

OFFERING CIRCULAR



Tokyo-Mitsubishi International plc ✓

(Incorporated in England and Wales with limited liability)

Tranche A U.S.\$46,000,000 Subordinated Floating Rate Notes due 2001

and

Tranche B U.S.\$50,000,000 Subordinated Floating Rate Notes due 1999

Issue Price 100 per cent.

The Tranche A U.S.\$46,000,000 Subordinated Floating Rate Notes due 2001 (the "Tranche A Notes") of Tokyo-Mitsubishi International plc (the "Issuer") will mature on the Interest Payment Date (as defined herein) falling in August 2001 and the Tranche B U.S.\$50,000,000 Subordinated Floating Rate Notes due 1999 (the "Tranche B Notes" and together with the Tranche A Notes, the "Notes") of the Issuer will mature on the Interest Payment Date falling in August 1999.

Interest in respect of the Tranche A Notes will accrue from and including 22nd August, 1996 to but excluding the Interest Payment Date falling in August 2001 at the rate of U.S. dollar – LIBOR (as defined herein) plus 0.21 per cent. per annum payable quarterly in arrear. (See "Terms and Conditions of the Tranche A Notes – Interest").

Interest in respect of the Tranche B Notes will accrue from and including 22nd August, 1996 to but excluding the Interest Payment Date falling in August 1999 at the rate of U.S. dollar – LIBOR (as defined herein) plus 0.20 per cent. per annum payable quarterly in arrear. (See "Terms and Conditions of the Tranche B Notes – Interest").

The Notes will be unsecured obligations of the Issuer and will be subordinated in right of payment as described in "Terms and Conditions of the Notes – Status and Subordination".

The Tranche A Notes will be redeemed at their principal amount on the Interest Payment Date falling in August 2001 and the Tranche B Notes will be redeemed at their principal amount on the Interest Payment Date falling in August 1999, subject to certain conditions, as set out in "Terms and Conditions of the Notes – Redemption and Purchase". The Notes will also be subject to redemption, subject to certain conditions, at the option of the Issuer, in whole, but not in part, at their principal amount plus any accrued interest in the event of certain changes affecting taxes in the United Kingdom, as set out in "Terms and Conditions of the Notes – Redemption and Purchase".

Application has been made to the London Stock Exchange Limited (the "London Stock Exchange") for the Notes to be admitted to the Official List.

The Notes will be issued in bearer form only in the denomination of U.S.\$1,000,000 each.

The Notes will be represented initially by two temporary global Notes, one in respect of the Tranche A Notes and one in respect of the Tranche B Notes (the "Temporary Global Notes"), in bearer form, without interest coupons, which will be deposited with a common depositary for Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear") and Cedel Bank, société anonyme ("Cedel Bank") for the benefit of subscribers on or about 22nd August, 1996 (the "Closing Date"). Interests in the Temporary Global Notes will be exchangeable for interests in two semi-permanent global Notes, one in respect of the Tranche A Notes and one in respect of the Tranche B Notes, (the "Semi-Permanent Global Notes") not earlier than 40 days after the Closing Date, upon certification as to non-U.S. beneficial ownership. The Semi-Permanent Global Notes will be in bearer form and will be exchangeable, in whole but not in part, for definitive Notes in certain limited circumstances, as set out in "Terms and Conditions of the Notes – Form, Denomination and Title".

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and include Notes in bearer form that are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons – see "Subscription and sale".

Tokyo-Mitsubishi International plc

The date of this Offering Circular is 19th August, 1996. ✓

✓ This Offering Circular comprises Listing Particulars given in compliance with the listing rules made under section 142 of the Financial Services Act 1986 by the London Stock Exchange for the purpose of giving information with regard to the Issuer and the Notes.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular may come are required by the Issuer to inform themselves about, and to observe, any such restrictions. This Offering Circular does not constitute an offer of, or invitation to subscribe for or purchase, any Notes. This Offering Circular does not constitute, and may not be used for the purpose of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation (see "Subscription and Sale" for a fuller description of restrictions existing in the United Kingdom and the United States of America).

A copy of this document has been delivered to the Registrar of Companies in England and Wales for registration as required by section 149 of the Financial Services Act 1986.

In connection with the issue or sale of Notes, no person is authorised to give any information or to make any representation not contained in this Offering Circular and, if given or made, any such information or representation must not be relied upon as having been authorised by the Issuer. Neither the delivery of this Offering Circular nor any sale of Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that the information contained herein is correct as of any time subsequent to such date.

In connection with this issue, Tokyo-Mitsubishi International plc may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

In this Offering Circular, all references to "£" and "sterling" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland, and all references to "dollars", "U.S. Dollar", "U.S.\$", "\$" and "cent" are to the lawful currency for the time being of the United States of America.

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TERMS AND CONDITIONS OF THE TRANCHE A NOTES

The following is the text of the Terms and Conditions of the Tranche A Notes which (subject to completion and amendment and excluding the paragraphs in italics) will appear on each Tranche A Note in definitive form. References to the "Notes" in the Terms and Conditions of the Tranche A Notes shall be references to the Tranche A Notes:—

The issue of the Tranche A U.S.\$46,000,000 Subordinated Floating Rate Notes due 2001 (the "Notes", which expression shall in these Terms and Conditions (the "Conditions"), unless the context otherwise requires, include any further notes issued pursuant to Condition 13) of Tokyo-Mitsubishi International plc (the "Issuer") was authorised by resolutions of the Board of Directors of the Issuer passed on 9th August, 1996 and 14th August, 1996. The Notes are issued subject to and with the benefit of a fiscal agency agreement (the "Agency Agreement") dated 22nd August, 1996 made between the Issuer, The Chase Manhattan Bank and the other paying agents named therein pursuant to which The Chase Manhattan Bank acts as fiscal agent for the Notes (the "Fiscal Agent", which expression shall, wherever the context so admits, include any substitute fiscal agent). The Notes are also issued with the benefit of an agent bank agreement (the "Agent Bank Agreement") dated 22nd August, 1996 between the Issuer and The Chase Manhattan Bank as agent bank (the "Agent Bank"). Copies of the Agency Agreement and the Agent Bank Agreement are available for inspection during normal business hours at the specified offices of the Fiscal Agent and each other paying agent referred to below (the "Paying Agents", which expression shall, wherever the context so admits, include the Fiscal Agent and any additional or substitute paying agents).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of, and definitions in, the Agency Agreement. The holders of the Notes (the "Noteholders") and the holders (the "Couponholders") of the interest coupons attached thereto on issue (the "Coupons") are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Agency Agreement and the Agent Bank Agreement. All references in these Conditions to "U.S.\$", "U.S. Dollar" and "cent" are to the lawful currency for the time being of the United States of America.

