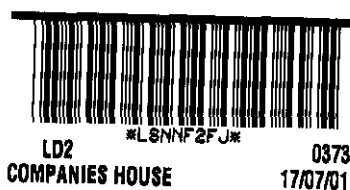


GREIG FESTER INVESTMENT HOLDINGS LIMITED

Financial Statements

for the year ended 31 December 2000



GREIG FESTER INVESTMENT HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

G D Chilton
D J Coldman
D H Spiller
J L P Whiter FCA

SECRETARY

G R G Stiff ACA ACIS

REGISTERED OFFICE

55 Bishopsgate
London EC2N 3BD

REGISTERED NUMBER

485154

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
Southwark Towers
32 London Bridge Street
London
SE1 9SY

GREIG FESTER INVESTMENT HOLDINGS LIMITED

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GREIG FESTER INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2000.

Activities

The company acts as an investment holding company.

Review and future development of the business

The company will continue to carry on the activities described above.

Share Capital

Details of the current share capital of the company are given in Note 7 to the financial statements.

Results and dividends

The results of the company for the year are shown on page 7.

The directors do not recommend the payment of a dividend.

Directors

The current directors of the company are listed on page 2 and have been directors throughout the period from 1 January 2000 until the date of this report. In addition, D R Losse was a director throughout the period from 1 January 2000 until his retirement on 31 March 2000 and R J Carless was a director throughout the period from 1 January 2000 until his resignation on 25 October 2000.

Directors' interests

No director had any interest in the shares of the company during the year under review.

The directors are also directors of Benfield Greig Group plc, the ultimate holding company and their interests in the shares of that company are disclosed in its financial statements.

GREIG FESTER INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT CONTINUED

Directors' responsibilities

Company law requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2000 and of the results of the company for the accounting period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make reasonable and prudent judgements and estimates;
- State whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

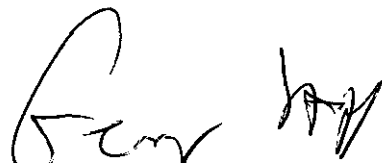
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements.

Auditors

The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the Annual General Meeting.

by order of the board



G R G Stiff ACA ACIS
Secretary

55 Bishopsgate
London EC2N 3BD

24 May 2001

GREIG FESTER INVESTMENT HOLDINGS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF GREIG FESTER INVESTMENT HOLDINGS LIMITED

We have audited the financial statements on pages 7 to 13 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 5, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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 misstatement 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 preparation 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Southwark Towers
32 London Bridge Street
London
SE1 9SY
24 May 2001

GREIG FESTER INVESTMENT HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Year ended 31 December 2000 £	Year ended 31 December 1999 £
Notes		
1 Turnover	9,706	-
2 Net operating expenses	-	(170)
Profit/(loss) on ordinary activities before taxation	9,706	(170)
3 Taxation on profit/(loss) on ordinary activities	37,981	(55,856)
Profit/(loss) on ordinary activities after taxation	47,687	(56,026)
Retained profit/(loss) for the year	47,687	(56,026)

The company's turnover and expenses all relate to continuing operations.

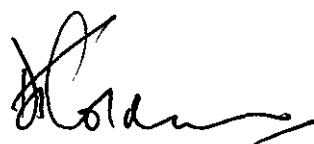
The company has no recognised gains and losses other than the profit (1999: loss) reported above and therefore no separate statement of total recognised gains and losses has been prepared.

GREIG FESTER INVESTMENT HOLDINGS LIMITED

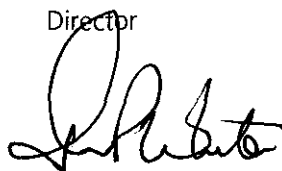
BALANCE SHEET AS AT 31 DECEMBER 2000

	2000 £	1999 £
Notes		
Fixed assets		
4 Investments	<u>557,571</u>	<u>557,571</u>
Current assets		
5 Debtors	6,911,702	6,886,492
6 Creditors: amounts falling due within One year	<u>(3,930,061)</u>	<u>(3,952,538)</u>
Net current assets	<u>2,981,641</u>	<u>2,933,954</u>
Net assets	<u>3,539,212</u>	<u>3,491,525</u>
Capital and reserves		
7 Called up share capital	50,000	50,000
8 Profit and loss account	<u>3,489,212</u>	<u>3,441,525</u>
9 Equity shareholders' funds	<u>3,539,212</u>	<u>3,491,525</u>

The financial statements on pages 7 to 13 were approved by the Board on 24 May 2001 and signed on its behalf by:



D J Coldman
Director



J L P Whiter FCA
Director

GREIG FESTER INVESTMENT HOLDINGS LIMITED

ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The directors consider that the accounting policies set out below are suitable, have been applied consistently and are supported by reasonable judgements and estimates.

