

Robeco CSO III B.V.

Financial statements 2007

Amsterdam, the Netherlands

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1 Director's report

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1.1 Director's report

Management hereby presents to the shareholders the financial statements of Robeco CSO III B.V. (the "Company") for the year 2007.

1.1.1 General

Corporate bonds returned less than Treasuries in 2007, despite the relatively benign macroeconomic environment. Spreads on financials widened in the second half of the year especially, as the banking sector suffered from its losses on mortgage-related exposures. Central banks injected large volumes of liquidity into the market in an attempt to mitigate the rising cost of funding, but this could not prevent financial institutions ending the year on a weak tone. The desire to have sufficient liquidity available at year-end resulted in a tight situation on the money market in the last weeks of 2007.

1.1.2 Activities and results

The Company was incorporated on November 7, 2001 as an investment company. The Company has issued notes to investors and consequently made investments and entered into credit default swap agreements (as buyer or seller) and acquiring of claims either or not in the framework with the aforementioned pursuant to and in accordance with an Offering Circular issued by the Company, dated December 7, 2001.

During the financial year, no Credit Default Swaps have been unwound in order to avoid the occurrence of a Credit Event and in order to rebalance the synthetic portfolio to the meet the criteria as set out in the Offering Circular.

During the financial year, the Company made a profit (EUR 2,359,358), which has been settled with the total value of the notes. The developments in the credit markets impacted the fair value adjustments for this financial year. It is expected that the fair value movements in 2007 are compensated towards the end of the duration of the structure.

A Supplement Portfolio Management Agreement and a Supplement Trust Deed have been executed on May 14, 2003 in which some amendments have been recorded. The amendments relate to the subordination in the interest, principal and enforcement priority of payments of management fees, as well as a deferral of due but unpaid management fees. Moody's France S.A. confirmed that these amendments would not, in and of themselves, negatively affect the current credit ratings of the notes issued by the Company.

Credit events

During 2007 no Credit Event occurred relating to the Reference Entity under the Credit Default Swap Agreement.

1.1.3 Future outlook

Under the current circumstances, the long-term interest rates may not change very much. This year may be better for investors in government bonds than the previous year. The main risk is the combination of slower growth and higher inflation rates than foreseen. This could be bad for investments in government bonds. The prospects for corporate bonds are mixed. Companies with weaker balance sheets (high-yield companies)

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could suffer most, while on the other hand bonds issued by strong commercial or financial companies already offer attractive premiums in return for the relatively small risk of default.

No material change in activities is contemplated for the coming year. It is expected that the result over 2008 will be influenced by the scheduled maturity date in September 2008.

1.1.4 Financial instruments

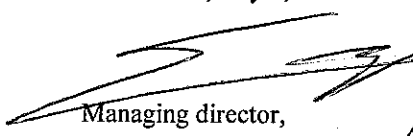
The Company is not exposed to any currency risks. The Company is exposed to risks concerning the unwinding of the Credit Default Swaps and the occurrence of Credit Events in relation thereto. Due to the substantial impact of the unwinding, the total value of the Notes may equally in- or decrease. These in- or decreases (expressed by means of results attributable to noteholders) are expected to be compensated towards the end of the duration of the structure. The Company is exposed to interest rate risks on the interest-bearing receivables (mainly taken up in financial fixed assets, securities and cash and cash equivalents) and on the interest-bearing long-term and current liabilities (the variable interest on the Notes). The Company has not entered into any derivative contracts to hedge the interest risk on receivables. The Company does not have any significant concentrations of credit risk. The Company is subjected to creditworthiness tests by rating agencies. Its Notes are listed on the Luxembourg Stock Exchange. The Company's Credit Default Swap counterparties are reliable banks and financial institutions.

1.1.5 Post balance sheet events

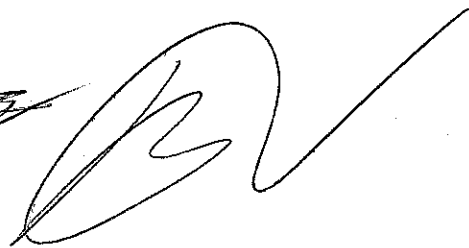
After the balance sheet date, no Credit Default Swaps have been unwound.

After the balance sheet date, no Synthetic Credit Event has occurred.

Amsterdam, July 3, 2008


Managing director,

RCS Management B.V.