1. Form, Denomination and Title

The Notes are in bearer form in the denomination of U.S.\$1,000,000 each with, on issue, Coupons attached to each Note, and are serially numbered. Title to the Notes and the Coupons passes by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Paying Agents and the Issuer shall be entitled to treat the bearer of any Note or Coupon as the absolute owner thereof notwithstanding any notice of ownership or theft or loss thereof or any writing thereon and shall not be required to obtain any proof as to the identity of the bearer thereof.

The Notes will initially be represented by the Temporary Global Note which will be deposited with a common depositary for Euroclear and Cedel Bank for credit to the accounts of the subscribers on or about 22nd August, 1996 (the "Closing Date"). Interests in the Temporary Global Note will be exchangeable for interests in the Semi-Permanent Global Note not earlier than the date 40 days after the Closing Date, upon certification as to non-U.S. beneficial ownership. The Semi-Permanent Global Note will be exchangeable, in whole but not in part, for definitive Notes in the following limited circumstances: (1) if the Semi-Permanent Global Note is held on behalf of Euroclear or Cedel Bank or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system is available, (2) if an Event of Default occurs in relation to the Notes represented by a Semi-Permanent Global Note or (3) if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of the jurisdiction of the Issuer which would not be suffered were the Notes in definitive form. In such circumstances, the Issuer will, as soon as reasonably practicable, but in any event within 60 days of the occurrence of the relevant event in (1), (2) or (3) above, issue definitive Notes in exchange for the total principal amount of Notes represented by the Semi-Permanent Global Note.

The Issuer will covenant in the Semi-Permanent Global Note, so that as long as any of the Notes is represented by a Semi-Permanent Global Note, it will, subject as provided below, treat each Accountholder as the holder of the principal amount of Notes credited to the Accountholder's account at Euroclear and/or Cedel Bank. Accordingly, for the purposes of the Conditions, the references to "Noteholder", "holder of Notes" and related expressions shall be construed as references to the relevant Accountholder for all purposes other than with respect to the payment of principal and/or interest on the Notes as set out below).

The right to receive principal and/or interest in respect of the Notes represented by the Semi-Permanent Global Note shall be vested as against the Issuer solely in the holder of the Semi-Permanent Global Note in accordance with and subject to its terms.

Payments in respect of Notes represented by the Semi-Permanent Global Note will be made against presentation and endorsement of the Semi-Permanent Global Note at the specified office of any Paying Agent in accordance with the terms of the Semi-Permanent Global Note.

"Accountholder(s)" means the person(s) shown in the records of Euroclear and/or Cedel Bank as the holder(s) of a particular principal amount of Notes for the time being.

2. Status and Subordination

(a) The Notes and the Coupons constitute unsecured Subordinated Liabilities (as defined below) of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Noteholders and Couponholders in respect of the Subordinated Liabilities are subordinated to the Senior Liabilities (as defined below).

(b) Accordingly, payment of any amount (whether principal, interest or otherwise) in respect of the Subordinated Liabilities is conditional upon:—

- (i) (if an order has not been made or an effective resolution passed for the Insolvency (as defined below) of the Issuer) the Issuer having Financial Resources (as defined below) of not less than 120 per cent. of its Financial Resources Requirement (as defined below) immediately after payment by the Issuer and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that, subject to sub-paragraph (ii) below, the Issuer could make such payment and still be in compliance with such Financial Resources Requirement immediately thereafter;
- (ii) (if an order has been made or an effective resolution passed for the Insolvency of the Issuer) the Issuer being solvent at the time of payment by the Issuer and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For the purpose of this sub-paragraph, the Issuer shall be solvent if it is able to pay its debts in full and in determining whether the Issuer is solvent for the purpose of this sub-paragraph there shall be disregarded obligations which are not payable or capable of being established or determined in the Insolvency of the Issuer and the Excluded Liabilities (as defined below).

(c) No payment of the Subordinated Liabilities shall be made at any time pursuant to sub-paragraph (b)(i) above without the consent of The Securities and Futures Authority Limited (the "SFA") if immediately after such payment the Financial Resources of the Issuer would be less than 120 per cent. of its Financial Resources Requirement.

The Issuer shall give or procure that there are given to the SFA such information and auditor's certificate(s) in relation to such proposed payment as the SFA may require.

(d) For the purposes of sub-paragraph (b) above, a report given at any relevant time as to the solvency of the Issuer by its Insolvency Officer (as defined below), in form and substance acceptable to the SFA, shall in the absence of proven error be treated and accepted by the SFA, the Noteholders and the Issuer as correct and sufficient evidence thereof.

(e) If a Noteholder shall receive from the Issuer payment of any sum in respect of the Subordinated Liabilities when any of the terms and conditions referred to in sub-paragraphs (b) and (c) above is not satisfied, the payment of such sum shall be void for all purposes and such sum shall be received by the Noteholder upon trust to return such sum to the Issuer and any sums so returned shall then be treated for the purposes of the Issuer's obligations under these Conditions as if they had not been paid by the Issuer and its original payment shall be deemed not to have discharged any of the obligations of the Issuer hereunder. A request to a Noteholder for return of any sum under the foregoing provisions of this sub-paragraph (e) shall be in writing and shall be made by or on behalf of the Issuer or, as the case may be, its Insolvency Officer.

