
CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31st DECEMBER 2001**



[Company Number: 3045280]

CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Board of Directors

Nigel P. Bretton	Director
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Costas P. Michaelides	Director
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Kevin L. Studd	Director
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CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Directors' Report for the year ended 31st December 2001

The directors present their report and the accounts for the year ended 31st December 2001.

Activities

Credit Suisse First Boston (UK) Investment Holdings (the "Company") is an investment holding company, established primarily to hold the United Kingdom interests of Credit Suisse First Boston (UK) Investments, a UK holding company whose ultimate parent is Credit Suisse Group.

The Company's principal interests include Credit Suisse First Boston (Europe) Limited, an international corporate finance and securities issuing and trading company; Credit Suisse First Boston Gilts Limited, a UK Government Bond Primary Dealer; Credit Suisse First Boston Equities Limited, which trades as principal in UK equities; Credit Suisse First Boston Securities ZAO, Moscow, which carries out intermediary activities as a financial broker on the securities market in the Russian Federation; Credit Suisse First Boston Canary Wharf Health Club Limited, which holds the Credit Suisse First Boston interest in the Canary Wharf Health Club partnership; Credit Suisse First Boston Sociedad de Valores y Bolsa SA, a Spanish Equity Brokerage company; Credits Suisse First Boston de Zoete & Bevan Limited, a corporate broker; Credit Suisse First Boston Nominees Limited is a company which redistributes dividends to customers of Credit Suisse First Boston Moscow AO; Credit Suisse First Boston Trustees Limited, a trust company; Credit Suisse First Boston (Equities) Nominees Limited, a company whose principal activity is the holding of UK equities for Credit Suisse First Boston Equities Limited and its clients; Credit Suisse First Boston Fixed Assets Limited, previously lessor of fixed assets which did not trade during the year; Credit Suisse First Boston UK Nominees Limited and Credit Suisse First Boston (Gilts) Nominees Limited, which are dormant; and Credit Suisse First Boston (Italia) SpA in liquidazione was liquidated on 6th November, 2001.

Directors

The names of the directors as at the date of this report are set out on page 1. Changes in the directorate since 31st December 2000 and up to the date of this report are as follows:

Appointments	- Nigel P. Bretton	12th March 2001
	- Kevin L. Studd	12th March 2001
Resignations	- Robert B. Stevens	30th March 2001
	- David A. J. Swain	7th March 2001

None of the directors was beneficially interested, at any time during the year, in the shares of the Company, however a number of directors received entitlements to Credit Suisse Group shares under long term incentive schemes.

The Company maintains insurance to indemnify its directors and officers in accordance with Section 310(3) of the Companies Act 1985.

CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Directors' Report for the year ended 31st December 2001

Results

The loss for the year was US\$673,642,000 (2000 - loss US\$442,072,000). A dividend of US\$nil was declared and paid during the year (2000 - US\$2,478,000). The directors do not propose any further dividends for the year ended 31st December 2001.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG will therefore continue in office.

Share Capital

During the year the Company did not issue any additional share capital (2000 – US\$nil).

Subsequent Events

On 5th February 2002, the Company established Credit Suisse First Boston InvestCo UK Limited, a wholly owned unregulated subsidiary incorporated in Cayman for investment purposes, capitalising US\$26,262,094 in ordinary and preference share capital.

On 21st February 2002 the company acquired a 99.9% shareholding in Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. for US\$35,200,000. Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. is a regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities and holds a 99.9% shareholding in Banco Credit Suisse First Boston (Mexico), S.A., Casa de Bolsa Credit Suisse First Boston (Mexico), S.A. de C.V. and Credit Suisse First Boston Servicios S.A. de C.V.

Credit Suisse First Boston (Italia) SpA in liquidazione, a wholly owned subsidiary was liquidated on 6th November, 2001. In compliance with Italian Company Law, the Retained Earnings and Share Capital totalling US\$25,810,945 were not disbursed until 15th February 2002.