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2 Financial statements

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2.1 Balance sheet as at December 11, 2007 (after appropriation of result)

	<u>Notes</u>	<u>December 11, 2007</u>		<u>December 11, 2006</u>	
		EUR	EUR	EUR	EUR
ASSETS					
Non-current assets					
Financial assets	2.5.1		219,171,700		281,107,840
Current assets					
Receivables	2.5.2	3,344,777		2,362,622	
Cash and cash equivalents		<u>81,341,035</u>		<u>14,643,527</u>	
			<u>84,685,812</u>		<u>17,006,149</u>
			<u>303,857,512</u>		<u>298,113,989</u>
EQUITY AND LIABILITIES					
Shareholder's equity					
Share capital	2.5.3	18,000		18,000	
Retained earnings		<u>0</u>		<u>0</u>	
			18,000		18,000
Non-current liabilities					
	2.5.4		299,031,026		294,826,930
Current liabilities					
	2.5.5		<u>4,808,486</u>		<u>3,269,059</u>
			<u>303,857,512</u>		<u>298,113,989</u>

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2.2 Statement of income for the year 2007

	<i>Notes</i>	December 11, 2007		December 11, 2006	
		EUR	EUR	EUR	EUR
Operating interest income	2.5.7		21,271,293		17,832,114
Operating interest expenses	2.5.8		15,523,679		11,521,093
Other operating expenses	2.5.9		3,813,503		2,195,437
Operating result			<u>1,934,111</u>		<u>4,115,584</u>
Financial income and expenses					
Interest Rabobank, current account EUR		432		301	
Interest income Collateral - and Interest Collection Accounts		<u>425,026</u>		<u>240,388</u>	
			<u>425,458</u>		<u>240,689</u>
Income before taxation			<u>2,359,569</u>		<u>4,356,273</u>
Corporate income tax	2.5.10		<u>211</u>		<u>199</u>
Income after taxation			<u>2,359,358</u>		<u>4,356,074</u>
Results attributable to noteholders	2.5.12		<u>(2,359,358)</u>		<u>(4,356,074)</u>
Net result			<u><u>0</u></u>		<u><u>0</u></u>

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2.3 Cashflow statement for the year 2007

	<u>December 11, 2007</u>		<u>December 11, 2006</u>	
	EUR	EUR	EUR	EUR
Cash flow from operating activities				
Operating result (net sales margin)		1,934,111		4,115,584
<i>Adjustments in respect of:</i>				
Amortisation of intangible fixed assets and depreciation of tangible fixed assets	2,810,880		1,926,222	
Exceptional impairments in value of current assets	0		0	
(Addition to)/release from provisions	<u>0</u>		<u>0</u>	
		2,810,880		1,926,222
<i>Changes in working capital:</i>				
Receivables	(982,156)		(852,618)	
Stocks	0		0	
Current liabilities	<u>1,539,426</u>		<u>933,113</u>	
		<u>557,270</u>		<u>80,495</u>
Cash flow from ordinary activities		5,302,261		6,122,301
Interest received	425,458		240,689	
Corporate income tax paid	<u>(211)</u>		<u>(199)</u>	
		<u>425,247</u>		<u>240,490</u>
Cash flow from operating activities		<u>5,727,508</u>		<u>6,362,791</u>
Cash flow from investment activities				
Financial fixed assets which have become current assets	63,490,000		0	
Investments in Other Financial Fixed Assets	<u>(2,520,000)</u>		<u>(2,520,000)</u>	
		60,970,000		(2,520,000)
Net increase in cash and cash equivalents		<u>66,697,508</u>		<u>3,842,791</u>
Cash and cash equivalents				
Beginning of period		14,643,527		10,800,736
End of period		<u>81,341,035</u>		<u>14,643,527</u>

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2.4 General notes to the financial statements

2.4.1 General information

The Company was incorporated with limited liability under the laws of the Netherlands on November 7, 2001. The registered office of the Company is in Amsterdam, the Netherlands. The financial year of the Company shall run through the 4th business day prior to the 15th day of December (payment date) of a given calendar year. The end of the financial year has therefore been set at December 11, 2007.

The maturity date of the notes is scheduled for September 2008. The maturity date of the issued notes is equal to the notes purchased by the Company.

2.4.2 Group structure

The Company is a subsidiary of Stichting Robeco CSO III-A and Stichting Robeco CSO III-B, both incorporated in the Netherlands, which own 50% of the Company's shares each.

2.4.3 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred.

The Company qualifies as a medium sized company. Therefore, based on Article 397 Book 2 of the Dutch Civil Code, exemptions apply to the figures, presentation and disclosures in the Company's financial statements.

