

DE BEERS INTANGIBLES LIMITED

Report and Accounts

31 December 2002



De Beers Intangibles Limited

Registered No. 3971521

DIRECTORS

M J M Farmiloe
M B Page

SECRETARY

M C Thomas

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 year ended 31 December 2002.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The purpose of the company is to hold intellectual property rights. De Beers Intangibles Limited has an agreement with another company, which has developed the technology for branding diamonds.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

M J M Farmiloe

M B Page

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

AUDITORS

In line with a group-wide decision, the directors intend to appoint Deloitte & Touche as auditors to the company. It is the intention that this appointment will be made at a general meeting of the company convened in accordance with section 393 Companies Act 1985.

By order of the board



M C Thomas

Secretary

 July 2003

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.

INDEPENDENT AUDITORS' REPORT
to the member of De Beers Intangibles Limited

We have audited the company's accounts for the year ended 31 December 2002, which comprise the Balance Sheet and the related notes 1 to 5. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2002 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

24 July 2003

De Beers Intangibles Limited

BALANCE SHEET

at 31 December 2002

	Notes	2002 £	2001 £
INVESTMENTS			
Shares in group undertaking	2	100	100
CURRENT ASSETS			
Amount due by parent undertaking		1	1
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Due to group undertaking		(100)	(100)
		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	3	1	1
		<u>1</u>	<u>1</u>



M J M Farmiloe

Director

29th

July 2003



M B Page

Director

29th

July 2003

The notes on page 6 form part of these accounts

De Beers Intangibles Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

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 year, and therefore no profit and loss account has been prepared.

Cash Flow Statements

In accordance with Financial Reporting Standard Number 1, Cash Flow Statements, the company is not required to prepare a cash flow statement because more than 90% of the voting rights of the Company are held within the Group and the Group's consolidated accounts are publicly available.

2. INVESTMENTS

	2002	2001
	£	£
Shares in group company		
De Beers Trademarks Limited	100	100

The company owns 100% of the issued ordinary share capital of De Beers Trademarks Limited, a company registered in England and Wales. The nature of De Beers Trademarks Limited is to hold intellectual property rights. De Beers Trademarks Limited had an operating result after tax of £nil for the year ended 31 December 2002. At 31 December 2002, DeBeers Intangibles Limited had capital and reserves at £100.

3. SHARE CAPITAL

	Authorised		Allotted and called up	
	2002	2001	2002	2001
	No.	No.	£	£
Ordinary shares of £1 each	100	100	1	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 Riverbank Investments Limited, incorporated in England and Wales.

The company's directors regard De Beers société anonyme (DBsa), incorporated in Luxembourg, as its ultimate parent undertaking and controlling party. DBsa is the parent undertaking of the largest group for which group accounts are prepared, and of which the company is a member. Copies of these accounts may be obtained from De Beers sa, 9 Rue St. Zithe, L-2763 Luxembourg.

De Beers Centenary AG, incorporated in Switzerland is the parent undertaking of the 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.