On 7 May 2002 Credit Suisse First Boston (Gilts) Nominees, a wholly owned dormant subsidiary, was liquidated.

Fixed assets

The Company has US\$nil tangible fixed assets (2000 - US\$nil) and there were no movements during the year.

Directors' Report for the year ended 31st December 2001

Employee involvement and employment of disabled persons

During the year the Company maintained arrangements for keeping staff aware of and involved in the progress of Credit Suisse Group.

The Company gives full and fair consideration to disabled persons in employment applications, training and career development.

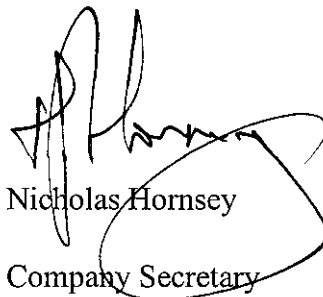
Prompt Payment Code

It is the policy of the Company to pay all invoices in accordance with contract and payment terms.

Donations

Charitable contributions of US\$nil (2000 - US\$nil) were made during the year.

By Order of the Board,



Nicholas Hornsey
Company Secretary

One Cabot Square
London

29 October 2002

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, 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, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for maintaining 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to the Members of Credit Suisse First Boston (UK) Investment Holdings

We have audited the accounts on pages 7 to 18.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report our opinion to you 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.

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 accounts give a true and fair view of the state of affairs of the Company at 31st December 2001 and of the loss of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditors
London


29 October 2002

CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Balance Sheet as at 31st December 2001

	Note	2001 US\$000's	2000 US\$000's
Fixed asset investments			
Investment in subsidiary undertakings	2	907,154	1,014,631
Current assets			
Debtors	3	918	57
Cash at bank	4	2,027	-
		-----	-----
		2,945	57
Creditors: amounts falling due within one year	5	(329,479)	(60,426)
		-----	-----
Net current liabilities		(326,534)	(60,369)
		-----	-----
Net assets		580,620	954,262
		-----	-----
Capital and reserves			
Called up share capital	6	866,372	866,372
Share premium	7	362,600	362,600
Capital reserve	7	960,757	660,757
Profit and loss account	7	(1,609,109)	(935,467)
		-----	-----
Shareholders' funds		580,620	954,262
		-----	-----
Equity	8	(212,383)	161,259
Non-equity	8	793,003	793,003
		-----	-----
		580,620	954,262
		-----	-----

The accounts were approved by the Board of Directors on 24 October 2002 and were signed on its behalf by:


 Nigel P. Bretton
 Director

The notes on pages 9 to 18 form part of these accounts.

CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Profit and Loss Account for the year ended 31st December 2001

Continuing Operations

	Note	2001 US\$000's	2000 US\$000's
Operating loss	9	(673,642)	(442,069)
Administrative expenses	10	-	(3)
Total operating loss		(673,642)	(442,072)
Investment income		-	2,478
Loss on ordinary activities before taxation		(673,642)	(439,594)
Tax on loss on ordinary activities	14	-	-
Loss on ordinary activities after taxation		(673,642)	(439,594)
Dividends payable		-	(2,478)
Loss retained for the year	7	(673,642)	(442,072)

A statement of movements on reserves is given in note 7.

Statement of Recognised Gains and Losses for the year ended 31st December 2001

	2001 US\$000's	2000 US\$000's
Loss attributable to ordinary shareholders	(673,642)	(442,072)
Currency translation differences	-	4
Total recognised loss	(673,642)	(442,068)

The notes on pages 9 to 18 form part of these accounts.

1. ACCOUNTING POLICIES

The accounts have been prepared on a going concern basis, in accordance with applicable accounting standards and under the historical cost accounting rules.