Comparison previous year

The accounting principles remained unchanged compared to the previous year.

Notes to the cash flow statement

The cash flow statement has been prepared applying the indirect method. Cash flows in foreign currencies have been translated at estimated average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Receipts and payments of interest, dividends received and corporate income tax are included in the cash flow from operating activities. Dividends paid have been included in the cash flow from financing activities.

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Financial fixed assets

The Class A Asset Backed Floating Rate Notes are valued at the lower of cost or market value. Gains or losses, if any, are recorded in financial income and expenses. Other financial fixed assets include start-up costs and are valued at cost less depreciation over the maturity of the notes.

Cash and cash equivalents

The deposits are valued at nominal value.

Other assets and liabilities

All other assets and liabilities are stated at the amounts at which they were acquired or incurred except where a different basis of valuation has been indicated in these annual accounts.

Profit and loss

All income and expenses are recognized and recorded on an accrued basis and are recorded in accordance with the Offering Circular.

Corporate income tax

Provisions for taxation have been made in accordance with the cost plus ruling practice in the Netherlands.

Derivatives

The company entered into credit default swaps under which the company granted protection to swap-counterparties, related to one or more reference entities.

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2.5 Notes to the balance sheet and the statement of income

2.5.1 Financial assets

On December 10, 2001, the Company purchased Class A Asset Backed Floating Rate Notes due 2010 issued by Chester Asset Receivables Dealings 2001 A PLC at a price of EUR 221,525,168. The purchase price included an amount of accrued interest of EUR 975,168. Completion of the sale and purchase took place on the same date by the transfer of Collateral Debt Securities to the account of JPMorgan Chase Bank, London branch in its capacity as custodian pursuant to the Custody Agreement dated December 10, 2001. The carrying amount of the Class A Asset Backed Floating Rate Notes approximates the fair value. The Class A Asset Backed Floating Rate Notes will be sold on the scheduled maturity date of the Credit-Linked Notes in September 2008.

The investments consist of the following:

	11-12-2007	11-12-2006
	EUR	EUR
Nominal value Class A Asset Backed Floating Rate Notes due 2010	219,171,000	220,000,000
Premium paid on Class A Asset Backed Floating Rate Notes due 2010	0	550,000
Total depreciation premium paid on Class A Asset Backed Floating Rate Notes due 2008	0	(412,160)
Rabobank, deposits	0	60,970,000
	<u>219,171,000</u>	<u>281,107,840</u>

2.5.2 Current assets

Receivables

	11-12-2007	11-12-2006
	EUR	EUR
<i>Interest receivable on:</i>		
Class A Asset Backed Floating Rate Notes	2,637,067	1,887,948
Collateral account	13,505	0
Rabobank, deposits	694,205	474,674
	<u>3,344,777</u>	<u>2,362,622</u>

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Cash and cash equivalents

	11-12-2007	11-12-2006
	EUR	EUR
Collateral accounts	17,839,488	14,631,660
Rabobank, deposits	63,490,000	0
Rabobank, current account EUR	11,547	11,867
	<u>81,341,035</u>	<u>14,643,527</u>

2.5.3 Shareholder's equity

Share capital

The Company's authorized capital comprises 180 common shares, with a nominal value of EUR 100, totaling EUR 18,000, with an issued and paid-up share capital of EUR 18,000.

2.5.4 Non-current liabilities

	11-12-2007	11-12-2006
	EUR	EUR
Class A Secured Floating Rate Credit-Linked Notes	213,000,000	213,000,000
Class B Secured Floating Rate Credit-Linked Notes	15,500,000	15,500,000
Class C Secured Floating Rate Credit-Linked Notes	31,500,000	31,500,000
Subordinated Secured Variable Rate Credit-Linked Notes	40,000,000	40,000,000
Class P Combination Notes*	0	0
Capitalized finance costs	(12,452,000)	(12,452,000)
Total depreciation capitalized finance costs	11,176,054	9,331,314
Deferred results attributable to noteholders	306,972	(2,052,384)
	<u>299,031,026</u>	<u>294,826,930</u>

* Each Combination Note consists of two Components, a Class C Component and a Subordinated Notes Component. The initial principal amount of the Combination Notes [Euro 7.500.000] is included in the initial principal amounts of the respective underlying classes of Notes shown above.