(f) No person shall without the prior written consent of the SFA:—

- (i) purport to retain or set off at any time any amount payable by it to the Issuer against any amount of the Subordinated Liabilities except to the extent that payment of such amount of the Subordinated Liabilities would be permitted at such time by these Conditions;
- (ii) amend or waive the terms of any document evidencing or providing for the Subordinated Liabilities;
- (iii) attempt to obtain repayment of any of the Subordinated Liabilities otherwise than in accordance with these Conditions;
- (iv) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part thereof to the Senior Liabilities might be terminated, impaired or adversely affected; and
- (v) take any security from any person for all or any part of the Subordinated Liabilities and any security obtained in respect thereof will be held by the recipient on trust for the benefit of the Issuer.

(g) Definitions

For the purposes of these Conditions:—

- (i) “Excluded Liabilities” means Liabilities which are expressed to be and, in the opinion of the Insolvency Officer of the Issuer, do rank junior to the Subordinated Liabilities in the Insolvency of the Issuer;
- (ii) “Financial Resources” has the meaning given in the Financial Rules;
- (iii) “Financial Resources Requirement” has the meaning given in the Financial Rules;
- (iv) “Financial Rules” means the rules in Chapter 10 of the SFA rulebook;
- (v) “Insolvency” means and includes liquidation, winding-up, bankruptcy, sequestration, administration, rehabilitation and dissolution (whichever term may apply to the Issuer) or the equivalent in any other jurisdiction to which the Issuer may be subject;
- (vi) “Insolvency Officer” means and includes any person duly appointed to administer and distribute assets of the Issuer in the course of the Issuer’s Insolvency;
- (vii) “Liabilities” means all present and future sums, liabilities and obligations payable or owing by the Issuer (whether actual or contingent, jointly or severally or otherwise howsoever);
- (viii) “Senior Liabilities” means all Liabilities except the Subordinated Liabilities and Excluded Liabilities; and
- (ix) “Subordinated Liabilities” means all Liabilities to the Noteholders and Couponholders in respect of the indebtedness represented by the Notes which are subordinated by their terms in right of payment in any Insolvency of the Issuer.

(h) The Issuer will not without the prior written consent of the SFA:—

- (i) secure all or any part of the Subordinated Liabilities;
- (ii) redeem, purchase or otherwise acquire any of the Subordinated Liabilities;
- (iii) amend any document evidencing or providing for the Subordinated Liabilities;
- (iv) repay any of the Subordinated Liabilities otherwise than in accordance with the Conditions;
- (v) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part thereof to the Senior Liabilities might be terminated, impaired or adversely affected;
- (vi) arrange or permit any contract of suretyship (or similar agreement) relating to its liabilities under the Conditions to be entered into;

and the Issuer represents that it has not done so before the date of issue of the Notes.

3. Interest

(a) *Period of Accrual*

(i) The Notes bear interest, subject to Condition 2, from, and including, 22nd August, 1996 (the "Issue Date") to, but excluding, the Interest Payment Date (as defined below) falling in August 2001 (the "Redemption Month") or until such earlier due date for the redemption of the Notes as may be applicable at the rate of U.S. Dollar – LIBOR (as determined below) plus a margin (the "Margin") applicable to the Notes of 0.21 per cent. per annum, in accordance with the provisions set out below.

(ii) Notes will cease to bear interest from the due date for redemption thereof unless, upon due presentation thereof, payment of the principal is improperly withheld or refused or default is otherwise made in payment thereof. In such event, interest will continue to accrue in accordance with this Condition 3 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day seven days after the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). Arrears representing interest shall not themselves bear interest.

(iii) Interest on each Note due on an Interest Payment Date (as defined below) will be payable against presentation and surrender of the relevant Coupon, subject to and in accordance with these Conditions, provided that if the due date for redemption of any Note does not fall on an Interest Payment Date or if payment of principal is improperly withheld or refused on or in respect of such Note, interest accrued in respect of such Note from, and including, the last preceding Interest Payment Date will be paid against presentation and encasement or, as the case may be, surrender of such Note. Arrears representing interest (accrued in respect of a full Interest Period (as defined below)) will be paid against presentation and, in the case of partial payment, encasement, of the relative Coupon.

(b) *Interest Payment Dates and Interest Periods*

Interest applicable to the Notes will be payable on each date (each an "Interest Payment Date") which falls on 22nd February, 22nd May, 22nd August and 22nd November in each year, commencing on 22nd November, 1996, unless it would otherwise fall on a day which is not a business day (as defined below) in which case it shall be postponed to the next day which is a business day unless it would then fall into the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding business day. Thereafter the following Interest Payment Date will revert to the original calendar date. The period from, and including, the Issue Date to, but excluding, the first Interest Payment Date and each successive period from, and including, an Interest Payment Date to, but excluding, the next Interest Payment Date is herein called an "Interest Period".

(c) *Rate of Interest*

The rate of interest from time to time payable in respect of the Notes during each Interest Period (the "Rate of Interest") will be a rate per annum equal to U.S. Dollar – LIBOR (as determined below) plus the Margin.

(d) *Determination of U.S. Dollar – LIBOR*

(i) For the purpose of the determination of the Rate of Interest applicable during each Interest Period, the Agent Bank will, on the second London business day (being a day on which commercial banks and foreign exchange markets settle payments in London) prior to the commencement of each Interest Period (the "Interest Determination Date"), record at 11.00 a.m. (London time) the rate for U.S. Dollar deposits in London for a three-month period ("Three Month Deposits") as at 11.00 a.m. (London time) on the Interest Determination Date in question, as displayed on the Telerate System as Telerate Page No. 3750 or such other page or pages as may replace Telerate Page No. 3750 on that system or such other system as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association settlement rates for U.S. Dollars (the "Screen Page"). Such rate shall be U.S. Dollar – LIBOR for the purposes of these Conditions.

