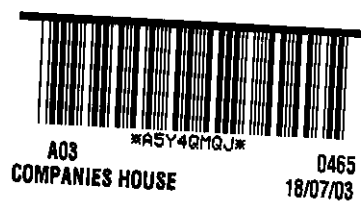


GEHE Invest plc
Directors' report and financial statements
for the year ended 31 December 2002

Registered no: 3155229



GEHE Invest plc

Annual report for the year ended 31 December 2002

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GEHE Invest plc

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

Principal activities

The company's principal activity is the generation of interest income from the provision of a loan to the immediate holding company, GEHE UK plc.

Review of business and future developments

The level of income, the future prospects and the year end financial position of the company are considered to be satisfactory. No change in the level of the current loan is anticipated, nor are any new loans to the immediate holding company, or any other company, planned.

Results

Details of the results for the financial year are set out in the profit and loss account on page 4. An interim dividend of £7 million was paid during the year (2001: £9 million). No final dividend is proposed (2001: nil). The profit for the financial year of £219,000 (2001: £580,000) will be transferred to reserves.

Political and charitable contributions

No political or charitable contributions were made during the year (2001: £nil).

Directors

The directors of the company during the year ended 31 December 2002, all of whom have been directors for the whole of the year, except where otherwise stated, were as follows:

S. M. Meister (resigned 31 March 2002)
Dr F. Oesterle (resigned 31 March 2002)
M. A. Ward
P. Smerdon (appointed 31 March 2002)
R. C. H. Vizard (appointed 31 March 2002, retired 30 September 2002)

Directors' interests

According to the register kept under section 325 of the Companies Act 1985, no director had a notifiable interest in the shares of the company or other group companies at any time during the year. As permitted, the register does not contain details of directors' interests in parent undertakings which are incorporated outside Great Britain.

None of the directors had a material interest in any contracts with group companies.

GEHE Invest plc

Statement of directors' responsibilities

The directors are required by UK Company Law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records, that disclose with reasonable accuracy at any time the financial position of the company and 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.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 31 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

On behalf of the Board



P Smerdon
Director
12 February 2003

GEHE Invest plc

Independent auditor's report to the members of GEHE Invest plc

We have audited the financial statements which comprise of the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

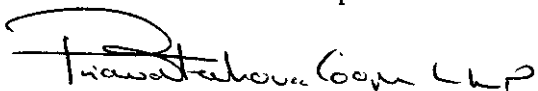
Basis of audit opinion

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 affairs of the company at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

12 February 2003

GEHE Invest plc

Profit and loss account for the year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
Interest receivable and similar income	5	<u>10,313</u>	<u>13,686</u>
Profit on ordinary activities before taxation	6	10,313	13,686
Taxation charge on ordinary activities	7	<u>(3,094)</u>	<u>(4,106)</u>
Profit for the year		7,219	9,580
Dividends		(7,000)	(9,000)
Retained profit for the year	12	<u><u>219</u></u>	<u><u>580</u></u>

The results have been derived wholly from continuing operations.

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

There is no difference between the results above and the results on an unmodified historical cost basis.

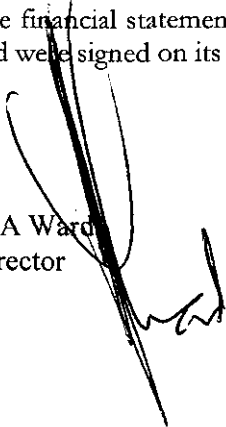
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Balance sheet at 31 December 2002

	Notes	2002 £'000	2001 £'000
Current assets			
Debtors	8	240,562	241,355
Creditors: amounts falling due within one year	9	(3,094)	(4,106)
Net current assets		237,468	237,249
Net assets		237,468	237,249
Capital and reserves			
Called-up share capital	11	200,200	200,200
Profit and loss account	12	37,268	37,049
Equity shareholders' funds	13	237,468	237,249

The financial statements on pages 4 to 9 were approved by the board of directors on 12 February 2002 and were signed on its behalf by:

M A Ward
Director



Notes to the financial statements for the year ended 31 December 2002

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Financial Reporting Standard 19 'Deferred Tax' has been adopted in the year but did not require any adjustments in respect of prior periods.

