

Registration No. 4091663

**Registered Office:
25 Cabot Square
Canary Wharf
London E14 4QA**

MSDW MONTGOMERIE INVESTMENTS LIMITED

Report and Accounts

30 November 2007

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MSDW MONTGOMERIE INVESTMENTS LIMITED

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MSDW MONTGOMERIE INVESTMENTS LIMITED

DIRECTORS' REPORT

The Directors present their report and accounts for MSDW Montgomerie Investments Limited (the "Company") for the year ended 30 November 2007

RESULTS AND DIVIDENDS

The loss for the year, after tax, was \$93,264,000 (2006 \$22,398,000 loss)

During the year no dividends were paid (2006 \$nil)

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company's ultimate parent undertaking and controlling entity is Morgan Stanley which, together with the Company and Morgan Stanley's other subsidiary undertakings, form the Morgan Stanley Group (the "Group")

The principal activity of the Company is to act as an intermediate holding company

There have not been any significant changes in the Company's principal activity in the year under review and no significant change in the Company's principal business is expected

The profit and loss account for the year is set out on page 4 The Company's operating loss has increased from \$9,000 to \$12,522,000 and loss has increased from \$22,398,000 to \$93,264,000

The balance sheet on page 5 of the financial statements shows that the Company's net liabilities at the year end were \$29,124,000 a decrease of 145% from the prior year

There have been no significant events after the balance sheet date

The performance of the Company is included in the results of the Group which are discussed in the Group's Annual Report on Form 10-K to the United States Securities and Exchange Commission The Group manages its key performance indicators on a global basis For this reason, the Company's Directors believe that providing performance indicators for the Company itself would not enhance an understanding of the development, performance or position of the business of the Company

Risk Management

Risk is an inherent part of the Company's business activity and is managed within the context of the broader Group's business activities The Group seeks to identify, assess, monitor and manage each of the various types of risk involved in its activities, in accordance with defined policies and procedures

Market risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, implied volatilities (the price volatility of the underlying instrument imputed from option prices), correlations or other market factors, such as liquidity, will result in losses for a position or portfolio

The Group manages the market risk associated with its business activities in consideration of each individual legal entity, including the use of derivatives for risk management purposes by the Company, but on a global basis, at both a trading division and an individual product level

Credit risk

Credit risk refers to the risk of loss arising from borrower or counterparty default when a borrower, counterparty or obligor is unable to meet its financial obligations

The Group manages credit risk exposure in consideration of each individual legal entity, but on a global basis, by ensuring transparency of material credit risks, ensuring compliance with established limits, approving material extensions of credit, mitigating credit risk through the use of collateral and other arrangements and escalating risk concentrations to appropriate senior management

Liquidity and cash flow risk

The Group's senior management establishes the overall liquidity and capital policies of the Group The Group's liquidity and funding risk management policies are designed to mitigate the potential risk that the Group and the Company may be unable to access adequate financing to service its financial obligations when they fall due without material, adverse franchise or business impact The key objectives of the liquidity and funding risk management framework are to support the successful execution of the Group's and the Company's business strategies while ensuring ongoing and sufficient liquidity through the business cycle and during periods of financial distress

MSDW MONTGOMERIE INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The following Directors held office throughout the year (except where otherwise shown)

B Gill (appointed 20 December 2006)

S Merry

L Nash

M Slingo (resigned 20 December 2006)

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors of the Company and subject to Sections 485 to 488 of the Companies Act 2006 will be deemed to be re-appointed

Statement as to disclosure of information to auditors

Each of the persons who are Directors of the Company at the date when this report is approved confirm that

- so far as each of the Directors is aware, there is no relevant audit information (being information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing their report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 financial statements, the Directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- (d) 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board on 20 FEBRUARY 2008



Director

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MSDW MONTGOMERIE INVESTMENTS LIMITED

We have audited the financial statements of MSDW Montgomerie Investments Limited for the year ended 30 November 2007 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 17. 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

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 November 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

*Chartered Accountants and Registered Auditors
London, United Kingdom*

Date 20 February 2008

MSDW MONTGOMERIE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 November 2007

	Note	2007 \$'000	2006 \$'000
NET REVENUE	2	(12,513)	-
Administrative expenses		<u>(9)</u>	<u>(9)</u>
OPERATING LOSS	4	(12,522)	(9)
Other interest receivable and similar income	6	7,958	7,001
Interest payable and similar charges	7	<u>(88,700)</u>	<u>(29,390)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(93,264)	(22,398)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	15	<u><u>(93,264)</u></u>	<u><u>(22,398)</u></u>

All operations were continuing in the current and prior year

There were no recognised gains or losses during the current or prior year other than those disclosed above
Accordingly no statement of total recognised gains and losses has been prepared