(ii) If for any reason the Screen Page does not display the information referred to in sub-paragraph (i) above by 1.00 p.m. (London time) on any Interest Determination Date then the Agent Bank will, on such Interest Determination Date, request the Reference Banks referred to in sub-paragraph (g) below, (the

“Reference Banks”) to provide the Agent Bank with their offered quotations to leading banks for Three Month Deposits as at 11.00 a.m. (London time) on the Interest Determination Date in question and, in this event, U.S. Dollar – LIBOR shall, subject as provided below, be the arithmetic average (rounded if necessary to the nearest 0.00001 per cent., 0.000005 per cent. being rounded upwards) of such offered quotations, as determined by the Agent Bank.

(iii) If on any Interest Determination Date on which the provisions of sub-paragraph (ii) above apply at least two but less than all of the Reference Banks provided such offered quotations, U.S. Dollar – LIBOR shall be determined as aforesaid on the basis of the quotations of those Reference Banks providing such offered quotations.

(iv) If on any Interest Determination Date on which the provisions of sub-paragraph (ii) above apply one only or none of the Reference Banks provides such an offered quotation to the Agent Bank then the applicable Rate of Interest shall be the Rate of Interest in effect for the last preceding Interest Period.

(v) For the purposes of this Condition 3, “business day” means a day upon which U.S. dollar deposits may be dealt in on the London interbank market and commercial banks and foreign exchange markets are open in London and, if on that day a payment is to be made, in New York City also.

(e) Determination of Rate of Interest and Calculation of Interest Amount

The Agent Bank will, as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date, determine the Rate of Interest applicable to the Notes and calculate the amount of interest payable on presentation of the Coupons appertaining to the Notes on the Interest Payment Date for the relevant Interest Period (the “Interest Amount”) by applying the Rate of Interest applicable to the Notes to the sum of U.S.\$1,000,000 multiplying such sum by the actual number of days in the Interest Period concerned divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(f) Publication of Rate of Interest and Interest Amount

The Agent Bank will, as soon as practicable after each Interest Determination Date but in any event no later than two London business days thereafter, notify the Issuer and the Paying Agents in writing of the Rate of Interest applicable to the Notes and the relative Interest Amount for the relevant Interest Period and the relevant Interest Payment Date, whereupon the Agent Bank shall forthwith cause all such information to be notified to the London Stock Exchange Limited (the “London Stock Exchange”) and to be published in accordance with Condition 11.

(g) Agent Bank and Reference Banks

The Issuer shall procure that so long as required by the Conditions there shall at all times be an Agent Bank and four Reference Banks for the purposes of the Notes. The initial Reference Banks are The Dai-Ichi Kangyo Bank Limited, The Fuji Bank, Limited, The Bank of Tokyo–Mitsubishi, Ltd. and National Westminster Bank Plc and the initial Agent Bank is The Chase Manhattan Bank, but the Issuer may terminate the appointment of any of the Reference Banks or of the Agent Bank. In the event of the principal London office of any such Reference Bank being unable or unwilling to continue to act as a Reference Bank or of The Chase Manhattan Bank, being unable or unwilling to continue to act as the Agent Bank, the Issuer shall appoint some other leading bank engaged in the euro-dollar market to act as a Reference Bank or, as the case may be, as the Agent Bank, in its place. The Agent Bank may, in addition, resign its duties as such provided that neither the resignation nor the removal of the Agent Bank shall take effect without a successor having been appointed and approved as aforesaid.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, whether by the Reference Banks (or any of them) or the Agent Bank, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Reference Banks, the Agent Bank, the Paying Agents and all the Noteholders and Couponholders. No Noteholder or Couponholder shall (in the absence as aforesaid) be entitled to proceed against the Reference Banks, the Agent Bank, the Paying Agents, or any of them in connection with the exercise or non-exercise by them of any of their powers, duties and discretions pursuant to such provisions.

4. Payments

(a) Payments in respect of principal will be made against presentation and surrender of the relevant Notes, and each payment of interest in respect of the Notes will be made against presentation of the relevant Coupons or Notes (as provided in Condition 3(a)(iii)), at the specified office of any Paying Agent outside the United States. Such payments will be made by a U.S. dollar cheque drawn on a bank in New York City, or by transfer to a U.S. dollar account maintained by the payee with a bank outside the United States, subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 6.

(b) Each Note should be presented for payment together with all relative unmatured Coupons. Upon the date on which the Notes become due and payable, all unmatured Coupons (whether or not attached to the Notes to which they appertain) shall become void and no payments shall be made in respect thereof.

(c) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, and approve any change in the specified office of any Paying Agent, provided that it will at all times maintain a Paying Agent having a specified office in a European city being a leading financial centre in continental Europe and, so long as the Notes are listed on the London Stock Exchange a Paying Agent having a specified office in London or such other place as the London Stock Exchange may approve.

(d) In addition, the Issuer will appoint a Paying Agent having a specified office in New York City, at which payments of principal and/or interest will be made, if:—

- (i) the Issuer shall have appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the full amount in respect of the Notes in the manner provided herein when due;
- (ii) payment of the full amount of principal and/or interest on the Notes by such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions; and
- (iii) such payment is then permitted by United States law.

For the purposes of these Conditions, “United States” means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

Notice of any variation, termination or appointment and of any change in the specified office of any Paying Agent will be given to the Noteholders by the Issuer promptly in accordance with Condition 11.

(e) If the due date for payment of any amount of principal or interest in respect of any Note is not a day on which commercial banks and foreign exchange markets settle payments in the place where the relevant Note or, as the case may be, Coupon is presented for payment and in London and New York City (a “business day”), then the holder thereof shall not be entitled to payment of the amount due until the next following business day in such places and will not be entitled to any further interest or other payment in respect of such delay.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their principal amount on the Interest Payment Date falling in the Redemption Month.

