

CBRAIL (RUHR-SIEG) LIMITED

REPORT AND ACCOUNTS

4 MONTHS TO 31 DECEMBER 2005

COMPANY NUMBER: 5573151



CBRAIL (RUHR-SIEG) LIMITED

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CBRAIL (RUHR-SIEG) LIMITED

DIRECTORS AND COMPANY INFORMATION

DIRECTORS

P M Davy
T Duncan
W Goosen
G L T More
D L Shindler
E A Wilson

SECRETARY

M S Lodge

REGISTERED OFFICE

Level 7
Bishopsgate Exchange
155 Bishopsgate
London
EC2M 3YB

AUDITORS

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

CBRAIL (RUHR-SIEG) LIMITED

REPORT OF THE DIRECTORS

The directors present their Report and the audited financial statements for the period ended 31st December 2005.

PRINCIPAL ACTIVITY

During the period the company commenced the business of leasing assets to third parties.

BUSINESS REVIEW

The company was incorporated on 23rd September 2005.

During the period the company commenced the business of leasing assets to third parties by acquiring assets for letting under operating leases.

The company has prepared the accounts in Euros (€), as this is the currency of the primary economic environment in which it operates and generates net cash flows.

RESULTS AND DIVIDEND

The results for the period are shown in the income statement on page 7. The directors do not recommend the payment of a dividend.

FUTURE DEVELOPMENTS

The company remains committed to the business of leasing assets to third parties.

FINANCIAL INSTRUMENTS

The company's policy relating to the management of financial risk and potential exposures are detailed in note 17.

SUPPLIER PAYMENT POLICY

For the forthcoming year, the Company's policy for the payment of suppliers will be as follows:

- payment terms will be agreed at the start of the relationship with the supplier and will only be changed by agreement;
- standard payment terms to suppliers of goods and services will be 30 days from receipt of a correct invoice for satisfactory goods or services which we have ordered and received unless other terms are agreed in a contract;
- payment will be made in accordance with the agreed terms or in accordance with the law if no agreement has been made;
- suppliers will be advised when an invoice is contested without delay and we will settle disputes as quickly as possible.

The Company will comply with the Better Payment Practice Group's Code. Information regarding this code and its purpose can be obtained from the Better Payment Practice Group's website at www.payontime.co.uk.

The average number of day's credit taken at 31 December 2005 was 13 days.

CBRAIL (RUHR-SIEG) LIMITED

REPORT OF THE DIRECTORS (continued)

AUDITOR

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the Company in general meeting and the appointment of auditors annually are currently in force. The auditor, KPMG Audit Plc, will therefore be deemed to have been reappointed at the end of the period of 28 days beginning with the day on which the copies of this report and accounts are sent to members unless a resolution is passed under section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the period were as follows:

P M Davy (appointed on 5th December 2005)
T Duncan (appointed on 5th December 2005)
W Goosen (appointed on 5th December 2005)
G L T More ((appointed on 21st February 2006)
S J Peters (appointed on 5th December 2005 and resigned on 21st February 2006)
D L Shindler (appointed on 5th December 2005)
E A Wilson (appointed on 5th December 2005)

DIRECTORS' BENEFICIAL INTERESTS IN THE ORDINARY SHARES OF HBOS plc DURING THE PERIOD WERE AS FOLLOWS:

(References to "HBOS plc shares" are to ordinary shares of 25p each in HBOS plc)

During the period, no Director had any beneficial interest in the share capital of the Company or of any other Group undertaking other than in HBOS plc, the ultimate holding company.

Mr P M Davy, Mr T Duncan and Mr W Goosen did not have any interests in the share capital of HBOS plc.

The beneficial interests of the Directors and their immediate families in HBOS plc shares are set out below:

	At date of appointment	At 31.12.05
S J Peters	5,658	5,658
D L Shindler	333	333
E A Wilson	4,448	4,448

In addition as at 31st December 2005 Mr S J Peters was also beneficially interested in 400 Halifax plc Preference Shares of £ 1 each.

