Company No: 2703870

MARLYNA LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 1999

REPORT OF THE DIRECTORS

The directors submit their annual report together with the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principle activity of the Company is that of an investment company.

During the year the Company was used as a vehicle in a structured debt financing transaction.

RESULT AND DIVIDENDS

The results of the company for the year are set out in detail on page 5. The directors do not recommend the payment of an ordinary dividend (1998: nil). The profit for the year of £146 (1998: £nil) will be added to reserves.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office at the year end were as follows:

G Barnes	(appointed 8 July 1999; resigned 16 July 2000)
S J Brooks	(appointed 16 August 1999)
P R Freeman	(appointed 8 July 1999)
K-M Geiger	(appointed 16 August 1999; resigned 4 January 2000)
P L Longcroft	
S J Lowe	(appointed 8 July 1999)
S Reed (alternate to G Barnes)	(appointed 12 August 1999; resigned 14 July 2000)
N J Schrager von Altishofen	(appointed 31 March 1999; resigned 24 March 2000)

P E Churchill-Coleman resigned as a director of the company on 31 March 1999.
At 31 December 1999, S J Lowe held a non-beneficial interest in 1 ordinary share in the immediate parent company Dresdner Investments (UK) Limited and 1 ordinary share in Kleinwort Benson Group Limited, a fellow subsidiary undertaking.
None of the directors, except as disclosed above, had an interest in any shares or debentures of any group company. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent company, Dresdner Bank AG, as it is incorporated outside the UK.

YEAR 2000

The Year 2000 Programme has been successfully completed at Dresdner Kleinwort Benson and the Programme Office officially stood down. To date we have had no information that indicates that any of our significant trading counterparties, vendors or source providers may be unable to continue doing business with Dresdner Kleinwort Benson as a result of Year 2000 problems. Business and operational risk mitigation plans continue to be in place and are managed by the relevant functions as part of their normal day to day operations.

The costs associated with this programme have been borne by a fellow subsidiary undertaking and as such do not form part of these statutory financial statements. Details of the aforementioned costs can be seen in the financial statements of Kleinwort Benson Limited.

REPORT OF THE DIRECTORS (CONTINUED)

SHARE CAPITAL

On 7 September 1999, the authorised share capital of the Company was increased from £100 divided into 100 ordinary shares of £1 each to £25,000 divided into 25,000 ordinary shares of £1 each.

LOAN NOTES

On 7 September 1999, the Company issued Euro 30,000,000 4.7625% Loan Notes due 2009 to Herradura Limited, a fellow subsidiary undertaking.

AUDITORS

The company has passed an elective resolution in accordance with section 379A of the Companies Act 1985 to dispense with the annual appointment of the auditors. Accordingly, PricewaterhouseCoopers will remain in office.

Approved by the Board of Directors
Signed on behalf of the Board

M Amey
Secretary

15 September 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

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

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

Approved by the Board of Directors
Signed on behalf of the Board

M Amey
Secretary

15 September 2000

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the financial statements, as described on page 3, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
1 Embankment Place
London

27th September 2000

PROFIT & LOSS ACCOUNT
AS AT 31 DECEMBER 1999

	Note	1999 £	1998 £
Interest receivable and similar income	2	277,573	-
Interest payable and similar charges	3	(277,427)	-
Profit on ordinary activities		146	-
Retained profit	9	146	-

For the purpose of Financial Reporting Standard 3 all activities are continuing.

The company has no recognised gains or losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

A statement showing the movement in reserves is set out in note 9 on page 10.

The accounting policies and notes on pages 7 to 10 form part of these financial statements.

BALANCE SHEET
as at 31 December 1999

	Note	1999	1998
		£	£
FIXED ASSETS			
Investments	4	18,650,917	-
CURRENT ASSETS			
Debtors	5	302,573	2
CREDITORS			
Amounts falling due within one year	6	(277,427)	-
NET CURRENT ASSETS		25,146	2
CREDITORS			
Amounts falling due after more than one year	7	18,650,917	
NET ASSETS		25,146	2
CAPITAL AND RESERVES			
Called up share capital	8	25,000	2
Retained profit	9	146	-
		25,146	2

The financial statements on pages 5 and 6 were approved by the Board of Directors on 15 September 2000 and signed on its behalf by :-

S J Brooks
Director

The notes on pages 7 to 10 form part of these financial statements.