(b) Redemption for taxation reasons

The Notes may, subject to the prior written consent of the SFA, be redeemed at the option of the Issuer, in whole but not in part, on the giving of not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), at their principal amount, plus accrued interest, if the Issuer delivers to the SFA immediately prior to the giving of such notice a certificate signed by two Directors of the Issuer stating (and having annexed thereto an opinion from solicitors in England of international repute so advising the Issuer) that it has or will become obliged to pay additional amounts as provided in Condition 6 as a result of any change in or amendment to the laws or regulations of the United Kingdom, or any political sub-division thereof or any authority thereof or therein having power to tax, or any

change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 19th August, 1996, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be required to pay the additional amounts were a payment in respect of the Notes then due.

(c) Purchase

The Issuer may, with the prior written consent of the SFA and only on terms which comply with the requirements of the London Stock Exchange (if any), at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. If purchases are made by tender, tenders must be available to all Noteholders alike.

(d) Cancellation

All Notes redeemed by the Issuer or purchased and surrendered by the purchaser through the Issuer for cancellation pursuant to Condition 5(c) will (together with all unmatured Coupons surrendered or purchased therewith, as the case may be) be cancelled forthwith and may not be resold or re-issued.

(e) SFA consent

No Notes may be redeemed by the Issuer and no attempt may be made to redeem them, prior to the Interest Payment Date falling in the Redemption Month in whole or in part unless the Issuer shall have obtained prior written consent to such redemption from the SFA.

(f) Subordination

The provisions of this Condition 5 are subject in all respects to the provisions of Condition 2.

6. Taxation

All payments of principal and interest made by the Issuer will be made without deduction or withholding for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the United Kingdom, or any political sub-division thereof, or any authority thereof or therein having power to tax, unless the Issuer is required by law to deduct or withhold such taxes or duties. In such event, subject in all cases to Condition 2, the Issuer will pay such additional amounts as will result in the receipt by the holders of Notes or Coupons, as the case may be, of the amounts which would have been received in respect thereof in the absence of such deduction or withholding, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:—

- (a) by or on behalf of a person who is subject to such taxes or duties by reason of his being connected with the United Kingdom otherwise than by reason only of the holding of such Note or Coupon; or
- (b) in the United Kingdom; or
- (c) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such 30th day.

As used herein, the “Relevant Date” in respect of any payment means (i) the date on which such payment first becomes due or (ii) if the full amount of the moneys payable has not been received by the Fiscal Agent on or prior to such date, the date on which, the full amount of such moneys having been so received, notice to that effect shall have been duly published in accordance with Condition 11.

Any reference in these Conditions to principal and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 6.

7. Prescription

Each Note and Coupon will become void unless presented for payment within a period of 10 years and five years, respectively, from the Relevant Date (as defined in Condition 6) in respect thereof.

8. Events of Default

If a resolution is passed or an order of a court of competent jurisdiction is made for the Insolvency of the Issuer otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved in writing by the SFA and by either the shareholders of the Issuer or a court of competent jurisdiction under which the continuing corporation or the corporation formed as a result of such consolidation, amalgamation, merger or reconstruction effectively assumes the entire obligations of the Issuer under the Notes and the Coupons, as the case may be, any Noteholder may at its discretion:—

- (A) institute proceedings for the recovery of moneys then due; and/or
- (B) give written notice to the Issuer and the Fiscal Agent that the Notes are redeemable, whereupon such Notes shall, subject to Condition 2, forthwith become due and redeemable.

If any Note shall become so redeemable it shall be repaid, subject to Condition 2, at its principal amount, together with accrued interest thereon to the date of redemption.

9. Enforcement of Rights

(a) If default is made for a period of seven days or more in the payment of any principal due in respect of the Notes or for a period of 14 days or more in the payment of any interest due in respect of the Notes, any Noteholder may at its discretion and after taking such preliminary steps or actions as may be necessary, institute proceedings for the Insolvency of the Issuer.

(b) Any Noteholder may at its discretion, subject as hereinafter provided, institute proceedings for the Insolvency of the Issuer to enforce any obligation, condition or provision binding on the Issuer under these Conditions (other than any obligation for the payment of principal moneys or interest in respect of the Notes) provided that the Issuer shall not by virtue of the institution of any such proceedings for the Insolvency of the Issuer be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. A Noteholder may only institute proceedings for the Insolvency of the Issuer to enforce the obligations above referred to if (A) a default thereunder is not remedied within 60 days after notice of such default has been given to the Issuer by that Noteholder requiring such default to be remedied and (B) that Noteholder has taken all preliminary steps or actions required to be taken by it prior to the institution of such proceedings.

(c) No remedy against the Issuer other than as specifically provided by this Condition 9 or by Condition 8 shall be available to a Noteholder whether for the recovery of amounts owing under the Notes or in respect of any breach by the Issuer of any of its obligations under the Notes or any of these Conditions.

10. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable law, at the specified office of the Fiscal Agent in London on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon), security and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before any replacements therefor will be issued.

11. Notices

All notices regarding the Notes shall be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* or another daily newspaper in London or, if this is not possible, in one other English language daily newspaper with general circulation in Europe. Any such notice will be deemed to have been given on the date of such publication or, if published more than once or, if required to be published in more than one newspaper, on different dates, on the date of the first publication in all the required newspapers. Couponholders shall be deemed to have notice of the contents of any notice given to the Noteholders pursuant to this Condition 11. The Issuer shall also forthwith give written notice to the SFA of any such notice to Noteholders.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and/or Cedel Bank, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and/or Cedel Bank for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the third day after the day on which the said notice was given to Euroclear and/or Cedel Bank.

12. Meetings of Noteholders

(a) The Fiscal Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of these Conditions. Any resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not, and on all the Couponholders, except that any modification, *inter alia*, postponing the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or interest payable in respect of the Notes, altering the currency of payment of the Notes or the Coupons, altering the provisions as to subordination contained in Condition 2 will be binding only if passed by Extraordinary Resolution at a meeting of the Noteholders (or at any adjourned such meeting) at which a special quorum (provided for in the Fiscal Agency Agreement) is present, and in respect of which the SFA shall have given its written consent to the Issuer. An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(b) These Terms and Conditions and the Fiscal Agency Agreement form the entire agreement as to the Subordinated Liabilities. If there are any other terms relating to the Subordinated Liabilities existing at the date hereof and not comprised herein or therein such terms shall be of no further force and effect. No amendment or modification of these Terms and Conditions or the Fiscal Agency Agreement or waiver of any breach thereof may be made without the prior consent of the SFA and any such amendment, modification or waiver made or purported to be made without such consent shall be void.