The following accounting policies have been consistently applied:

- (a) The Company has elected not to prepare a Cash Flow Statement in accordance with the exemption granted under FRS 1 (Revised) (Cash Flow Statements) to subsidiary undertakings, where more than 90% of voting rights are controlled within the group, and consolidated accounts including the subsidiary are publicly available.
- (b) The Company's accounts have been prepared under the historical cost convention in accordance with the relevant Statements of Standard Accounting Practice and Section 258 of, and Schedule 4 to, the Companies Act 1985.
- (c) The Company has taken advantage of the exemption in the Companies Act 1985 not to have to prepare consolidated accounts as it is a majority owned subsidiary of Credit Suisse First Boston (UK) Investments, a company incorporated in England and Wales.
- (d) The directors are of the opinion that turnover and cost of sales do not have meaningful equivalents for the business of the Company and therefore these classifications have not been used in the profit and loss account.
- (e) The Company has not disclosed segmental information because, in the opinion of the directors, the Company operates in one business sector, that of investment banking, and as a single global business unit.
- (f) Assets and liabilities in foreign currencies are translated into United States Dollars at the rates of exchange ruling at the balance sheet date. Transactions during the year were translated at month end rates. Differences in exchange are included in the statement of recognised gains and losses.
- (g) Investments in subsidiary undertakings are carried at cost unless, consistent with FRS 11, an adjustment has been made to reflect operating performance in the invested companies.

1. ACCOUNTING POLICIES (continued)

- (h) Capital contributions are appropriations to reserves and are received from the parent undertaking. Accordingly, such contributions are not taken through the profit and loss account.
- (i) The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

FRS 19 'Deferred Taxation' was issued on 7 December 2000 and is mandatory for years ending on or after 23 January 2002. The Company has decided to adopt FRS 19 early. The adoption of this FRS has no material impact to prior year numbers.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

- (j) Interest income and expense are accounted for on an accruals basis.
- (k) As 100% of the Company's voting rights are controlled within the group headed by Credit Suisse Group, the Company has taken advantage of the exemption contained in FRS 8 (Related Party Disclosures) and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group which qualify as related parties). The consolidated financial statements of Credit Suisse Group, within which this Company is included, can be obtained from the address given in note 2.

Notes to the Accounts for the year ended 31st December 2001

2. PARENT, ULTIMATE HOLDING COMPANY AND SUBSIDIARIES

The Company had the following wholly owned subsidiaries at the year end, all of which were registered in England and Wales except for Credit Suisse First Boston Securities ZAO, Moscow, which is registered in the Russian Federation, Credit Suisse First Boston Sociedad de Valores y Bolsa, SA, which is registered in Spain, and Credit Suisse First Boston (Italia) SpA in liquidazione which is registered in Italy:

Credit Suisse First Boston (Europe) Limited, an international corporate finance and securities issuing and trading company; and its subsidiaries:

Credit Suisse First Boston Trustees Limited, a trust company;

Credit Suisse First Boston Nominees Limited, a company which redistributes dividends to customers of Credit Suisse First Boston Moscow AO;

Credit Suisse First Boston de Zoete & Bevan Limited, a corporate broker;

Credit Suisse First Boston Gilts Limited, a UK Government Bond Primary Dealer; and its subsidiary:

Credit Suisse First Boston (Gilts) Nominees Limited, which is dormant

Credit Suisse First Boston Equities Limited, which trades as principal in UK equities; and its subsidiary:

Credit Suisse First Boston (Equities) Nominees Limited, a company whose principal activity is the holding of UK equities for Credit Suisse First Boston Equities Limited and its clients;

Credit Suisse First Boston UK Nominees Limited, which is dormant;

Credit Suisse First Boston Canary Wharf Health Club Limited, which holds the Credit Suisse First Boston interest in the Canary Wharf Health Club partnership;

Credit Suisse First Boston Securities ZAO, Moscow, which carries out intermediary activities as a financial broker on the securities market in the Russian Federation;

Credit Suisse First Boston (Italia) SpA in liquidazione, which was liquidated on 6th November, 2001;

Credit Suisse First Boston Sociedad de Valores y Bolsa, SA, a Spanish Equity Brokerage company;

Credit Suisse First Boston Fixed Assets Limited, previously lessor of fixed assets and did not trade during the year.