CBRAIL (RUHR-SIEG) LIMITED

REPORT OF THE DIRECTORS (continued)

SHORT-TERM INCENTIVE PLAN – HBOS SCHEME AND FORMER HALIFAX SCHEME

Certain Directors have conditional entitlements to shares arising from the annual incentive plan. Where the annual incentive for any period was taken in shares and these shares are retained in trust for three years, the following shares will also be transferred to the Directors:

	Grant effective from	Shares as at 31.12.05
S J Peters	March 2003	610
	March 2004	1,102
	March 2005	360
D L Shindler	March 2003	414
	March 2004	277
	March 2005	200
E A Wilson	March 2003	-
	March 2004	-
	March 2005	-

LONG-TERM INCENTIVE PLAN - HBOS SCHEME, FORMER BANK OF SCOTLAND SCHEME AND FORMER HALIFAX SCHEME

Share options granted between 1995 and 2000 under the Bank of Scotland Executive Stock Option Scheme 1995 are subject to performance pre-conditions which have now been satisfied. Share options granted under other plans are not subject to a performance precondition. Details of the options outstanding under these plans are set out below.

	Options outstanding At Date of Appointment	Granted (G)/ lapsed (L) or exercised (E) in the period	At 31.12.05
S J Peters	8,790	-	8,790
D L Shindler	4,311	-	4,311
E A Wilson	7,841	-	7,841

CBRAIL (RUHR-SIEG) LIMITED

REPORT OF THE DIRECTORS (continued)

SHARESAVE PLAN

Share options granted under these plans are set out below.

	At Date of appointment	Grant (G) lapsed (L) or exercised (E) in the period	At 31.12.05
S J Peters	1,740	-	1,740
D L Shindler	2,408	-	2,408
E A Wilson	2,329	-	2,329

Options under these plans were granted using middle market prices shortly before the dates of the grants, discounted by 20%.

By Order of the Board



D L SHINDLER
DIRECTOR
Level 7
Bishopsgate Exchange
155 Bishopsgate
London
EC2M 3YB

20th October 2006

CBRAIL (RUHR-SIEG) LIMITED
PERIOD ENDED 31 DECEMBER 2005
INCOME STATEMENT

	Notes	4 months to 31 December 2005
		€'000
Net operating lease income	2	(54)
Interest income		1
Interest expense and similar charges	3	(201)
Loss on ordinary activities before taxation		(254)
Income tax credit	6	76
Loss after tax for the financial period – all attributable to equity shareholders	14	(178)

The notes on pages 10 to 22 form part of the financial statements.

There are no recognised gains or losses other than those shown in the income statement

CBRAIL (RUHR-SIEG) LIMITED

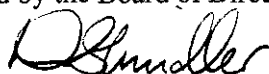
AS AT 31 DECEMBER 2005

BALANCE SHEET

	Notes	31 December 2005 €'000
Assets		
Operating leased assets	7	19,271
Total non-current assets		<u>19,271</u>
Cash and cash equivalents	13	283
Other current assets	9	3,377
Total current assets		<u>3,660</u>
Total assets		<u>22,931</u>
Equity		
Issued capital	14	-
Retained Earnings	14	(178)
Total equity		<u>(178)</u>
Liabilities		
Deferred tax liabilities	8	86
Total non current liabilities		<u>86</u>
Amounts due to group undertakings	13	22,437
Other liabilities	10	586
Total current liabilities		<u>23,023</u>
Total liabilities		<u>23,109</u>
Total equity and liabilities		<u>22,931</u>

The notes on pages 10 to 22 form part of the financial statements.

Approved by the Board of Directors on 20th October 2006 and signed on its behalf by



D L SHINDLER
Director

CBRAIL (RUHR-SIEG) LIMITED
PERIOD ENDED 31 DECEMBER 2005
STATEMENT OF CASH FLOWS

	Notes	4 months to 31 December 2005 €'000
Cash flows from operating activities		
Loss before taxation		(254)
Adjustments for:		
Amortised initial direct costs	2	54
Movement in debtors	9	(3,215)
Movement in creditors	10	586
Cash generated from operations		(2,829)
Net cash from operating activities		(2,829)
Cash flows from investing activities		
Purchase of operating leased asset	7	(17,436)
Direct costs incurred during the period	7	(1,889)
Net increase in cash and cash equivalents		(22,154)
Cash and cash equivalents at 1 January		-
Cash and cash equivalents at 31 December	13	(22,154)

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS

1. Accounting Policies

General information

CBRail (Ruhr-Sieg) Limited is a company domiciled in England.

The financial statements were authorised for issue by the directors on 20th October 2006.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations as adopted by the EU.

The accounting policies set out below have been applied in respect of the financial period ended 31 December 2005. The company has adopted the following exemptions set out in IFRS 1, 'First-time Adoption of International Financial Reporting Standards'. Using the exemptions within IFRS 1, IAS 32, IAS 39 and IFRS 4 only became effective from 1 January 2005.

