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Rothschilds Continuation Finance B.V.

**Annual Report and Accounts
31 March 2007**

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Rothschilds Continuation Finance B.V.

Annual report

The Directors herewith present the annual accounts for the financial year ended 31 March 2007.

Results

The net profit for the year ended 31 March 2007 amounts to EUR 192,839 (2006: EUR 209,780).

Overview of activities

The principal activity of the Company is to act as a finance company. The Company has outstanding USD 200,000,000 Subordinated Primary Capital Undated Guaranteed Floating Rate Notes and USD 45,000,000 Subordinated Floating Rate Notes due 2015. The net proceeds from these two issues have been used for granting loans to, and placing deposits with, group companies.

Finance

The Company's current activities are financed by the issue of Floating Rate Notes.

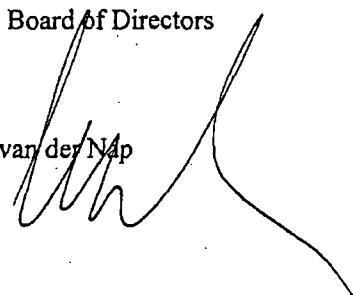
Future outlook

The Company will continue with its present activities as a finance company.

Rotterdam, 12 November 2007

For the Board of Directors

O.J.A. van der Nijp



Rothschilds Continuation Finance B.V.

Balance sheet as at 31 March 2007

(before proposed appropriation of profits)

(with comparative figures for 2006)

	<i>Note</i>	2007	2006
		EUR	EUR
Fixed assets			
<i>Financial fixed assets</i>			
Loans to group companies	4	183,727,034	202,153,554
Current assets			
Interest receivable from group companies		411,379	412,043
Other amounts due from group company		113,473	65,665
Income tax receivable	6	25,239	13,970
Cash at bank	5	342,514	218,423
		<hr/>	<hr/>
		892,605	710,101
Current liabilities			
Interest payable on floating rate notes		394,915	389,134
Amounts due to group company		59,666	59,661
Withholding tax payable		8,630	8,627
Accrued expenses		5,847	21,940
		<hr/>	<hr/>
		469,058	479,362
Net current assets		423,547	230,739
Total assets less current liabilities		184,150,581	202,384,293
Long-term debt			
Floating Rate Notes	7	183,727,034	202,153,554
		<hr/>	<hr/>
		423,547	230,739
		<hr/>	<hr/>
Capital and reserves			
Share capital	8	18,672	18,672
Accumulated profits		212,036	2,287
Profit and loss account		192,839	209,780
		<hr/>	<hr/>
		423,547	230,739
		<hr/>	<hr/>

The accompanying notes form an integral part of these accounts.

Rothschilds Continuation Finance B.V.

Profit and loss account for the year ended 31 March 2007

(with comparative figures for 2006)

	<i>Note</i>	2007	2006
		EUR	EUR
Interest income	9	10,777,431	8,654,330
Interest expense	9	10,491,018	8,342,117
Net interest income		286,413	312,213
Exchange results, net		-16,425	3,054
Profit before taxation		269,988	315,267
Taxation	6	77,149	105,487
Net profit	8	192,839	209,780

The accompanying notes form an integral part of these accounts.

Rothschilds Continuation Finance B.V.

Notes to the annual accounts

1 Group affiliation and principal activity

The Company is incorporated in the Netherlands with limited liability. The principal shareholders are Rothschilds Continuation Finance Holdings Limited, United Kingdom, and Rothschild Holding A.G., Switzerland.

The principal activity of the Company is that of a finance company.

2 Basis of presentation

The accompanying accounts have been prepared under the historical cost convention in accordance with principles of accounting generally accepted in the Netherlands.

3 Significant accounting policies

a Foreign currencies

Assets and liabilities denominated in foreign currencies, principally balances due from group companies and the balance of the Floating Rate Notes, are translated into Euros at rates of exchange prevailing at the balance sheet date.

Transactions in foreign currencies are converted at the prevailing rates in effect on the dates of the transactions. All exchange differences are reflected in the profit and loss account.

b Other assets and liabilities

All other assets and liabilities are shown at face value.

