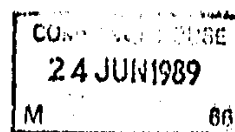


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CITIFRIENDS NOMINEE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31ST DECEMBER, 1988

2204145

FEAT MARWICK McLINTOCK
1 Puddle Dock, Blackfriars, London EC4V 3PD.



CITIFRIENDS NOMINEE LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report, together with the accounts for the period ended 31st December, 1988.

INCORPORATION AND CHANGE OF NAME

The company was incorporated on 10th December, 1987 as Squarefin 184 Limited and subsequently changed its name to Citifriends Nominee Limited on 9th March, 1988.

ACTIVITIES

The company acts as nominee and trustee and has had no income or expenditure for the period.

It is the intention of the directors that the company should continue for the foreseeable future in the same capacity.

DIRECTORS

The directors who served during the period were:

D.M. Eichenberger (Swiss)	(appointed 25th February, 1988)
J.E. Palmer	(appointed 15th March, 1988)
C.V. McFarlane	(appointed 25th February, 1988)
P.G. Le Cren	(appointed 15th March, 1988)
M.S. Saunders	(appointed 15th March, 1988)
Finsquare Directors Ltd.	(appointed 10th December, 1987; resigned 25th February, 1988)

None of the directors had any interest requiring disclosure in the shares of the company or any group companies.

Since the year end, Mr. J.E. Palmer resigned as a director on 11th January, 1989.

AUDITORS

Peat Marwick McLintock were appointed the first auditors of the company by the directors. A resolution for their reappointment is to be proposed at the forthcoming Annual General Meeting.

By order of the board

O.A. 

Asst. Secretary

336 Strand
London WC2R 1HB

REPORT OF THE AUDITORS TO THE MEMBERS OF
CITIFRIENDS NOMINEE LIMITED

We have audited the accounts on pages 3 and 4 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December, 1988 and have been properly prepared in accordance with the Companies Act 1985.

LONDON

6th June 1989

Robert Maxwell Mcintosh
Chartered Accountants

CITYFRIENDS NOMINEE LIMITEDBALANCE SHEET AT 31ST DECEMBER, 1988

	<u>Notes</u>	<u>1988</u>
CURRENT ASSETS		<u>£</u>
Cash at bank	3	2
		<u> </u>
CAPITAL AND RESERVES		
Called up share capital	4	2
		<u> </u>

These accounts were approved by the Board
of directors on 6th JUNE, 1989

O.A. [Signature]
- Chairman of the Party
- Approved by the Party
- Approved by the Party
- Approved by the Party
Directors
MR. D.M. EICHENBERGER

The notes set out on page 4 form part of these accounts.

CITIFRIENDS NOMINEE LIMITEDNOTES ON THE ACCOUNTS1. BASIS OF ACCOUNTING

The accounts are prepared under the historical cost accounting rules.

As these are the first accounts of the company, there are no comparative figures.

2. PROFIT AND LOSS ACCOUNT

The company holds in its name securities beneficially owned by customers of Citibank, N.A. for whom it acts as agents. All transactions relating to such securities are recorded by Citibank, N.A. London branch. The company has no income or expenditure in its own right and accordingly no profit and loss account is presented.

3. BALANCES WITH GROUP COMPANIES

Assets of £2 represent an amount due from a group company.

4. SHARE CAPITAL

Authorised:

100 shares of £1 per share

1988
£

100

Share capital allotted, called up and fully paid:

2 shares of £1 per share

2

The shares were issued on incorporation of the company.

5. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments during the period in respect of their services to the company.

6. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Citicorp, a company incorporated in the United States of America under the laws of the State of Delaware.