The Company issued the above Notes pursuant to a Trust Deed, dated December 10, 2001, between the Company and J.P.Morgan Chase Bank, London Branch (the "Trustee"). The Notes are secured in the manner described in the Conditions. The Notes will accrue interest from and including December 10, 2001 (the "Closing Date").

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Interest on the Notes will be payable quarterly in arrear on March 15, June 15, September 15 and December 15 in each year up to and including June 15, 2008 and then on the Scheduled Maturity Date, which is September 17, 2008 (each a "Payment Date"), in accordance with the Interest Priority of Payments and the Principal Priority of Payments. Interest on the Notes will accrue as follows: Class A Notes EURIBOR + 0.55%, Class B Notes EURIBOR + 0.85%, Class C Notes EURIBOR + 2.75% and Subordinated Notes EURIBOR + 2.00%. An additional payment of interest may also be made on the Subordinated Notes of the balance standing to the credit of the Interest Collection Account on any Payment Date after payment of all prior ranking payments in the Interest Priority of Payments. The first payments of interest have been made on March 15, 2002 in respect of the period from, and including, the Closing Date to, but excluding, March 15, 2002. Unless redeemed earlier in accordance with the Conditions, on each Payment Date commencing on September 17, 2008 to the Maturity Date the Notes shall be redeemed in accordance with the Principal Priority of Payments. On each Payment Date on which payments, whether in accordance with Condition 4(a), 5(c) or 8(b), are made on a Class of Notes with a related Component (as defined below), a portion of such payment shall be allocated to the Combination Notes in the proportion the principal amount of such Component bears to the Outstanding Principal Balance of the related Class of Notes (including the related Component).

It was a condition to the issuance of the Notes that the Class A Notes be rated "Aaa" by Moody's Investors Service, Inc. ("Moody's"), that the Class B Notes be rated at least "Aa2" by Moody's, that the Class C Notes be rated at least "Baa1" by Moody's and that the Combination Notes be rated at least "Baa1" by Moody's. The Subordinated Notes have not been rated by any rating agency. All such ratings and listings were granted before the Balance Sheet date. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

The Notes are obligations solely of the Issuer and are not guaranteed by nor are they the responsibility of any other entity. The Notes do not represent an interest in or obligations of, and are not insured or guaranteed by, J.P. Morgan Securities Ltd., Robeco Bank Holding B.V. operating under the name Robeco Capital Markets or Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) ("Rabobank International") (together, the "Managers"), Robeco Alternative Investments, the Portfolio Manager, the Foundations, the Issuer Administrator, the Portfolio Administrator, the Credit Default Swap Counterparties or the Trustee or any of their respective affiliates.

Each Class of Notes is initially represented by a Temporary Global Note, without interest coupons, which was deposited with a common depository on behalf of Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") on or about the Closing Date. Each Temporary Global Note has been exchanged for interests in a Permanent Global Note, without interest coupons on January 21, 2002, upon certification as to non-US beneficial ownership. Each Permanent Global Note is exchangeable for definitive Notes in bearer form only in the limited circumstances set out in the Offering Circular.

The Notes are listed on the Luxembourg Stock Exchange.

Payments of principal and interest on the Notes will be dependent on, inter alia, the performance of the Synthetic Portfolio. Payments of principal and interest under the Notes may also be affected if a Collateral Credit Event occurs with respect to the Collateral Debt Securities or the Eligible Investments. The Notes represent a leveraged exposure to the Synthetic Portfolio. If one or more Synthetic Credit Events or Collateral Credit Events occur, the amount payable on the Notes at maturity may be less than the respective Outstanding

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Principal Balance of the Notes or may be zero. Also, on any Payment Date, if a Class B Interest Trigger Event has occurred and is continuing, interest payable on the Class B Notes and the Class C Notes shall be deferred and no interest will be payable in respect of the Subordinated Notes for that Payment Period and if a Class C Interest Trigger Event has occurred and is continuing, interest payable on the Class C Notes shall be deferred and no interest will be payable in respect of the Subordinated Notes for that Payment Period. Payments of interest shall be made in accordance with the Interest Priority of Payments. To the extent that there are insufficient funds available to pay all the interest due on the Class B Notes or the Class C Notes in accordance with the Interest Priority of Payments such shortfall in interest shall be deferred.

