Company Registration No. 3971521

De Beers Intangibles Limited

Report and Financial Statements

31 December 2003

Deloitte & Touche LLP
London



De Beers Intangibles Limited

Report and financial statements 2003

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De Beers Intangibles Limited

Report and financial statements 2003

Officers and professional advisers

Directors

M J M Farmiloe
M B Page

Secretary

M C Thomas

Registered office

17 Charterhouse Street
London
EC1N 6RA

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

De Beers Intangibles Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

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.

Results and dividends

The result for the year, after taxation, amounted to £nil (2002 – £nil).

The directors do not recommend the payment of a dividend (2002 - £nil)

Directors and their interests

The directors who served during the year were as follows:

M J M Farmiloe
M B Page

Neither director has, or has had at any time during the year, an interest in the shares of the company.

Auditors

The directors appointed Deloitte & Touche LLP as the company's auditors on 1 August 2003 to fill the casual vacancy resulting from the resignation of Ernst & Young. A resolution for the re-appointment of Deloitte & Touche LLP as auditors for a further term will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

M C Thomas
Secretary

23rd June 2004

De Beers Intangibles Limited

Statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

De Beers Intangibles Limited

Balance sheet
31 December 2003

Independent auditors' report to the members of De Beers Intangibles Limited

We have audited the financial statements of De Beers Intangibles Limited for the year ended 31 December 2003 which comprise the balance sheet and the related notes 1 to 5. These financial statements have been prepared under 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 financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 Companies Act 1985. We also report 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 with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 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 presentation 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 as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

24.6. 2004

De Beers Intangibles Limited

Balance sheet
31 December 2003

	Note	2003 £	2002 £
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)
Net current assets		(99)	(99)
Total assets less current liabilities		1	1
Capital and reserves			
Called up share capital	3	1	1
Equity shareholders' funds		1	1

The company has made neither a profit nor a loss nor any other recognised gain or loss in either period. Consequently no profit and loss account or statement of total recognised gains and losses is presented.

These financial statements were approved by the Board of Directors on 23rd June 2004.

Signed on behalf of the Board of Directors

M J M Farmiloe
Director

M B Page
Director

De Beers Intangibles Limited

Notes to the accounts
Year ended 31 December 2003

1. Accounting policies

Accounting convention

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

Format

The company did not trade during the year, and therefore no profit and loss account has been prepared.

Cash flow statements

The company is not required to prepare a cash flow statement because it is eligible to take advantage of the small company exemptions in the Companies Act 1985.

2. Investments

	2003 £	2002 £
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 2003. At 31 December 2003, De Beers Trademarks Limited had capital and reserves of £100.

3. Share capital

	2003 No.	2002 No.
Authorised: Ordinary shares of £1 each	100	100
Allotted and called up Ordinary shares of £1 each	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.

De Beers Intangibles Limited

Notes to the accounts
Year ended 31 December 2003

5. Parent undertaking and controlling party

The company's immediate parent undertaking is Riverbank Investments Limited, registered 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.

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.