4 Loans to group companies

	2007	2006
	EUR	EUR
NM Rothschild & Sons Limited		
Primary capital loan, perpetual		
USD 100,000,000 (2006: USD 100,000,000)	74,990,626	82,511,655
NMR International N.V.		
Loans repayable on demand		
USD 145,000,000 (2006: USD 145,000,000)	108,736,408	119,641,899
	<u>183,727,034</u>	<u>202,153,554</u>

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The loan to NMR International N.V. has been advanced for an indefinite period, subject to the repayment dates of the relevant Floating Rate Notes and repayment is due on demand.

The movements in this caption are summarised as follows:

	EUR	USD
Balance as at 1 April 2006	202,153,554	245,000,000
Exchange rate fluctuations	-18,426,520	-
	<hr/>	<hr/>
Balance as at 31 March 2007	183,727,034	245,000,000
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The loans are unsecured. Interest on the above loans is determined periodically, being interest on the corresponding Floating Rate Notes payable plus a margin of at least 1/8% per annum.

5 Cash at bank

At 31 March 2007 cash includes short-term deposits which amount to EUR 205,000 (2006: nil).

6 Taxation

The Company has obtained rulings from the Netherlands tax authorities stipulating the basis on which minimum taxes are assessed. Provision for taxation has been made in accordance with such rulings. Final income tax assessments have been received for the financial years through 2003/2004.

7 Floating Rate Notes

At 31 March 2007 and 2006 the following Floating Rate Notes were outstanding:

	2007 USD	2006 USD
Due 2015	45,000,000	45,000,000
Undated	200,000,000	200,000,000
	<hr/>	<hr/>
	245,000,000	245,000,000
	<hr/>	<hr/>
Equivalent in EUR	183,727,034	202,153,554
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Floating Rate Notes due 2015 bear interest at a rate which is 1/4% per annum above LIBOR rates for six-month US dollar deposits. The payment of principal and interest on the Notes is unconditionally guaranteed on a subordinated basis by Rothschilds Continuation Limited.

Undated Floating Rate Notes of USD 200,000,000 have no final maturity date but may be redeemed in whole or in part subsequent to August 1991. The Notes are subordinated in that principal and interest on the notes will only be payable to the extent that after such payments the Company or the guarantor, Rothschilds Continuation Limited, as the case may be, would remain solvent.

A remedy for non-payment of interest thereon is not provided unless a dividend has been paid or declared by the Company or the guarantor in the six months prior to the relevant interest payment date. The Undated Floating Rate Notes bear interest at a rate which is 1/4% per annum above LIBOR rates for six month US dollar deposits. The guarantee of Rothschilds Continuation Limited will only take effect following default by the Company or the dissolution of the Company or the winding-up of the guarantor and will be effectuated by the substitution of the guarantor as principal debtor under the Notes in place of the Company.

8 Capital and reserves

As at 30 March 2006, the Company amended the Articles of Association. As of that date the authorised share capital is divided into 10,878 Ordinary A Shares of EUR 8.26 each, 500 Ordinary B Shares of EUR 1 each and 500 Cumulative Preference Shares of EUR 1 each, amounting to EUR 90,852. As at 31 March 2007 and 31 March 2006, 2,200 Ordinary A Shares and 500 Cumulative Preference Shares with a total nominal value of EUR 18,672 were issued and fully paid.

Movements in capital and reserves for the year ended 31 March 2007 are as follows:

	Share capital	Accumulated profits	Profit and loss account	Total
	EUR	EUR	EUR	EUR
Balance as at 1 April 2006	18,672	2,287	209,780	230,739
Appropriation of prior year profit	—	209,780	-209,780	—
Dividend paid	—	-31	—	-31
Profit for the year	—	—	192,839	192,839
Balance as at 31 March 2007	18,672	212,036	192,839	423,547

Rothschilds Continuation Finance B.V.

Comparative figures for the movements in capital and reserves for the year ended 31 March 2006 are as follows:

	Share capital EUR	Accumulated profits EUR	Profit and loss account EUR	Total EUR
Balance as at 1 April 2005	18,151	379,181	198,133	595,465
Appropriation of prior year profit	-	198,133	-198,133	-
Issue of preference shares	500	-	-	500
Rounding redenomination share capital	21	-	-	21
Dividend paid	-	-575,027	-	-575,027
Profit for the year	-	-	209,780	209,780
Balance as at 31 March 2006	18,672	2,287	209,780	230,739

The voting rights attached to the shares are as follows:
each Ordinary A Share confers the right to cast eight votes, and each Ordinary B Share and each Cumulative Preference Share confers the right to cast one vote.