13. Further Issues

The issuer is at liberty at any time and from time to time without the consent of the Noteholders or Couponholders to create and issue further notes ranking *pari passu* in all respects with the Notes and on the same terms and conditions (or the same except for the first payment of interest thereon), and so that any such further issue shall be consolidated and form a single series with the Notes.

14. Governing Law

The Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

TERMS AND CONDITIONS OF THE TRANCHE B NOTES

The Terms and Conditions of the Tranche B Notes will be identical to those described under Terms and Conditions of the Tranche A Notes, with the following alternative or supplemental provisions. References to the "Notes" in the Terms and Conditions of the Tranche B Notes shall be references to the Tranche B Notes:—

The reference in the first paragraph of the Introduction to "Tranche A U.S.\$46,000,000 Subordinated Floating Rate Notes due 2001" shall be replaced by a reference to "Tranche B U.S.\$50,000,000 Subordinated Floating Rate Notes due 1999".

Paragraph (a) of Condition 3 shall be replaced by the following paragraph:—

(a) Period of Accrual

The Notes bear interest, subject to Condition 2, from, and including, 22nd August, 1996 (the "Issue Date") to, but excluding, the Interest Payment Date (as defined below) falling in August 1999 (the "Redemption Month") or until such earlier due date for the redemption of the Notes as may be applicable at the rate of U.S. dollar-LIBOR (as determined below) plus a margin ("Margin") applicable to the Notes of 0.20 per cent. per annum, in accordance with the provisions set out below.

USE OF PROCEEDS

The net proceeds from the issue of the Tranche A Notes, estimated at approximately U.S.\$46,000,000, and the net proceeds from the issue of the Tranche B Notes, estimated at approximately U.S.\$50,000,000, will be used by the Issuer in its general business.

History and Business

Tokyo-Mitsubishi International plc ("TMI") was incorporated in England and Wales on 11th February, 1983 pursuant to the Companies Act 1948 to 1981 as a company with liability limited by shares, and changed its name from Alnery No. 180 Limited to Mitsubishi Finance International Limited on 16th May, 1983 prior to commencing business on 3rd October, 1983. TMI was re-registered as a public limited company on 3rd August, 1989. On 1st April, 1996, TMI changed its name from Mitsubishi Finance International plc ("MFIL") to Tokyo-Mitsubishi International plc following the merger of The Mitsubishi Bank, Limited and The Bank of Tokyo, Ltd. (the "Merger"), the merged entity being named The Bank of Tokyo-Mitsubishi, Ltd. (the "Parent"). TMI is a direct wholly-owned subsidiary of the Parent and has, at the date hereof, authorised share capital of £300,000,000, of which £206,500,000 has been issued and fully paid up. TMI has one subsidiary, Tokyo Sociedad de Valores Y Bolsa (España) S.A., a company incorporated in Spain through which it conducts its Spanish business.

TMI is a principal part of the securities and investment banking arm of the Parent and provides a wide range of services in worldwide securities businesses to governments, their monetary authorities and central banks, state authorities, supranational organisations and corporations. TMI is also engaged in market-making and dealing in securities in the international securities markets, in swaps and various other derivative instruments, in the management and underwriting of issues of securities and securities investment.

TMI is a member of the Securities and Futures Authority (SFA), the London International Financial Futures Exchange (LIFFE), the International Securities Market Association (ISMA), and the International Primary Market Association (IPMA).

Recent Business and Outlook

During 1994, TMI's trading and derivatives activities made a major contribution to its profits throughout the year which were enhanced by a worldwide falling-off in interest rates. In 1995, TMI increased its activities as a lead manager of public bond issues and maintained a strong presence in the secondary markets. The management of TMI is not yet in a position to estimate accurately the results of TMI for the year ending 31st December, 1996. TMI has increased its activities as a lead manager of bond issues and maintained a strong presence in the secondary markets. Results are expected to reflect this. It is TMI's intention to continue to provide its clients with a first rate service in a wide range of capital markets products.

Directors and Management

The Directors of TMI are:

<i>Name</i>	<i>Principal Occupation</i>
Kenji Enya	Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Takeshi Tange	Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Takashi Uno	General Manager, The Bank of Tokyo-Mitsubishi, Ltd., London Branch
Akira Watanabe	Managing Director and Chief Executive
Masato Kawamura	Deputy Chairman
Kazumasa Koga	Deputy Managing Director
Masayuki Iijima	Deputy Managing Director
Hiroshi Yoshimine	Deputy Managing Director
Fuminori Yano	Deputy Managing Director
Anthony Lochnis	Director, St. James's Place Capital plc

All the Directors of TMI are nationals of Japan with the exception of Mr. Lochnis. The business address of Messrs. Enya and Uno is 12-15 Finsbury Circus, London EC2M 7BT. The business address of Mr. Tange is 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan. The business address of Messrs. Watanabe, Kawamura, Koga, Iijima, Yoshimine and Yano is 6 Broadgate, London EC2M 2AA. The business address of Mr. Lochnis is 27 St. James's Place, London SW1A 1NR. Messrs. Enya, Tange, Uno and Lochnis are non-executive Directors of TMI.

