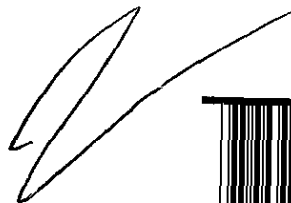


GLENMORE LOMOND PAPER GROUP LIMITED

ANNUAL REPORT

31 DECEMBER 1999

Registered number 191775



GLENMORE LOMOND PAPER GROUP LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 1999

The directors submit their report and accounts for the period ended 31 December 1999.

Principal activities

The company was incorporated in Scotland on 2 December 1998. It has not traded since that date.

On 31 December 1998 the company entered into an agreement to sell its assets to its immediate holding company, Robert Horne Paper Company Limited. On 1 January 1999 the company entered into agreement to act as an agent for its immediate holding company. From that date the Company has acted as an agent for Robert Horne Paper Company Limited, and the results of its trading activities are therefore contained within the accounts of Robert Horne Paper Company Limited.

Directors and share interests

The directors of the company who served during the period were as follows:

R W Ferguson	(appointed 1 March 1999)
R J L Jones	(appointed 2 December 1998)
T R Marchant	(appointed 1 March 1999)
J S Mason	(appointed 2 December 1999)
S T D Brown	(appointed and resigned 2 December 1998)
J N Kerr	(appointed and resigned 2 December 1998)

None of the directors had an interest in the ordinary share capital of the company at 31 December 1999, 2 December 1998 or date of appointment.

Year 2000

The company has experienced no problems associated with the year 2000. It expects this satisfactory situation to continue.

The euro

The directors do not anticipate that the company will trade in euros to any great extent until the euro becomes the UK's official currency. In their view this will not be for some years. They do not in any event expect the switch from sterling to the euro to present any significant problems.

Insurance of directors

The group of which the company is a member maintains insurance for directors in respect of their duties as directors of the company.

GLENMORE LOMOND PAPER GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 1999

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

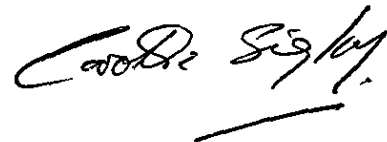
Statement of directors' responsibilities

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 at the end of the financial year and of the profit or loss for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 December 1999. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

By order of the board

A handwritten signature in black ink, appearing to read 'C Sigley', with a horizontal line underneath.

C Sigley
Secretary

1 August 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF
GLENMORE LOMOND PAPER GROUP LIMITED**

We have audited the financial statements on pages 4 to 6, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including, as described on page 2, the financial statements. Our responsibilities, as independent auditors, are established 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 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.

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.

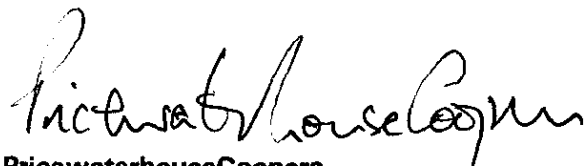
Basis of audit opinion

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 have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

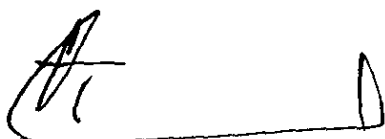
Chartered Accountants and Registered Auditors

Milton Keynes, 4 October 2000

GLENMORE LOMOND PAPER GROUP LIMITED
BALANCE SHEET 31 DECEMBER 1999

	Notes	1999 £000
Debtors: amount owed to immediate parent undertaking		<u>2</u>
Capital and reserves		
Called up share capital	2	<u>2</u>

The financial statements on pages 4 to 6 were approved by the board on 1 August 2000 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'T R Marchant', written over a horizontal line.

T R Marchant
Director

GLENMORE LOMOND PAPER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 1999

1. Accounting policies

Accounting convention

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

Basis of preparation

The company is included in the consolidated accounts of Buhrmann NV incorporated in The Netherlands.

Cash flow statement

Under Financial Reporting Standard ('FRS 1') (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of the ultimate parent company, Buhrmann NV, which is incorporated in an EU member state and prepares a consolidated cash flow statement in accordance with FRS 1 (revised).

2. Share capital	1999
	£
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>

3. Contingent liabilities

There are contingent liabilities arising in respect of bank guarantees relating to fellow subsidiary undertakings amounting to £7,823,000 at the balance sheet date.

The company has, in common with certain other subsidiaries of its ultimate parent company, given cross-guarantees of the obligations of associated companies in respect of the following bonds and other securities :

7% Dutch Guilder bonds due 15 April 2000 amounting to NLG300 million, 6.375% Austrian Schilling bonds due 20 January 2001 amounting to ATS1,000 million, and 12.25% Senior Subordinated Notes due 2009 amounting to US\$350 million.

The company has similarly cross-guaranteed the obligations of Buhrmann US Inc, a subsidiary of its ultimate parent company, in respect of banking facilities amounting to US\$1,202 million and €295 million. The company has in addition given fixed and floating charges over its undertaking and all the company's assets by way of security for its obligations under that guarantee. In each case the company has rights of contribution against its co-guarantors.

GLENMORE LOMOND PAPER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 1999

4. Related party transactions

No related party transactions were known to have been made in the period ended 31 December 1999.

5 Ultimate parent company

The company is a wholly owned subsidiary of Robert Horne Paper Company Limited. The smallest group in which the results are consolidated is that headed by Buhrmann NV, incorporated in The Netherlands.

The directors regard Buhrmann NV, incorporated in The Netherlands, as the ultimate parent company and controlling party. Copies of the parent's consolidated financial statements may be obtained from Buhrmann NV, PO Box 23456, 1100 DZ Amsterdam ZO, The Netherlands.