Movements in investments in subsidiaries during the year were as follows:

	US\$000's
1st January 2001	1,014,631
Capital contributions	557,397
Liquidation of subsidiaries	-
Adjustment to carrying value of investment in subsidiaries	(664,874)

31st December 2001	907,154

Notes to the Accounts for the year ended 31st December 2001

2. PARENT, ULTIMATE HOLDING COMPANY AND SUBSIDIARIES (continued)

Capital contributions were made during the year to Credit Suisse First Boston (Europe) Limited of US\$450,000,000 (2000 – US\$50,000,000) and to Credit Suisse First Boston Equities Limited of US\$107,397,000 (2000 – US\$nil).

Consolidated accounts have not been prepared as the Company is a majority owned subsidiary of Credit Suisse First Boston (UK) Investments which prepares consolidated accounts. The ultimate holding company is Credit Suisse Group which is incorporated in Switzerland.

Copies of group accounts of the parent undertaking and of the ultimate holding company, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff and Credit Suisse Group, Paradeplatz, P.O. Box 1, 8070 Zurich, Switzerland respectively.

3. DEBTORS

	2001 US\$000's	2000 US\$000's
Amounts owed by parent and fellow subsidiary undertakings	918	55
Prepayments and accrued income	-	2
	-----	-----
	918	57
	-----	-----

4. CASH AT BANK

Cash of US\$2,018,212 was lodged with the Mexican Government Development Bank in 2001 prior to the acquisition of a 99.9% shareholding in Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. in 2002. This deposit will be refunded with interest when the Mexican entities are operational.

Refer to note 13 Subsequent Events for details of the acquisition.

5. OTHER CREDITORS

	2001 US\$000's	2000 US\$000's
Amounts owed to parent, fellow subsidiary undertakings and other members of Credit Suisse Group	329,479	60,423
Other creditors and accruals	-	3
	-----	-----
	329,479	60,426
	-----	-----

Notes to the Accounts for the year ended 31st December 2001

6. CALLED UP SHARE CAPITAL

	2001 US\$000's	2000 US\$000's
Authorised		
Equity		
100,000,000 ordinary shares of US\$1 each	100,000	100,000
Non-Equity		
1,000,000,000 preference shares of US\$1 each	1,000,000	1,000,000
35,000,000 preference shares of £1 each	58,003	58,003
	1,058,003	1,058,003
	1,158,003	1,158,003
Allotted, called up, and fully paid		
Equity		
73,369,578 ordinary shares of US\$1 each	73,369	73,369
Non-Equity		
735,000,000 preference shares of US\$1 each	735,000	735,000
35,000,000 preference shares of £1 each	58,003	58,003
	793,003	793,003
	866,372	866,372

During the year no share issues were made by the Company (2000 – US\$nil).

Rights of Non-equity shares

All preference shares are non-cumulative perpetual shares and are only entitled to dividends as, and when declared by the board of directors in any given dividend period.

Should the company be wound up the Preference Shares shall carry the right to a return of capital (including Premium) paid up thereon in priority to all payments made to holders of Ordinary Shares.

The Preference Shares do not carry any voting rights.

CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Notes to the Accounts for the year ended 31st December 2001

7. RESERVES

	Share premium US\$000's	Capital US\$000's	Profit and loss account US\$000's
1st January 2001	362,600	660,757	(935,467)
Retained loss for the year	-	-	(673,642)
Exchange differences	-	-	-
Transfer - dividend payment	-	-	-
Capital Contribution	-	300,000	-
31st December 2001	362,600	960,757	(1,609,109)

During the year the Company received capital contributions from Credit Suisse First Boston (International) Holding AG amounting to US\$300,000,000 (2000 – US\$nil).

8. MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 US\$000's	2000 US\$000's
Equity		
Balance as at 1 January	161,259	603,327
Capital Contribution	300,000	-
Loss for the year	(673,642)	(442,072)
Exchange differences	-	4
Balance as at 31 December	(212,383)	161,259
Non Equity		
Balance as at 1 January	793,003	793,003
Balance as at 31 December	793,003	793,003

Notes to the Accounts for the year ended 31st December 2001

9. OPERATING LOSS

Operating loss is stated after charging /(crediting) the following:

	2001 US\$000's	2000 US\$000's
a) Interest paid		
On amounts owed to parent and fellow subsidiary undertakings	8,822	171
	-----	-----
b) Interest received		
On cash deposits	(54)	-
On amounts owed from parent and fellow subsidiary undertakings	-	(102)
	-----	-----
c) Adjustment to carrying value of investment in subsidiaries	664,874	442,000
	-----	-----

10. ADMINISTRATIVE EXPENSES

Auditor's remuneration has not been charged in the financial statements but has been borne by another group company in both years.

11. EMPLOYEES' REMUNERATION

The Company has no employees other than its directors.

CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Notes to the Accounts for the year ended 31st December 2001

12. DIRECTORS' EMOLUMENTS

	2001	2000
	US\$000's	US\$000's
Directors' emoluments	2,068	2,780
Amounts receivable under long term incentive schemes	315	2,801
Compensation for loss of office	9	-
	-----	-----
	2,392	5,581
 Company contributions to money purchase pension schemes	 14	 33
	-----	-----
	2,406	5,614
	-----	-----

Directors' emoluments have not been charged in the financial statements but have been borne by another group company in both years.

The aggregate of emoluments and amounts receivable under the long term incentive schemes of the highest paid director was US\$1,940,147 (2000 - US\$3,605,800). He was a member of a money purchase pension scheme and the contribution paid during the year was US\$14,483. The highest paid Director in 2000 was a member of a defined benefits pensions scheme and the accrued pension as at 2000 year end was \$110,000 per annum. During the year the highest paid director received an entitlement to shares under a long term incentive scheme.

Retirement benefits are accruing to the following number of directors under:

	Number of Directors	
	2001	2000
Money purchase schemes	1	2
Defined benefit schemes	2	2
	-----	-----
The number of directors who exercised share options	2	1
	-----	-----
Directors in respect of whose services shares were received or receivable under long term incentive schemes	3	2
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CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Notes to the Accounts for the year ended 31st December 2001

13. POST BALANCE SHEET EVENTS

On 5th February 2002, the Company established Credit Suisse First Boston InvestCo UK Limited, a wholly owned unregulated subsidiary incorporated in Cayman for investment purposes, capitalising US\$26,262,094 in ordinary and preference share capital.

On 21st February 2002 the company acquired a 99.9% shareholding in Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. for US\$35,200,000. Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. is a regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities and holds a 99.9% shareholding in Banco Credit Suisse First Boston (Mexico), S.A., Casa de Bolsa Credit Suisse First Boston (Mexico), S.A. de C.V. and Credit Suisse First Boston Servicios S.A. de C.V.

Credit Suisse First Boston (Italia) SpA in liquidazione, a wholly owned subsidiary was liquidated on 6th November, 2001. In compliance with Italian Company Law, the Retained Earnings and Share Capital totalling US\$25,810,945 were not disbursed until 15th February 2002.

On 7 May 2002 Credit Suisse First Boston (Gilts) Nominees, a wholly owned dormant subsidiary, was liquidated.

14. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

(a) - Analysis of credit/(charge) in the year:

	2001 US\$000's	2000 US\$000's
	-----	-----
Total current and deferred tax	-	-
	-----	-----

CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS

Notes to the Accounts for the year ended 31st December 2001

14. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

(b) – Factors affecting the tax credit for the year:

US\$000's

The actual tax credit for the period is different to the standard rate of corporation tax in the UK (30%). The differences are explained below:

Loss on ordinary activities before tax	673,642
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Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK	202,093
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Effects of:

Non-deductible writedown of investment in subsidiaries	(199,462)
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Group relief surrendered for nil consideration	(2,631)
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Total tax charge for the period (note(a))	-
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