TOKYO-MITSUBISHI INTERNATIONAL PLC

Capitalisation and Indebtedness

The following table sets out the audited capitalisation and indebtedness of TMI as at 31st December, 1995 (as MFIL) adjusted to give effect to the issue of notes and the drawdown of loans:—

	£ (thousands)
Shareholders' funds	
Ordinary shares	120,000
Profit and loss account	2,696
	<u>122,696</u>
 Notes and Loans (Note 3)	
U.S.\$100m 9 $\frac{1}{8}$ % Sub Notes due 2001	64,367
U.S.\$80m 7 $\frac{1}{2}$ % Sub Notes due 2002	51,493
U.S.\$65m 7 $\frac{3}{4}$ % Sub Notes due 2007	41,838
U.S.\$77m dual basis Sub Notes due 2004	49,562
U.S.\$20.6m Floating Rate Notes due 2000	6,630
U.S.\$10.1m Series No. MFIL-1 8.5% Notes due 2001	6,501
U.S.\$28m Series No. MFIL-2 Step up Notes due 2001	18,023
Yen 28bn Loans repayable 2004	162,621
U.S.\$25m Series No. MFIL-3 Limited Recourse Notes due 2000	16,092
U.S.\$18m Series No. MFIL-4 Dual Basis Notes due 2005	11,586
U.S.\$56.25m Series No. MFIL-5 Limited Recourse Notes due 2000	36,206
U.S.\$10m Series No. MFIL-6 Dual Basis Notes due 2005	6,437
U.S.\$10m Series No. MFIL-7 7.5% Notes due 2005	6,437
U.S.\$12m Series No. MFIL-8 Dual Basis Notes due 2005	7,724
U.S.\$10m Series No. MFIL-9 Dual Basis Notes due 2005	6,437
DM 20m Series No. MFIL-10 Dual Basis Notes due 2005	8,427
U.S.\$30m Series No. MFIL-11 Limited Recourse Notes due 1999	19,310
U.S.\$52.5m Series No. MFIL-12 Zero Coupon Notes due 2002	33,792
U.S.\$10m Series No. MFIL-13 Dual Basis Notes due 2005	6,437
U.S.\$20m Series No. MFIL-14 Dual Basis Notes due 2005	12,873
U.S.\$6m Series No. MFIL-15 Capped Floating Rate Notes due 2005	3,862
U.S.\$6m Series No. MFIL-16 Dual Basis Rate Notes due 2005	3,862
U.S.\$100m Series No. MFIL-17 Limited Recourse Notes due 2005	64,367
U.S.\$13.5m Series No. MFIL-18 Zero Coupon Notes due 2000	8,689
ITL10bn Series No. MFIL-19 11.95% Notes due 2000	4,194
U.S.\$11.8m Series No. MFIL-20 Zero Coupon Notes due 1998	7,595
U.S.\$30m Series No. MFIL-21 Dual Basis Notes due 2005	19,310
U.S.\$58m Series No. MFIL-22 Dual Basis Notes due 2005	37,333
U.S.\$2m Series No. MFIL-23 Forex Linked Notes due 1996	1,287
U.S.\$25m Series No. MFIL-24 Dual Basis Notes due 2005	16,092
U.S.\$12m Series No. MFIL-25 Zero Coupon Notes due 1999	7,724
U.S.\$13.3m Series No. MFIL-26 Zero Coupon Notes due 2000	8,561
Yen 20,000,000,000 Subordinated Loan repayable 2002.	116,158
Yen 3,000,000,000 Loan repayable 2005	17,424
CHF 50,000,000 Series No. MFIL-27 Zero Coupon Notes due 2005	25,485
U.S.\$10m Series No. MFIL-28 Dual Basis Notes due 2005	6,437
	<u>921,173</u>
Total Capitalisation and Indebtedness	<u><u>1,043,869</u></u>

TOKYO-MITSUBISHI INTERNATIONAL PLC

Notes:

(1) The following unaudited adjustments to indebtedness have taken place since 31st December, 1995:

	£ (thousands)
DM10m Series No. MFIL-30 Dual Basis Notes due 2006	4,213
U.S.\$25.2m Series No. MFIL-32 Zero Coupon Notes due 2001	16,220
DM5m Series No. MFIL-33 Dual Basis Notes due 2006	2,107
DM5m Series No. MFIL-34 Dual Basis Notes due 2006	2,107
U.S.\$2.2m Series No. MFIL-35 Limited Recourse Notes due 1996	1,416
U.S.\$5m Series No. MFIL-37 Dual Basis Notes due 2006	3,218
U.S.\$63.04m Series No. MFIL-38 Dual Basis Notes due 2001	40,577
U.S.\$74.1m Series No. MFIL-39 Dual Basis Notes due 1998	47,696
U.S.\$6.2m Series No. TMI-42 Zero Coupon Notes due 2000	3,991
U.S.\$12.8m Series No. TMI-44 Dual Basis Notes due 2001	8,239
U.S.\$12m Series No. TMI-41 Dual Basis Notes due 2006	7,724
U.S.\$10m Series No. TMI-43 Dual Basis Notes due 2006	6,437
U.S.\$16m Series No. TMI-45 Dual Basis Notes due 2006	10,299
U.S.\$5m Series No. TMI-47 5.93% Notes due 1997	3,218
U.S.\$5m Series No. TMI-48 Dual Basis Notes due 2006	3,218
U.S.\$5m Series No. TMI-49 Dual Basis Notes due 2006	3,218
U.S.\$12m Series No. TMI-50 Dual Basis Notes due 2006	7,724
U.S.\$13m Series No. TMI-51 Dual Basis Notes due 2006	8,368
U.S.\$1m Series No. TMI-52 Forex Linked Notes due 1996	644
U.S.\$14m Series No. TMI 53 Dual Basis Notes due 2006	9,011
U.S.\$5m Series No. TMI-54 3 per cent. Notes with SE Asian Equity Exposure due 1999	3,218
U.S.\$5m Series No. TMI-55 Zero Coupon Notes with SE Asian Equity Exposure due 1996	3,218
U.S.\$5.6m Series No. TMI-56 Zero Coupon Notes due 1997	3,605
U.S.\$11m Series No. TMI-57 Dual Basis Notes due 2006	7,080
U.S.\$25.4m Series No. TMI-58 Zero Coupon Notes due 2001	16,349
U.S.\$10m Series No. TMI-59 Dual Basis Notes due 2006	6,437
U.S.\$25m Series No. TMI-60 11.70 per cent. Currency Linked Note due 1997	16,092
	<u>245,644</u>

(2) On 1st April, TMI issued a further 85,000,000 £1 Ordinary Shares fully paid. On 19th April, TMI issued a further 1,500,000 £1 Ordinary Shares fully paid.