A reconciliation of the movement in shareholders' funds is disclosed in note 15 to the accounts

The notes on pages 6 to 15 form an integral part of the accounts

MSDW MONTGOMERIE INVESTMENTS LIMITED

BALANCE SHEET

As at 30 November 2007

	Note	2007 \$'000	2006 \$'000
FIXED ASSETS			
Investments	10	3,000,403	500,313
CURRENT ASSETS			
Debtors	12	144,170	136,185
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR			
Financial instruments	11	(6,795)	-
Other creditors	13	(3,166,902)	(572,358)
		(3,173,697)	(572,358)
NET CURRENT LIABILITIES		(3,029,527)	(436,173)
TOTAL ASSETS LESS CURRENT LIABILITIES		(29,124)	64,140
CAPITAL AND RESERVES			
Called up share capital	14	100,000	100,000
Profit and loss account	15	(129,124)	(35,860)
SHAREHOLDERS' FUNDS		(29,124)	64,140

These accounts were approved by the Board and authorised for issue on 26 FEBRUARY 2008

Signed on behalf of the Board

Director

The notes on pages 6 to 15 form an integral part of the accounts

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MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2007

1. ACCOUNTING POLICIES

a) Accounting convention

The accounts are prepared under the historical cost convention, modified by the inclusion of financial instruments at fair value as described in note 1(e) below, and in accordance with applicable United Kingdom company law and accounting standards

The Company is not required to prepare consolidated accounts by virtue of the exemption under section 228 of the Companies Act 1985. The results of the Company are included within the accounts of Morgan Stanley & Co International plc, a company registered in England and Wales, which will prepare consolidated accounts for the year to 30 November 2007. The accounts therefore present information about the Company as an individual entity and not about its group.

Changes in accounting policies

The Company has adopted FRS 23 *The effects of changes in foreign exchange rates* and FRS 26 *Financial instruments: Recognition and measurement* from 1 December 2006. The Company has elected to take advantage of transitional provisions within FRS 26 and not restate comparative information. Where comparative information has been prepared on the basis of the Company's previous accounting policies, the accounting policies applied for the prior and current year are disclosed separately to the extent that they differ.

The main adjustment that would make prior year information compliant with FRS 26 would be the reclassification of financial instruments into FRS 26 categories. There was no impact on the opening net assets of the Company as a result of the adoption of FRS 26.

The Company's ultimate UK parent undertaking, Morgan Stanley & Co International plc, presents information in accordance with FRS 29 *Financial Instruments: Disclosures*. Accordingly, the Company is exempt from the disclosure requirements of FRS 25 *Financial Instruments: Disclosure and presentation* and from the requirements of FRS 29.

b) Functional currency

The accounts are prepared in US dollars, the currency of the primary economic environment in which the Company operates.

All currency amounts in the Directors' report, the accounts and the notes are rounded to the nearest thousand US dollars.

c) Foreign currencies

All monetary assets and liabilities denominated in currencies other than US dollars are translated into US dollars at the rates ruling at the balance sheet date. Transactions in currencies other than US dollars are recorded at the rates prevailing at the dates of the transactions. All other translation differences are taken through the profit and loss account.

d) Recognition of income and expense

Net revenues from the Company's activities are comprised of the following items, as detailed in note 2.

i) Net gains and losses on financial instruments

Net gains and losses on financial instruments categorised as held for trading (consisting only of derivatives used for risk management purposes) include all related realised and unrealised fair value changes, interest income and expense, fees and commissions, dividends, and foreign exchange differences.

NOTES TO THE ACCOUNTS
Year ended 30 November 2007

1. ACCOUNTING POLICIES (CONTINUED)

d) Recognition of income and expense (continued)

ii) Interest

Interest income and interest expense on financial assets and financial liabilities not at fair value is recognised in net revenue in the profit and loss account using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the expected life of the financial asset or financial liability. The effective interest rate is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or financial liability.

The calculation of the effective interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

e) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The price transparency of a particular product will determine the degree of judgment involved in determining the fair value of the financial instrument. Price transparency is affected by a wide range of factors, including, for example, the type of product, whether it is a new product and not yet established in the marketplace and the characteristics particular to the product. Products for which actively quoted prices or market data are available or for which fair value is derived from actively quoted prices or market data will generally have a higher degree of price transparency. By contrast, products that are thinly traded or not quoted will generally have little or no price transparency.

A substantial percentage of the fair value of the Company's financial instruments held at fair value through profit or loss is based on observable market prices, observable market data, or is derived from such prices or data. The availability of observable market prices and market data can vary from product to product. Where available, observable market prices and market data in a product (or a related product) may be used to derive a price without requiring significant judgment.