IFRS 7 'Financial instruments: Disclosure' applicable for years commencing on or after 1 January 2007 has not been applied. The application of IFRS 7 in 2005 would not have affected the balance sheet or income statement as the standard is only concerned with disclosure.

These are the company's first IFRS financial statements and IFRS 1 has been applied.

Basis of preparation

The financial statements are presented in Euros, rounded to the nearest thousand. They are prepared on the historical cost basis.

Non current assets are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

1. Accounting Policies (continued)

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Finance leases and Operating Leases

Assets leased to customers which transfer substantially all the risks and rewards of ownership to the customer are classified as finance leases. They are recorded at an amount equal to the net investment in the lease, less any impairment provisions, within finance lease receivables.

The net investment in finance leases represent the sum of minimum payments receivable and unguaranteed residual value (gross investment in lease) discounted at the interest rate implicit in the lease. The difference between the gross investment in the lease and the net investment in the lease is recorded as unearned finance lease income.

All other assets leased to customers are classified as operating leases. These assets are separately disclosed in the balance sheet within operating leased assets and are recorded at cost less accumulated depreciation, which is calculated on a straight line basis. Operating lease assets are reviewed for impairment when there is an indication of impairment.

Operating lease rentals are recognised in the profit and loss account on a straight line basis. Initial direct costs incurred are deferred and allocated to income over the lease term in proportion to the recognition of rental income.

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

1. Accounting Policies (continued)

Impairment provisions

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

Impairment is assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant.

Individual impairment is identified at a counterparty specific level following objective evidence that a financial asset is impaired. This may be after a principal payment is missed.

The recoverable amount of other assets including operating leases is the greater of their net selling price and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If impaired the carrying value is adjusted and the difference charged to the income statement.

The reversal of an impairment loss for an asset is recognised immediately in the income statement. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Capitalisation of interest

Finance costs are capitalised during the construction period of assets that will be subject to operating leases.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and treasury funding balances held with group undertakings. These are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

1. Accounting Policies (continued)

Income tax

Income tax on the profit and loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided: goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates at the balance sheet date.

2. Net operating lease income

	4 months to 31 December 2005 €'000
Amortised initial direct costs	(54)
Operating lease income	-
Operating lease depreciation	-
	<hr/> <u>(54)</u> <hr/>

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

3. Interest expense and similar charges

**4 months to
31 December 2005
€'000**

Interest payable to group undertakings

201

4. Staff numbers and costs

The company has no employees. It uses the services of its immediate parent undertaking Bank of Scotland Structured Asset Finance Limited for which no charge is made.

Auditor's remuneration is borne by Bank of Scotland Structured Asset Finance Limited.

5. Directors' emoluments

None of the Directors received any emoluments for their services as Directors of the company.

CBRAIL (RUHR-SIEG) LIMITED
PERIOD ENDED 31 DECEMBER 2005
NOTES TO THE ACCOUNTS (continued)

6. Income tax expense

	4 months to 31 December 2005 €'000
Current tax	
Current tax credit for the period at a rate of 30%	162
	162
Deferred tax (note 8)	
Deferred tax charge for the period at a rate of 30%	(86)
	(86)
Total income tax credit in income statement	76

Reconciliation of effective tax rate

The tax assessed for the period is equal to the standard rate of corporation tax in the UK of 30%.

	4 Months to 31 December 2005 €'000
Loss on ordinary activities before taxation	(254)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	76
Total income tax credit in income statement	76

CBRAIL (RUHR-SIEG) LIMITED
PERIOD ENDED 31 DECEMBER 2005
NOTES TO THE ACCOUNTS (continued)

7. Operating leased assets

	€'000
Cost	
Balance at 23 September 2005	-
Additions	17,436
At 31 December 2005	17,436
Depreciation and impairment losses	
Balance at 23 September 2005	-
Depreciation charge for the period	-
At 31 December 2005	-
Direct cost	
Balance at 23 September 2005	-
Cost incurred for the period	1,889
Cost charge for the period	(54)
At 31 December 2005	1,835
Carrying amounts	
At 23 September 2005	-
At 31 December 2005	19,271

During the period, the company acquired, for cash, operating leased assets with a cost of €17,436,000.

