

<i>Current taxation</i>	<u>2005</u> £000	<u>2004</u> £000
UK Corporation tax credit for the year	5,526	5,245
Adjustments in respect of prior periods	(1)	(168)
<b>Tax credit on loss on ordinary activities</b>	<u>5,525</u>	<u>5,077</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	<u>2005</u> £000	<u>2004</u> £000
Loss on ordinary activities before tax	(19,598)	(12,783)
Tax credit on ordinary activities at standard rate (30%)	5,879	3,835
<i>Factors affecting charge for the period</i>		
UK dividend income	1,431	1,326
Non-taxable income	3	1,286
Non-deductible expenses	(1,787)	(1,202)
Adjustments in respect of prior periods	(1)	(168)
<b>Total actual tax credit</b>	<u>5,525</u>	<u>5,077</u>

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NOTES TO THE ACCOUNTS (continued)  
For the year ended 31 December 2005

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £000	Loans to group undertakings £000	Total £000
<b>Cost</b>			
At 1 January 2005	313,259	190,200	503,459
Additions	53	7,016	7,069
Disposals	(610)	-	(610)
At 31 December 2005	312,702	197,216	509,918
<b>Provision</b>			
At 1 January 2005	49,429	-	49,429
Additional provision for the year	5,766	-	5,766
At 31 December 2005	55,195	-	55,195
<b>Net book amount</b>			
At 31 December 2005	257,507	197,216	454,723
At 31 December 2004	263,830	190,200	454,030
Comprising:			
Subsidiary undertakings	251,983	197,216	449,199
Associated undertaking	5,524	-	5,524
	257,507	197,216	454,723

Details of the Company's principal subsidiary undertakings and participating interests are set out below.

Name of company	Country of incorporation or registration	Principal activity	Percentage of shares held
<b>Subsidiary undertakings</b>			
Deutsche International Holdings (U.K.) Limited	England and Wales	Holding	100%
DB International Investments Limited	England and Wales	Holding	100%
Morgan Grenfell Investments N.V. ¶	Netherlands	Holding	100%
Deutsche Bank International Limited ¶	Jersey	Bank	100%
Deutsche Bank International Trust Co. Limited ¶	Jersey	Holding	100%
<b>Participating Interests</b>			
Gordian Knot Limited	England and Wales	Investment Management	32.95%

Investments marked ¶ are held indirectly by the Company. Those subsidiary undertakings which do not materially affect the financial position of the Company have not been shown. Full details have been included in the Company's annual return in accordance with Section 231 (6) of the Companies Act 1985.

NOTES TO THE ACCOUNTS (continued)  
For the year ended 31 December 2005

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2005</u>	<u>2004</u>
	<u>£000</u>	<u>£000</u>
Commercial loans, advances and similar items	-	3,359
Amounts owed by group undertakings	7,750	90,849
Group relief receivable	3,404	2,888
	<u>11,154</u>	<u>97,096</u>

At 31 December 2004 the amounts owed by group undertakings included £1,461,000 of debtors falling due after more than one year. At 31 December 2005 all debtor balances were falling due in less than one year.

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2005</u>	<u>2004</u>
	<u>£000</u>	<u>£000</u>
Amounts owed to parent and fellow subsidiary undertakings	8,738	90,106
Other creditors	4,030	4,023
	<u>12,768</u>	<u>94,129</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<u>2005</u>	<u>2004</u>
	<u>£000</u>	<u>£000</u>
Amounts owed to parent and fellow subsidiary undertakings all repayable within five years	<u>602,136</u>	<u>581,387</u>

Included within amounts owed to parent undertakings are loans which are renewed on a quarterly basis. However as the nature of the loans are to fund long term investments and are not expected to be repaid within one year, the amounts are shown as due after more than one year.

**12. CALLED UP SHARE CAPITAL**

	<u>2005</u>	<u>2004</u>
	<u>£000</u>	<u>£000</u>
Authorised, issued and fully paid 50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

NOTES TO THE ACCOUNTS (continued)  
For the year ended 31 December 2005

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**13. ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS**

DB Investments (GB) Limited, a company incorporated in the UK, is the Company's immediate controlling entity.

Deutsche Bank AG, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany, is the ultimate parent company, the ultimate controlling entity and the parent undertaking of the largest and smallest group of undertakings for which Group financial statements are drawn up. Copies of the Group financial statements of this company are available to the public and may be obtained from Winchester House, 1 Great Winchester Street, London E2CN 2DB.

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**14. RELATED PARTY TRANSACTIONS**

As permitted by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with members or associates of the Deutsche Bank AG group.

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