Included in the deferred results attributable to noteholders are realised losses due to Credit Events and results on credit default swaps that have been unwound in order to avoid the occurrence of a Credit Event and in order to rebalance the Synthetic Portfolio to meet the criteria as set out in the Offering Circular. Pursuant to the Trust Deed, a Loss Amount Reserve Payment is included in the interest waterfall in order to offset realised losses. The loss reserve payments have also been included in the deferred results attributable to noteholders. The remaining balance of deferred results can be regarded as part of liability of the notes issued at the end of the duration. Negative deferred results are expected to be compensated towards the end of the duration of the structure by means of loss reserve payments.

2.5.5 Current liabilities

	11-12-2007	11-12-2006
	EUR	EUR
Creditors	447,152	35,705
Suspense account	0	0
<i>Interest payable on:</i>		
Class A Secured Floating Rate Credit-Linked Notes	2,842,839	2,084,210
Class B Secured Floating Rate Credit-Linked Notes	218,627	163,422
Class C Secured Floating Rate Credit-Linked Notes	595,595	483,403
Subordinated Secured Variable Rate Credit-Linked Notes	663,824	462,089
Class P Combination Notes*	0	0
Corporate income tax	449	230
Accrued liabilities	40,000	40,000
	4,808,486	3,269,059

2.5.6 Off-balance sheet items

Credit Default Swap Agreements

The Company has entered into a 1992 ISDA Master Agreement (Multicurrency - Cross Border) with Citibank N.A., Credit Suisse First Boston International, Deutsche Bank AG, JPMorgan Chase Bank, Lehman Brothers Special Financing Inc., Rabobank International and UBS AG, London Branch . All counterparties are referred

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to as "Credit Default Swap Counterparties". Each such agreement, together with all credit default swap transactions entered into thereunder, a "Credit Default Swap Agreement" and together, the "Credit Default Swap Agreements".

Pursuant to the Credit Default Swap Agreements, the Company entered into credit default swap transactions as protection seller and in certain cases as protection buyer with the Credit Default Swap Counterparties evidenced by confirmations which will supplement and form part of the relevant Credit Default Swap Agreement (each credit default swap transaction where the Company has sold protection, a "Credit Default Swap" and, together, the "Credit Default Swaps" and each credit default swap transaction where the Issuer has bought protection, an "Off-setting Credit Default Swap" and together, the "Off-setting Credit Default Swaps").

Each Credit Default Swap and each Off-setting Credit Default Swap is referenced to a specific Reference Entity. The portfolio of Credit Default Swaps (including the Reference Entities which are the subject of them) which have not been terminated in accordance with the relevant Credit Default Swap Agreement, settled following a Synthetic Credit Event or off-set or unwound, is referred to as the "Synthetic Portfolio". The specifics of the credit default swap transactions in which the Company is involved as per the balance sheet date have been reported in a quarterly report as per the same date. As of December 11, 2007 the outstanding notional value of the Synthetic Portfolio amounted to EUR 979,000,000.

The portfolio of credit default swaps qualifies as a financial asset in accordance with the General Accepted Accounting Principles in the Netherlands and have been valued at cost, which is nil. Some credit default swap contracts have a negative fair value as at December 11, 2007, these negative fair values have however not been presented in the balance sheet as the fair value at maturity date is expected to be nil and no credit default events are expected to occur.

Fair value is the amount at which an asset can be traded or a liability settled between knowledgeable, willing parties in an arm's length transaction. As for the Credit Default Swaps no fair value can be readily and reliably established, fair value is approximated by using valuation models and valuation techniques. For that purpose, Management used the JP Morgan Model, applying recovery rates and spread curves obtained from Markit, making allowance for specific circumstances.

Credit events

During 2007 no Credit Events occurred relating to the Reference Entity under the Credit Default Swap Agreement.

In 2007 no Credit Default Swaps have been unwound in order to avoid the occurrence of a Credit Event and in order to rebalance the sythetic portfolio to the meet the criteria as set out in the Offering Circular.

Management estimates the fair value of the Synthetic Portfolio to be negative EUR 546,944.