The Directors may adopt a resolution to convert all of the Cumulative Preference Shares into Ordinary B Shares. The conversion ratio shall be one Ordinary B Share for each Cumulative Preference Share.

9 Interest income and expense

Interest income and expense comprise the following:

Interest income

	2007 EUR	2006 EUR
From group companies	10,773,822	8,647,183
From bank	3,609	7,147
	10,777,431	8,654,330

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Interest expense

	2007	2006
	EUR	EUR
Floating Rate Notes	10,490,564	8,341,205
Other	454	912
	<u>10,491,018</u>	<u>8,342,117</u>

10 Reimbursable expenses

The general and administrative expenses and the bank charges are borne by NM Rothschild & Sons Limited.

11 Directors

The Company has one (2006: one) Executive Director, who received no remuneration for his activities in this capacity during 2007 and 2006.

The Company has no Supervisory Directors.

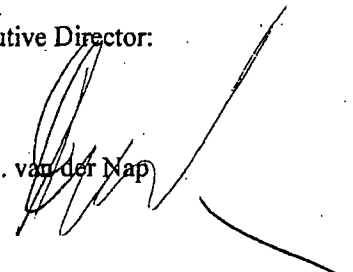
12 Staff numbers and employment costs

The Company has no employees and hence incurred no wages, salaries or related social security charges during 2007 and 2006. The administration of the Company is carried out by Fortis Intertrust B.V., Amsterdam.

Rotterdam, 12 November 2007

Executive Director:

O.J.A. van der Nap



Supplementary information

Statutory provisions for the appropriation of profits

Article 22 of the Company's Articles of Association stipulates the following:

1. The allocation of profits earned in a financial year shall be determined by the General Meeting of Shareholders.
2. Distributions can only take place up to the amount of the distributable part of the net assets.
3. A distribution of profits shall take place after the adoption of the annual accounts from which it appears such distribution is approved and can only take place up to the amount of the distributable part of the net assets.
4. On each dividend payment date, the Directors resolve to distribute, to the extent permitted by law, from the profits earned in the current financial year, on each Cumulative Preference Share, an amount of one point twenty-five percent (1.25%) of the nominal value. A distribution shall not exceed the amount of the distributable part of the net assets. No further distributions shall be made on the Cumulative Preference Shares.
5. If, on a dividend payment date, the profits are not sufficient to pay the amount referred to in the preceding paragraph, to the holders of the Cumulative Preference Shares the provisions of paragraph 4 and paragraph 6 shall apply on subsequent dividend payment dates only after the deficit has been recovered.
6. The profits remaining after a distribution to the holders of the Cumulative Preference Shares, referred to in the preceding paragraphs, shall be determined by the General Meeting of Shareholders.
7. The Directors may, subject to due observance of the preceding paragraphs; resolve to pay an interim dividend, provided that such distribution shall not exceed the amount of the distributable part of the net assets.
8. The Directors may, subject to due observance of the preceding paragraphs; resolve to make payments to the charge of any reserve which need not to be maintained by virtue of the law.

Appropriation of profits

In the year under review, in accordance with Article 22, paragraph 4, of the Articles of Association, the Directors resolved to declare and distribute interim-dividends, amounting to EUR 31.25 in total, on the 500 Cumulative Preference Shares.

As at the date of the annual accounts, the Directors have not proposed a further appropriation of the profit for the year ended 31 March 2007.

Auditors' report

The auditors' report is set forth on the following page.



To: Rothschilds Continuation Finance B.V.

Auditors' report

Report on the annual accounts

We have audited the accompanying annual accounts 2007 of Rothschilds Continuation Finance B.V., Rotterdam, which comprise the balance sheet as at 31 March 2007, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the annual accounts and for the preparation of the annual report both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Rothschilds Continuation Finance B.V. as at 31 March 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the annual report is consistent with the annual accounts as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 12 November 2007

KPMG ACCOUNTANTS N.V.



W.R. van den Dam RA