NOTES TO THE ACCOUNTS
for the year ended 31 December 1999

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and in accordance with the historical cost convention.

b) Investments

Investments in subsidiaries are stated at cost less provisions for impairment. Other investments are stated at the lower of cost or valuation. The carrying amount of investments does not exceed their recoverable amounts. The cost of investment includes any incidental costs of acquisition.

c) Foreign currency

Amounts denominated in foreign currencies are translated into pound Sterling at the closing rate of exchange on the balance sheet date. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

d) Cash flow statement

The Company has taken advantage of Financial Reporting Standard 1 (revised) not to prepare a cash flow statement on the grounds that the ultimate parent undertaking, Dresdner Bank AG, prepares consolidated financial statements which are publicly available.

e) Taxation

Full provision is made in the profit and loss account for current taxation and for deferred taxation in respect of timing differences at the rate of tax at which the liabilities or assets are expected to crystallise. It is the Company's policy to surrender tax losses to other group companies for nil consideration.

f) Disclosure of related party transactions

Marlyna Limited is a wholly owned subsidiary of Dresdner Investments (UK) Limited The ultimate parent undertaking, Dresdner Bank AG, prepares consolidated financial statements which are publicly available. Accordingly, advantage has been taken in these financial statements of the exemptions available in the Financial Reporting Standard 8 from disclosure of transactions with entities that are part of the Group or investees of Group entities as related parties.

NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 December 1999

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 £	1998 £
Preference dividends from a fellow subsidiary undertaking	277,573	-

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Interest payable to a fellow group undertaking on Loan Notes	277,427	-

4. FIXED ASSET INVESTMENTS

	1999 £	1998 £
Cost at 1 January	-	-
Additions	19,425,019	-
Exchange movement	(774,102)	-
Cost 31 December	18,650,917	-

During the year the Company subscribed in cash for 3,000 'A' redeemable preference shares of Euro 10,000 each issued by a fellow subsidiary undertaking, Kleinwort Benson Limited. These shares shall be redeemed on 9 September 2009 and are redeemable at par at the option of the company at any point up to this date. The holders of the above preference shares are entitled to fixed cumulative preference dividends of 4.765% to be paid annually on the 9 September.

Consideration for this subscription was provided by the issue of Euro 30,000,000 Loan Notes for cash.

5. DEBTORS

	1999 £	1998 £
Due from fellow subsidiary undertakings and ultimate parent company	302,573	2

NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 December 1999

6. CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Interest payable on Loan Notes	277,427	-

7. CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999	1998
	£	£
4.7625% Loan Notes 2009	18,650,917	-

During the year the Company issued Euro 30,000,000 4.7625% Loan Notes due 2009 to a fellow subsidiary undertaking, Herradura Limited. The proceeds from the issue were used to subscribe for 3,000 preference shares of Euro 10,000 each in another fellow subsidiary undertaking, Kleinwort Benson Limited.

8. CALLED UP SHARE CAPITAL

	1999	1998
	£	£
Authorised		
25,000 ordinary shares of £1 each	25,000	100
Allotted and fully paid		
25,000 ordinary shares of £1 each	25,000	2

On 7 September 1999, in order to provide additional capital to the Company, the authorised share capital of the Company was increased from £100 divided into 100 ordinary shares of £1 each to £25,000 divided into 25,000 ordinary shares of £1 each.

NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 December 1999

9. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital	Profit & Loss account	Total 1999	1998
	£	£	£	£
1 January	2	-	2	2
Share capital issued	24,998	-	24,998	-
Retained profit for the year	-	146	146	-
	25,000	146	25,146	2

10. DIRECTORS AND EMPLOYEES

The Company had no employees during the year. In addition, no director received any remuneration in respect of his services to the company (1998: £nil). All expenses, including auditors' remuneration, are borne by Kleinwort Benson Limited, a fellow subsidiary undertaking.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent of the company is Dresdner Bank AG, a company registered in Frankfurt, Germany. Dresdner Investments (UK) Limited, a company registered in England and Wales is the immediate parent company. Copies of the financial statements of Dresdner Bank AG and Dresdner Investments (UK) Limited may be obtained from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.