Cashflow statement

The company is a wholly owned subsidiary of Benfield Greig Group plc and is included in the consolidated financial statements of that company, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

Turnover

Turnover is made up of investment income and interest receivable, together with gains on the disposal of investments, other than those classified as fixed asset investments.

Interest on deposits is credited as it is earned. Income from investments is credited when it is received, other than dividends from subsidiary undertakings, which are credited to income when declared. Franked investment income is shown after including related tax credits.

Taxation

The charge for taxation is based on the profit for the year at current rates of tax and takes into account deferred taxation. Deferred taxation is provided in respect of the tax effect of timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rate of tax expected to apply when the timing differences reverse.

Foreign currencies

Foreign currency transactions are translated into sterling at the rates of exchange ruling at the date of the transactions. Foreign currency monetary assets and liabilities are translated into sterling at the rates ruling at the balance sheet date. Exchange differences are dealt with in the profit and loss account.

Investments

Fixed asset investments are stated at cost less provision for any impairment.

GREIG FESTER INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 TURNOVER

	Year ended 31 December 2000 £	Year ended 31 December 1999 £
Interest received	8,184	-
Profit on realisation of investments	1,522	-
	<u>9,706</u>	<u>-</u>

2 NET OPERATING EXPENSES

Audit fees were borne by the company's ultimate parent undertaking.

There were no employees of the company during the period other than the directors.

None of the directors received any emoluments in respect of their services as directors of the company.

3 TAXATION

	Year ended 31 December 2000 £	Year ended 31 December 1999 £
UK corporation tax at 30% (1999: 30.25%)	12,721	-
Double taxation relief	(5,000)	-
Prior year (over)/under-provision	(45,702)	55,856
	<u>(37,981)</u>	<u>55,856</u>

GREIG FESTER INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000 CONTINUED

4 FIXED ASSET INVESTMENTS

	Listed outside the UK £	Group undertakings £	Total £
Cost			
At 1 January 2000	4,000	557,571	561,571
At 31 December 2000	4,000	557,571	567,571
Provision for impairment			
At 1 January 2000	(4,000)	-	(4,000)
At 31 December 2000	(4,000)	-	(4,000)
Net book value			
At 31 December 2000	0	557,571	557,571
At 31 December 1999	0	557,571	557,571

The company's subsidiary undertaking at 31 December 2000 was:

	Incorporated in	Class of share	Holding %
Benfield Greig SNC	France	Ordinary	99.99

Consolidated financial statements are not required to be prepared, as Greig Fester Investment Holdings Limited is a wholly owned subsidiary of Benfield Greig Group plc, which prepares consolidated financial statements for the group as a whole.

The directors consider that the value of the investment in the subsidiary is not less than the amount included in the balance sheet.

GREIG FESTER INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000
CONTINUED**

5 DEBTORS

	2000 £	1999 £
Due within one year		
Amounts owed by group undertakings	6,910,975	6,828,916
Taxation	-	57,576
Other debtors	727	-
	<u>6,911,702</u>	<u>6,886,492</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amounts due to group undertakings	3,922,340	3,952,538
Taxation	7,721	-
	<u>3,930,061</u>	<u>3,952,538</u>

7 SHARE CAPITAL

	2000 £	1999 £
Authorised		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

GREIG FESTER INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000 CONTINUED

8 PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Statement of retained profit		
Retained profit at the beginning of the year	3,441,525	3,497,551
Retained profit/(loss) for the year	47,687	(56,026)
Retained profit at the end of the year	3,489,212	3,441,525

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Opening shareholders' funds	3,491,525	3,547,551
Profit/(loss) for the year	47,687	(56,026)
Closing shareholders' funds	3,539,212	3,491,525

10 ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Benfield Greig Group plc, a company registered in England and Wales. Copies of Benfield Greig Group plc consolidated financial statements can be obtained from the company secretary at 55 Bishopsgate, London, EC2N 3BD.