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Swap portfolio

As at December 11, 2007, the credit swap portfolio comprised:

Reference entity	Fair Value	Notional	Balance sheet value
- DAIMLERCHRYSLER AG	71,065	9,000,000	-
- LEAR CORP	5,055	5,000,000	-
- PEUGEOT SA	12,368	9,000,000	-
- BCO COMERCIAL PORTUGUES SA	19,812	9,000,000	-
- BCO ESPIRITO SANTO S.A.	9,966	9,000,000	-
- JPMORGAN CHASE S.A.	27,196	10,000,000	-
- BCO SANTANDER CEN HISPANO S.A.	23,816	9,000,000	-
- BAY HYPO UND VEREINSBANK AG	10,558	9,000,000	-
- COMMERZBANK AG	11,990	9,000,000	-
- ANGLO IRISH BANK	(138,761)	9,000,000	-
- STANDARD CHARTERED BANK	29,843	9,000,000	-
- IMPERIAL TOBACCO GROUP PLC	52,509	9,000,000	-
- ALTRIA GROUP INC	20,921	3,000,000	-
- BRITISH AMERICAN TOBACCO PLC	18,206	9,000,000	-
- GALLAHER GROUP PLC	49,454	9,000,000	-
- ALLIED DOMECQ PLC	7,770	9,000,000	-
- ALTRIA GROUP INC	45,457	9,000,000	-
- WPP GROUP PLC	54,971	9,000,000	-
- AOL TIME WARNER INC	37,639	9,000,000	-
- CLEAR CHANNEL COMMUNICATIONS INCORPORATED	(13,739)	9,000,000	-
- COMCAST CABLE COMMUNICATIONS INC.	54,142	9,000,000	-
- INTERPUBLIC GROUP COS	21,126	9,000,000	-
- D.R. HORTON INC	(48,532)	5,000,000	-
- LYONDEL CHEMICAL COMPANY	121,800	5,000,000	-
- INTERNATIONAL PAPER CO.	56,171	9,000,000	-
- STORA ENSO OYJ	8,717	9,000,000	-
- UPM-KYMMENE OYJ	(7,630)	9,000,000	-
- HANSON PLC	22,278	9,000,000	-
- LAFARGE	17,385	9,000,000	-
- GENERAL ELECTRIC CAPITAL CORP	25,418	10,000,000	-
- ADECCO SA	18,530	3,000,000	-
- ADECCO SA	37,630	9,000,000	-
- KONINKLIJKE PHILIPS ELECTRONICS NV	32,936	9,000,000	-
- MERRILL LYNCH & CO	(63,624)	10,000,000	-
- COUNTRYWIDE HOME LOANS INC	(1,159,678)	9,000,000	-
- GOLDMAN SACHS GRP INC	(14,645)	9,000,000	-
- HOUSEHOLD FIN CORP	29,806	9,000,000	-
- LEHMAN BROS HLDGS INC	(62,972)	9,000,000	-
- MBNA AMER BK NA	95,971	9,000,000	-
- MORGAN STANLEY DEAN WITTER & CO	(45,675)	9,000,000	-
- KONINKLIJKE AHOLD NV	3,330	9,000,000	-
- BAXTER INTL INC	27,399	9,000,000	-
- ACCOR SA	32,275	9,000,000	-
- ZURICH INSURANCE COMPANY	53,597	10,000,000	-
- ASSICURAZIONI GENERALI SPA	16,402	9,000,000	-

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Reference entity	Fair Value	Notional	Balance sheet value
- ROYAL & SUNALLIANCE INSURANCE PLC	15,965	9,000,000	-
- AXA	9,820	9,000,000	-
- MGM MIRAGE	93,108	9,000,000	-
- BOMBARDIER INCORPORATED	54,136	9,000,000	-
- PIONEER NATURAL RESOURCE	68,322	5,000,000	-
- YUM! BRANDS INC.	80,719	5,000,000	-
- PEARSON PLC	46,148	9,000,000	-
- REED ELSEVIER PLC	29,508	9,000,000	-
- VNU NV	(52,544)	9,000,000	-
- WOLTERS KLUWER N.V.	32,207	9,000,000	-
- BRITISH TELECOM PLC	42,939	9,000,000	-
- DEUTSCHE TELEKOM AG	45,661	9,000,000	-
- FRANCE TELECOM SA	82,192	9,000,000	-
- PORTUGAL TELECOM INTERNATIONAL FINANCE BV	29,735	9,000,000	-
- TELECOM ITALIA SPA	60,361	9,000,000	-
- TELEFONICA SA	35,027	9,000,000	-
- TELEKOMUNIKACJA POLSKA SA	107,365	9,000,000	-
- VERIZON GLOBAL FDG CORP	60,697	9,000,000	-
- VODAFONE GP PLC	25,697	9,000,000	-
- UNITED UTILITIES WATER PLC	(7,981)	9,000,000	-
- TRANSCO PLC	21,333	9,000,000	-
- VIVENDI ENVIRONNEMENT	13,726	9,000,000	-
- RWE AG	26,772	10,000,000	-
- SIEMENS AG	18,192	10,000,000	-
- AMERICAN EXPRESS CO.	32,274	10,000,000	-
- IBM CORP	66,779	12,000,000	-
- ABN AMRO Bk N V	21,891	9,000,000	-
- CREDIT SUISSE GROUP	39,055	10,000,000	-
- DRESDNER BANK	41,996	10,000,000	-
- DOW CHEMICAL COMPANY	86,758	10,000,000	-
- THYSSEN KRUPP AG	63,283	10,000,000	-
- ACHMEA HOLDING NV	63,217	6,000,000	-
- PRUDENTIAL PLC	35,731	10,000,000	-
- KONINKLIJKE KPN NV	66,287	9,000,000	-
- SUEZ SA	57,062	9,000,000	-
- BAYER AG	105,495	9,000,000	-
- ACE LIMITED	81,367	9,000,000	-
- AEGON NV	38,627	7,000,000	-
- COMPAGNIE DE SAINT-GOBAIN	17,976	10,000,000	-
- RENAULT S.A.	17,774	10,000,000	-
- CONTINENTAL AG	20,813	10,000,000	-
- AVIVA PLC	45,590	10,000,000	-
- ING VERZEKERINGEN NV	29,597	6,000,000	-
- ANGLO AMERICAN	32,296	9,000,000	-
- FORTFINLUX	61,921	10,000,000	-