Income from investments

Income from investments is included in the profit and loss account on an accruals basis.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Deferred tax liabilities are provided in full but deferred tax assets are recognised only to the extent it is considered more likely than not that the associated tax deduction can be utilised on their reversal. Deferred tax liabilities and assets are not discounted.

2 Cash flow statement and related party disclosure

The company is a wholly owned subsidiary of GEHE AG, a company registered in Germany, and is included in the financial statements of GEHE AG, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

The company has not disclosed transactions with fellow group companies, in accordance with the exemption under the terms of Financial Reporting Standard 8.

GEHE Invest plc

3 Directors' emoluments

The emoluments of Mr Smerdon, Mr Ward and Mr Vizard are paid by a subsidiary company, which makes no recharge to the company. Mr Smerdon, Mr Ward and Mr Vizard are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of these subsidiaries. Accordingly no emoluments are included in the aggregate of the director's emoluments disclosed in the financial statements of GEHE UK plc.

Mr Ward and Mr Vizard were paid by a subsidiary company (AAH Subsidiaries Limited) until 31 March 2002. Mr Ward, Mr Vizard and Mr Smerdon, were then paid by a subsidiary company (Lloyds Pharmacy Limited) for the remainder of the year, or until retirement, as appropriate.

Mr Meister and Dr Oesterle received no emoluments from the GEHE UK plc group. Their services to GEHE Invest plc are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company, GEHE AG, and other entities in the GEHE AG group. Details of their remuneration are included, as appropriate, in the financial statements of GEHE AG and fellow subsidiary companies' financial statements.

4 Employee information

The company has no employees other than directors.

5 Interest receivable and similar income

	2002 £'000	2001 £'000
On bank loans and other loans:		
Group interest receivable	<u>10,313</u>	<u>13,686</u>

6 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	2002 £'000	2001 £'000
Auditors' remuneration for audit	<u>-</u>	<u>-</u>

Auditors remuneration in 2002 has been borne by Gehe UK plc.

GEHE Invest plc

7 Taxation on ordinary activities

	2002 £'000	2001 £'000
UK Corporation tax charge at 30% (2001: 30%)	<u>3,094</u>	<u>4,106</u>

The corporation tax charge is equal to the profit before tax multiplied by the full UK corporation tax rate and consequently there are no reconciling items.

8 Debtors

	2002 £'000	2001 £'000
Amounts falling due within one year:		
Amounts owed by immediate parent company	<u>240,562</u>	<u>241,355</u>

The amounts owed by the immediate parent company represent an unsecured loan due for repayment on 23 June 2003. The loan interest is payable at commercial interest rates based on LIBOR.

9 Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Corporation tax	<u>3,094</u>	<u>4,106</u>

10 Deferred taxation

The company had no liability to deferred taxation at 31 December 2002 (2001: £nil).

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11 Called up share capital

	2002 £'000	2001 £'000
Authorised :		
400,000,000 ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>
Allotted, called up and fully paid :		
200,200,000 ordinary shares of £1 each	<u>200,200</u>	<u>200,200</u>

12 Profit and loss account

	2002 £'000	2001 £'000
At the beginning of the year	37,049	36,469
Retained profit for the financial year	<u>219</u>	<u>580</u>
At the end of the year	<u>37,268</u>	<u>37,049</u>

13 Reconciliation of movements in shareholders' funds

	2002 £'000	2001 £'000
Profit for the financial year	219	580
Opening shareholders' funds	<u>237,249</u>	<u>236,669</u>
Closing shareholders' funds	<u>237,468</u>	<u>237,249</u>

14 Ultimate parent undertaking and ultimate controlling party

The immediate parent undertaking is GEHE UK plc. The company's ultimate parent undertaking and controlling party is Franz Haniel & Cie GmbH, a company registered in Germany, by virtue of its majority shareholding in the intermediate parent GEHE AG and its consolidation of the GEHE AG Group results into its own consolidated financial statements.

Consolidated financial statements for the largest group of undertakings are prepared by Franz Haniel & Cie GmbH and may be obtained from Franz Haniel Platz 1, D47119 Duisburg, Ruhrort, Germany.

Consolidated accounts for the smallest group of companies are prepared by GEHE AG and may be obtained from GEHE AG, Neckartalstrasse 155, D-70376 Stuttgart, Germany.