(3) The U.S. dollar amounts have been converted, for information only, at the rate of £1 = U.S.\$1.5536

The Deutschmark amounts have been converted, for information only, at the rate of £1 = DEM2.3734

The Japanese Yen amounts have been converted, for information only, at the rate of £1 = JPY172.18

The Italian Lire amounts have been converted, for information only, at the rate of £1 = ITL2384.6

The Swiss Franc amounts have been converted, for information only, at the rate of £1 = CHF1.9619

These were the prevailing rates of exchange on 8th July, 1996.

(4) On 25th April, 1995 U.S.\$10.3m of the U.S.\$20.6m FRNs were redeemed. The current outstanding balance is U.S.\$10.3m.

(5) TMI currently intends to issue U.S.\$6.5m Series No. TMI-61 Zero Coupon Notes due 1998.

(6) On 1st April, 1996, TMI assumed the liability of ¥1,595,000,000, U.S.\$46,650,000 and DM22,280,000 of subordinated loans due 1997 following its merger with Bank of Tokyo Capital Markets.

(7) Save as disclosed above, there has been no material change in the capitalisation and indebtedness of TMI since 31st December, 1995.

SUBSCRIPTION AND SALE

Tokyo-Mitsubishi International plc (in its capacity as lead manager) (the "Manager") has, pursuant to a subscription agreement (the "Subscription Agreement") dated 19th August, 1996, agreed with the Issuer, subject to the satisfaction of certain conditions set out therein, to subscribe and pay for the Notes at the issue price of 100 per cent. of the principal amount of the Notes. The Manager is entitled to be released and discharged from its obligations under the Subscription Agreement in certain circumstances prior to payment being made to the Issuer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by United States tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

The Manager has represented and agreed that (i) it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of the Notes to listing in accordance with Part IV of the Financial Services Act 1986 (the "Act") except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the Act; (ii) it has complied and will comply with all applicable provisions of the Act with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes, other than any document that consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by the listing rules under Part IV of the Act, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

No action has been or will be taken by the Issuer or the Manager that would, or is intended to, permit a public offering of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Manager has agreed that it will not, directly or indirectly, offer or sell any Notes, invite any person to purchase or subscribe any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information (including this Offering Circular) in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms. In particular the Manager has agreed that subscription of Notes by it will be made in conformity with the provisions of the Subscription Agreement.

The Subscription Agreement contains a complete description of the restrictions on offers, sales and deliveries of Notes and distribution of this Offering Circular.

GENERAL INFORMATION

1. Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer, nor has there been any material adverse change in the financial position or prospects of the Issuer, in each case since 31st December, 1995, being the date of the Issuer's most recent published audited annual accounts.
2. The Issuer is not involved in any legal, arbitration or administrative or other proceedings which may have or have had during the previous 12 months a significant effect on the financial position of the Issuer nor is the Issuer aware of any such legal, arbitration or administrative or other proceedings being pending or threatened.
3. The issue of the Notes was authorised by resolutions of the Directors of the Issuer on 9th August, 1996 and 14th August, 1996.
4. The Tranche A Notes have been accepted for clearance by Euroclear and Cedel Bank with a common code of 6815740 and an ISIN of XS0068157402. The Tranche B Notes have been accepted for clearance through Euroclear and Cedel Bank with a common code of 6835376 and an ISIN of XS0068353761.
5. The registered company number of the Issuer is 1698498 and the registered office of the Issuer is 6 Broadgate, London EC2M 2AA.
6. Until 9th September, 1996, copies of the Memorandum and Articles of Association of the Issuer, the Annual Reports and audited Accounts of the Issuer for the years ended 31st December, 1993, 1994 and 1995, the Subscription Agreement, and drafts of the Agency Agreement (including the forms of each Temporary Global Note and each Semi-Permanent Global Note) and the Agent Bank Agreement may be inspected during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Allen & Overy, One New Change, London EC4M 9QQ.
7. As at the date hereof, of the 206,500,000 issued and fully paid up ordinary shares of £1 par value issued by the Issuer (representing the entire issued share capital of the Issuer of all classes), 206,499,999 such shares are owned by The Bank of Tokyo-Mitsubishi, Ltd., of 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan.
8. No accounts of the Issuer have been audited since 31st December, 1995 and the Issuer does not publish interim accounts.
9. Payments of principal and/or interest in respect of the Notes whilst represented by a Temporary Global Note will be made only against certification as to non-United States beneficial ownership, as described in the relevant Temporary Global Note.
10. The financial statements of the Issuer have been audited, without qualification to the reports relating thereto, for the years ended 31st December, 1993, 1994 and 1995 by the Chartered Accounting firm of KPMG of 8 Salisbury Square, London EC4Y 8BB.
11. It is expected that the listing on the London Stock Exchange will be granted for the Notes on 21st August, 1996, subject only to the issue of the Temporary Global Notes. Transactions will normally be effected for settlement in U.S. dollars and for delivery of Notes on the third business day after the date of the transaction. Prior to listing, however, dealings will be permitted by the London Stock Exchange in accordance with its rules.

REGISTERED OFFICE OF THE ISSUER

6 Broadgate,
London EC2M 2AA.

LISTING AGENT

Tokyo-Mitsubishi International plc,
6 Broadgate,
London EC2M 2AA.

LEGAL ADVISERS

*To the Issuer and the Manager
as to English law*
Allen & Overy,
One New Change,
London EC4M 9QQ.

FISCAL AGENT, PRINCIPAL PAYING AGENT AND AGENT BANK

The Chase Manhattan Bank,
Woolgate House,
Coleman Street,
London EC2P 2HD.

PAYING AGENT

Chase Manhattan Bank Luxembourg S.A.,
5 Rue Plactis,
L-2338 Luxembourg-Grund.