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Reference entity	Fair Value	Notional	Balance sheet value
- VOLKSWAGEN AG	6,688	10,000,000	-
- TOYS R US	(66,463)	5,000,000	-
- AKZO NOBEL NV	7,727	9,000,000	-
- EIRCOM FUNDING	60,180	5,000,000	-
- AMERICAN INTL GROUP	(29,681)	10,000,000	-
- CAPITAL ONE BK	(86,553)	9,000,000	-
- HOLCIM LTD	18,286	9,000,000	-
- FANNIE MAE	27,572	10,000,000	-
- FHLMC	22,843	9,000,000	-
- ABB Ltd	56,386	5,000,000	-
- HILTON HOTELS CORP	(24,130)	5,000,000	-
- CITIZENS COMMUNICATIONS COMPANY	61,924	9,000,000	-
- TDC AS	(10,286)	9,000,000	-
- CHESAPEAKE ENERGY CORP	23,399	4,000,000	-
- MUNICH RE	20,819	9,000,000	-
- WALT DISNEY COMPANY	20,086	9,000,000	-
- GLENCORE INTL. AG	31,436	4,000,000	-
- RESIDENTIAL CAPITAL CORP	(1,624,179)	9,000,000	-
- GECINA	(28,348)	5,000,000	-
- WEYERHAEUSER CO	(15,858)	9,000,000	-
- WASHINGTON MUTUAL INC.	(314,272)	9,000,000	-
- ARCELOR FINANCE	(19,789)	9,000,000	-
- TNT NV	5,702	9,000,000	-
- KAUPTHING BANK HF	(283,583)	9,000,000	-
TOTALS:	(546,944)	979,000,000	-

Operating interest income

	11-12-2007	11-12-2006
	EUR	EUR
Interest Class A Asset Backed Floating Rate Notes	9,700,057	6,892,801
Premium Credit Default Swaps	9,037,970	9,258,917
Interest Rabobank, deposits	2,533,266	1,680,396
	21,271,293	17,832,114

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2.5.7 Operating interest expenses

	11-12-2007	11-12-2006
	EUR	EUR
Interest Class A Secured Floating Rate Credit-Linked Notes	10,119,619	7,364,599
Interest Class B Secured Floating Rate Credit-Linked Notes	783,808	583,067
Interest Class C Secured Floating Rate Credit-Linked Notes	2,203,038	1,791,756
Interest Subordinated Secured Variable Rate Credit-Linked Notes	2,409,113	1,628,160
Interest Class P Combination Notes*	8,109	0
Loss due to unwinding of credit default swaps	0	153,523
Excess Interest on Subordinated Secured Variable Rate Credit-Linked Notes	0	0
Interest Tax Authorities	(8)	(12)
	<u>15,523,679</u>	<u>11,521,093</u>

2.5.8 Operating expenses

	11-12-2007	11-12-2006
	EUR	EUR
Directors fee	20,825	15,663
Other management fee	744,923	0
Fee Trustee, Paying Agent, Custodian & Cash Manager's fee	70,000	70,000
Portfolio Adm. Fees	90,000	90,000
Depreciation premium on Class A Asset Backed Floating Rate Notes	81,481	81,481
Depreciation start-up costs	1,844,741	1,844,741
Unrealised loss on notes receivable	884,658	0
Fees rating agencies	41,860	35,000
Tax advisory fees	5,019	4,458
Audit fees	29,230	54,831
Other expenses	766	(737)
	<u>3,813,503</u>	<u>2,195,437</u>

2.5.9 Corporate income tax

The Dutch Tax Authorities have provided the Company with a ruling according to which the Company is entitled to file its corporate income tax return on the basis of director's fee "cost-plus" increased by 5%.

