

OLD MUTUAL INTERNATIONAL HOLDINGS (UK) LIMITED
(formerly Betamajor Limited)
and subsidiary undertakings

**AUDITOR'S REPORT TO THE MEMBER OF
OLD MUTUAL INTERNATIONAL HOLDINGS (UK) LIMITED**

We have audited the financial statements on pages 6 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group'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 and of the Group as at 30 June 1998 and of the loss of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

8 Salisbury Square
London
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KPMG Audit Plc
Chartered Accountants
and Registered Auditor

28 August 1998

