

3971521

DE BEERS INTANGIBLES LIMITED

Report and Accounts

31 December 2000

 ERNST & YOUNG



De Beers Intangibles Limited

Registered No. 3971521

DIRECTORS

M J M Farmiloe

M B Page

SECRETARY

D J Hughes

AUDITORS

Ernst & Young LLP

Rolls House

7 Rolls Buildings

Fetter Lane

London

EC4A 1NH

REGISTERED OFFICE

17 Charterhouse Street

London

EC1N 6RA

De Beers Intangibles Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the period 13 April to 31 December 2000.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

De Beers Intangibles Limited (formerly Hackremco (No.1651) Ltd) was incorporated on 13 April 2000.

The company was incorporated as Hackremco (No.1651) Ltd and changed its name to De Beers Intangibles Limited with effect from 19 June 2000.

The purpose of the company is to hold intellectual property rights. During the accounting period, De Beers Intangibles Limited entered into an agreement with another company, which has developed the technology for branding diamonds. Another group company has expensed all of the costs associated with this agreement.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period were as follows:

Hackwood Directors Limited	(appointed 13 April 2000, resigned 19 June 2000)
M J M Farmiloe	(appointed 19 June 2000)
M B Page	(appointed 19 June 2000)

No director has, or has had at any time during the year, an interest in the shares of the company.

AUDITORS

An elective resolution was passed on 19 June 2000 to dispense with the requirement to appoint auditors annually. Ernst & Young, the company's auditors, transferred its business to a limited liability partnership, called Ernst & Young LLP incorporated under the Limited Liability Partnerships Act 2000, on 28 June 2001. Ernst & Young resigned on that date, and the directors have filled the vacancy in the office of company auditor by appointing Ernst & Young LLP.

By order of the board

Secretary

De Beers Intangibles Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

REPORT OF THE AUDITORS
to the members of De Beers Intangibles Limited

We have audited the accounts on pages 5 and 6, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

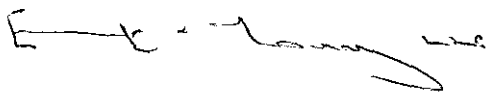
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Ernst & Young'.

Ernst & Young LLP
Registered Auditor
London

16 October 2001.

De Beers Intangibles Limited

BALANCE SHEET at 31 December 2000

	Note	2000 £
CURRENT ASSETS		
Amount due by holding company		1
		<u>1</u>
		<u><u>1</u></u>
CAPITAL AND RESERVES		
Called up share capital	2	1
		<u>1</u>
		<u><u>1</u></u>


MR Pope

Director

Director

16/10/2001

The notes on page 6 form part of these accounts

De Beers Intangibles Limited

NOTES TO THE ACCOUNTS

at 31 December 2000

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Format

The company did not trade during the period, and therefore no profit and loss account has been prepared. As this is the first accounting period for the company, no comparative figures are included.

2. SHARE CAPITAL

	Authorised 2000 No.	Allotted and called up 2000 £
Ordinary shares of £1 each	100	1

3. SHAREHOLDERS' FUNDS

	Share capital £
Shareholders' funds at 31 December 2000	1

4. RELATED PARTY TRANSACTIONS

The company has taken advantage of an exemption under FRS 8, relating to 90% subsidiaries, which exempts it from disclosing related party transactions with group members.

5. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Cheviot Holdings Limited, incorporated in the Cayman Islands.

The directors regard De Beers Centenary AG, incorporated in Switzerland, as the ultimate parent undertaking and controlling party of De Beers Intangibles Limited as at 31 December 2000. De Beers Centenary AG is the parent undertaking of the largest and smallest group for which group accounts are prepared, and of which the company is a member. Copies of these accounts may be obtained from Langensandstrasse 27, 6000 Luzern 14, Switzerland.

6. POST BALANCE SHEET EVENTS

The company's share capital was sold at its nominal value to Riverbank Investments Limited, which is a subsidiary of Delibes Holdings Limited, a company within the De Beers Centenary AG group on 15 January 2001.