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

8. Deferred tax liabilities

	31 December 2005 €'000
Deferred tax liabilities	(86)
Net position	(86)

The movement for the period in the company's net deferred tax position was as follows:

	31 December 2005 €'000
At 1 January	-
Charge to income for the period (note 6)	(86)
Balance carried forward as at 31 December	(86)

	Capital allowances on other assets	Total
	€'000	€'000
At 1 January 2005	-	-
Charge to income for the period (note 6)	(86)	(86)
Balance carried forward as at 31 December 2005	(86)	(86)

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

9. Other current assets

**31 December 2005
€'000**

Group relief	162
Other debtors	3,215
	<hr/>
	3,377

10. Other liabilities

**31 December 2005
€'000**

Other creditors	586
	<hr/>

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

11. Operating lease minimum receivable

The future minimum lease rentals receivable under non cancellable operating leases are as follows:

	31 December 2005 €'000
Less than one year	-
Between one and five years	15,980
More than five years	47,938
	<hr/> 63,918

12. Significant leasing arrangements

Operating Leases

The company leases 17 trains under operating leases over 12 years.

13. Cash and cash equivalents

	31 December 2005 €'000
Amounts owed from group undertaking	283
Cash balance	<hr/> 283
Amounts due to group undertakings	<hr/> (22,437)
Cash and cash equivalents in the statement of cash flows	<hr/> (22,154)

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

14. Capital and reserves

Reconciliation of movement in capital and reserves

	Share Capital €'000	Retained earnings €'000	Total €'000
Balance at 1 January 2005	-	-	-
Loss for the period	-	(178)	(178)
Balance at 31 December 2005	<u>-</u>	<u>(178)</u>	<u>(178)</u>

Share Capital

2005

Authorised

1000 ordinary shares of £1 each

£1000

Allotted, called up and fully paid

1 ordinary shares of £1

£1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

15. Related parties

Key management personnel and members of their close families have not undertaken any transactions with CBRail (Ruhr Sieg) Limited in the normal course of business.

The balances due to and from the related parties are shown within the notes to the accounts.

Amounts due to/(from) group undertakings	2005 €'000
Halifax plc	22,437
HBOS Group – Group relief	(162)
HBOS Treasury Services plc	(283)
	<hr/> 21,992 <hr/>
During the period the following transactions took place between group companies	€'000
Interest payable - Halifax plc	201
Interest receivable - HBOS Treasury Services plc	(2)
	<hr/> 199 <hr/>

The Group's policy in relation to lending to related parties and other product offering is disclosed in the Group accounts of HBOS plc, the ultimate parent company undertaking of CBRail (Ruhr-Sieg) Limited.

16. Parent undertaking

HBOS plc is the ultimate parent undertaking of CBRail (Ruhr Sieg) Limited and heads the largest group into which the accounts of the Company are consolidated. The consolidated accounts of HBOS plc may be obtained from its head office at The Mound, Edinburgh EH1 1YZ.

Halifax plc heads the smallest group into which the accounts of the Company are consolidated. The accounts of Halifax plc may be obtained from its head office at Trinity Road, Halifax HX1 2RG.

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

NOTES TO THE ACCOUNTS (continued)

17. Financial Instruments

Exposure to credit and interest rate risks arises in the normal course of the company's business.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers.

At the balance sheet date there was a concentration of credit risk with the lessee. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Fair values

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	Carrying amount 2005 €'000	Fair value 2005 €'000
Amounts owed to group undertakings	(22,437)	(22,437)
Amounts owed from group undertakings	283	283
	<hr/>	<hr/>
	(22,154)	(22,154)

Interest rate risk

In relation to income earning financial assets and interest bearing financial liabilities, the company does not have any interest rate exposure.

Agreements are either fixed rate agreements where the customer is committed to pay interest at a rate fixed at the commencement of the agreement for the agreement term, or for agreements which have variable interest rates, any rise or fall in the base rate is passed onto the customer at the date of change and are matched with the funding liability. Consequently the Company does not have any significant exposure to interest rate risk.

CBRAIL (RUHR-SIEG) LIMITED

PERIOD ENDED 31 DECEMBER 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of directors' responsibilities in respect of the Report and the financial statements

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU.

The financial statements are required by law to present fairly the financial position and performance of the company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these 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 they have been prepared in accordance with IFRSs as adopted by the EU; 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements 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.

CBRAIL (RUHR-SIEG) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CBRAIL (RUHR-SIEG) LIMITED

We have audited the financial statements of CBRAil (Ruhr-Sieg) Limited for the period ended 31 December 2005 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Report and Accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 23.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and Article 4 of the IAS Regulation. 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 other transactions is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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

CBRAIL (RUHR-SIEG) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CBRAIL (RUHR-SIEG) LIMITED (continued)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2005 and of its loss for the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants
Registered Auditor

8 Salisbury Square
London EC4Y 8BB

25 October 2006