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2.5.10 Financial instruments

1.1 Market risk

Currency risk

The Company is not exposed to any currency risks.

Price risk

The Company is exposed to risks concerning the unwinding of the Credit Default Swaps and the occurrence of Credit Events in relation thereto. Changes in the credit spreads are reflected in the value of the fair value of the portfolio, the total value of the Notes in- or decreases equally. These in- or decreases (expressed by means of results attributable to noteholders) are expected to be compensated towards the end of the duration of the structure.

1.2 Interest rate risk

The Company is exposed to interest rate risk on the interest-bearing receivables (mainly taken up in financial fixed assets, securities and cash and cash equivalents) and interest-bearing long-term and current liabilities (the variable interest on the Notes). Both the interest-bearing receivables and liabilities generate variable income/expenses, resulting in a natural hedge position.

The Company has not entered into any derivative contracts to hedge the interest risk on receivables.

1.3 Credit risk

The Company does not have any significant concentrations of credit risk. The Company is subjected to creditworthiness tests by rating agencies. Its Notes are listed on the Luxembourg Stock Exchange. The Company's Credit Default Swap counterparties are reliable banks and financial institutions.

2.5.11 Results attributable to noteholders

The results attributable to noteholders consist of realised losses due to Credit Events and results on Credit Default Swaps that have been unwound in order to avoid the occurrence of a Credit Event and in order to rebalance the Synthetic Portfolio to meet the criteria as set out in the Offering Circular for the financial year. The accumulated results attributable to noteholders are reported under note 2.5.4.

2.5.12 Post Balance Sheet events

After the balance sheet date, no Credit Default Swaps has been unwound in order to avoid the occurrence of a Credit Event and in order to rebalance the synthetic portfolio to the meet the criteria as set out in the Offering Circular.

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After the balance sheet date, no Synthetic Credit Event has occurred relating to the Reference Entity under the Credit Default Swap Agreement.

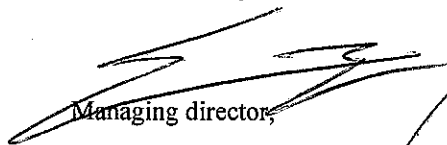
2.5.13 Employees

During the year under review the Company did not employ any personnel (previous year: nil).

2.5.14 Directors

The company has one managing director, RCS Management B.V., which receives a remuneration. The company has no supervisory directors.

Amsterdam, July 3, 2008



Managing director,

RCS Management B.V.



3 Other information

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3.1 Appropriation of result

3.1.1 Statutory provisions

In accordance with Article 17 of the Articles of association, the retained earnings are at the disposal of the Annual Meeting of Shareholders. No dividend can be declared during the time that the Company's share capital including reserves do not exceed the minimum requirements.

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3.2 Auditor's report

To the General Meeting of Shareholders of
Robeco CSO III B.V.

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Auditor's report

Report on the financial statements

We have audited the accompanying financial statements for the year ended 11 December 2007 of Robeco CSO III B.V., Amsterdam as set out on pages 6 to 22 which comprise the balance sheet as at 11 December 2007, the profit and loss account for the year then ended and the notes.

The directors' responsibility

The directors of the company are responsible for the preparation and fair presentation of the financial statements and for the preparation of the directors' 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 financial statements 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 financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

SB-e0062408u-av-00528382001

PricewaterhouseCoopers is the trade name of among others the following companies: PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287) and PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289). The services rendered by these companies are governed by General Terms & Conditions, which include provisions regarding our liability. These General Terms & Conditions are filed with the Amsterdam Chamber of Commerce and can also be viewed at www.pwc.com/nl.

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 financial statements give a true and fair view of the financial position of Robeco CSO III B.V. as at 11 December 2007, and of its result for the year ended 11 December 2007 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 directors' report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 3 July 2008

PricewaterhouseCoopers Accountants N.V.



drs. S. Barendregt-Roojers RA