In certain markets, observable market prices or market data are not available for all products, and fair value is determined using valuation techniques appropriate for each particular product. These valuation techniques involve some degree of judgement. The transparency of market prices and/or market data will determine the degree of judgement involved in determining the fair value of the Company's financial instruments.

The fair values of many financial instruments, including over-the-counter (OTC) financial instruments, are derived primarily using valuation techniques, which may require multiple market data as inputs. The Company also uses valuation techniques to manage the risks introduced by OTC financial instruments. Depending on the product and the terms of the valuation technique the fair value of the OTC financial instrument can be modelled using a series of techniques, including closed-form analytic formulae such as the Black-scholes option pricing model, simulation models or a combination thereof, applied consistently. In the case of more established financial instruments, the valuation techniques used by the Company are widely accepted by the financial services industry. Valuation techniques take into account the contract terms including the maturity, as well as market data such as interest rates, volatility and the creditworthiness of the counterparty.

MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2007

1. ACCOUNTING POLICIES (CONTINUED)

f) Fixed asset investments - Investments in group undertakings

Investments in group undertakings are stated at cost, less provision for any impairment

g) Financial instruments - Financial assets and financial liabilities held for trading

Financial instruments categorised as held for trading, consisting only of derivatives used for risk management purposes, are initially recorded on trade date at fair value. Subsequent changes in fair value are reflected in the profit and loss account in net revenue.

h) Loans and receivables

Financial assets categorised as loans and receivables are initially recognised on settlement date at fair value and subsequently measured at amortised cost, using the effective interest rate method, less allowance for impairment.

i) Offsetting of financial assets and financial liabilities

Where there is a legally enforceable right to set off the recognised amounts and an intention to settle on a net basis or to realise the asset and the liability simultaneously, financial assets and financial liabilities are offset and the net amount is presented on the balance sheet. In the absence of such conditions, financial assets and financial liabilities are presented on a gross basis.

j) Impairment of financial assets

At each balance sheet date, an assessment is made as to whether there is any objective evidence of impairment in the value of a financial asset categorised as either available-for-sale or as loans and receivables. Impairment usually arises when circumstances are such that an adverse effect on future cash flows from assets can be reliably estimated.

Impairment losses on loans and receivables carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected against the carrying amount of the impaired asset on the balance sheet. Interest on the impaired asset continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset.

If an available-for-sale financial asset is impaired, the cumulative loss, previously recognised through the statement of total recognised gains and losses, is removed from reserves and recognised in the profit and loss account.

k) Taxation

UK corporation tax is provided at amounts expected to be paid / recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Full provision has been made for deferred tax assets and liabilities arising from timing differences. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered, deferred tax assets and liabilities are not discounted.

MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2007

1. ACCOUNTING POLICIES (CONTINUED)

1) Cash flow statement

The Company's ultimate parent undertaking produces a cash flow statement. Accordingly, the Company, which is a wholly-owned subsidiary, has elected to avail itself of the exemption provided in FRS 1 (Revised 1996) *Cash Flow Statements* and not present a cash flow statement.

2. NET REVENUE

	2007 \$'000	2006 \$'000
Net losses on financial instruments held for trading	12,513	-

Financial instruments categorised as held for trading consist of derivatives used for risk management purposes. Further information relating to the use of the derivatives by the Company is included in the Risk Management section of the Directors' Report with the accounting policy for such instruments included in notes 1(d)(i) and 1(g).

3. SEGMENTAL REPORTING

The Company has only one class of business as described in the Directors' report and operates in one geographic market, the United Kingdom.

4. OPERATING LOSS

	2007 \$'000	2006 \$'000
Operating loss is stated after charging		
Auditors' remuneration - audit fees	9	9

5. STAFF COSTS

The Company employed no staff during the year (2006 Nil).

The Directors did not receive any remuneration for their qualifying services to the Company during the year (2006 \$nil).

6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 \$'000	2006 \$'000
Interest and similar income receivable from Group undertakings	7,958	7,001

MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2007

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 \$'000	2006 \$'000
Other foreign exchange losses	1	7
Interest and similar charges payable to Group undertakings	88,699	29,383
	<u>88,700</u>	<u>29,390</u>

8. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of credit in the year

	2007 \$'000	2006 \$'000
UK corporation tax at 30% (2006 30%)		
- Current year	-	-
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting the tax credit for the year

The current year UK taxation charge is higher than that resulting from applying the standard UK corporation tax rate of 30% (2006 30%) The main differences are explained below

	2007 \$'000	2006 \$'000
Loss on ordinary activities before tax	<u>(93,264)</u>	<u>(22,398)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	(27,979)	(6,719)
Effects of:		
Group relief surrendered for nil consideration	27,979	6,719
Current tax credit for the year	<u>-</u>	<u>-</u>

MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2007

9. ANALYSIS OF ASSETS AND LIABILITIES BY MEASUREMENT BASIS

As at 30 November 2007

	Held for trading \$'000	Loans and receivables at amortised cost \$'000	Investments in subsidiaries held at cost \$'000	TOTAL \$'000
FIXED ASSETS				
Investments	-	-	3,000,403	3,000,403
	<u>-</u>	<u>-</u>	<u>3,000,403</u>	<u>3,000,403</u>
CURRENT ASSETS				
Debtors	-	144,170	-	144,170
	<u>-</u>	<u>144,170</u>	<u>-</u>	<u>144,170</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Financial instruments	(6,795)	-	-	(6,795)
Other creditors	-	(3,166,902)	-	(3,166,902)
	<u>(6,795)</u>	<u>(3,166,902)</u>	<u>-</u>	<u>(3,173,697)</u>
TOTAL NET ASSETS				<u>(29,124)</u>

MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2007

10. FIXED ASSET INVESTMENTS

Fixed asset investments held at cost

	Subsidiary undertakings \$'000
Cost	
At 1 December 2006	500,313
Additions	2,500,090
At 30 November 2007	<u>3,000,403</u>
Net book value	
At 30 November 2006	<u>500,313</u>
At 30 November 2007	<u>3,000,403</u>

Details of the investments in which the Company holds more than 20% of the nominal value of any class of share capital, or investments with a book value greater than 20% of the Company's own assets at 30 November 2007, are as follows

Name of Company	Country of incorporation	Holding	Type of shares held	Proportion of voting rights	Nature of business
Woburn III Cooperatieve U A	The Netherlands	100%	A Memberships	100%	Holding Company
Morgan Stanley Malin Investments Limited	England and Wales	100%	Ordinary	100%	Holding Company
Morgan Stanley Cadzand Limited	England and Wales	100%	B Ordinary	100%	Holding Company
Morgan Stanley Cadzand II Limited	Cayman Islands	100%	B Ordinary	100%	Holding Company
Morgan Stanley Oostburg B V	The Netherlands	100%*	Ordinary	100%	Financial Services
Morgan Stanley Oostburg and Partners S E C S	Luxemburg	50%*	General Partner	25%	Financing Partnership
Morgan Stanley Oostburg and Partners S E C S	Luxemburg	100%*	B Limited Partner	100%	Financing Partnership
Ramey S ar l	Luxemburg	99 69%*	A, B and D ordinary	99 69%	Financial Services
Morgan Stanley Charbono Limited	Cayman Islands	100%*	Ordinary shares	100%	Holding company
Morgan Stanley Fiano Limited	Cayman Islands	100%*	Ordinary shares	100%	Holding company
Morgan Stanley Tannat Limited	Cayman Islands	100%*	Ordinary shares	100%	Holding company

MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2007

11. FINANCIAL INSTRUMENTS

Financial Instruments included at fair value

	2007 \$'000	2006 \$'000
Assets	-	-
Liabilities	6,795	-

Changes in fair value of financial instruments of \$12,513,000 (2006 \$nil) have all been included in the profit and loss account as a component of net revenue

	2007		2006	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
Interest rate and currency swaps and options, credit derivatives and other fixed income securities contracts	-	6,795	-	-

The fair value of the Company's derivative assets and liabilities (both listed and OTC) are summarised by class in the table below

There were no terms and conditions that may individually significantly affect the amount, timing and certainty of future cash flows for the Company

12.

DEBTORS

	2007 \$'000	2006 \$'000
Debtors classified as loans and receivables		
Other amounts due from Group undertakings	144,155	136,185
Non financial assets included within debtors		
Prepayments and accrued income	15	-
Total debtors	144,170	136,185

13. OTHER CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 \$'000	2006 \$'000
Creditors held at amortised cost		
Other amounts owing to Group undertakings	3,166,902	572,358

MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS Year ended 30 November 2007

14. CALLED UP SHARE CAPITAL

	2007 Number	2006 Number
Authorised:		
Equity shares		
Ordinary shares of \$1 each	100,000,000	100,000,000
Ordinary shares of £1 each	1,000	1,000
	2007 \$'000	2006 \$'000
Allotted and fully paid:		
Equity shares		
100,000,000 ordinary shares of \$1 each	100,000	100,000
1 ordinary share of £1 each	-	-
	100,000	100,000

All ordinary shares are recorded at the rates of exchange ruling at the date the shares were paid up

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Called up share capital \$'000	Profit and loss account \$'000	Total \$'000
At 1 December 2005	100,000	(13,462)	86,538
Loss for the year	-	(22,398)	(22,398)
At 1 December 2006	100,000	(35,860)	64,140
Loss for the year	-	(93,264)	(93,264)
At 30 November 2007	100,000	(129,124)	(29,124)

16. RELATED PARTY TRANSACTIONS

The Company is exempt from the requirement to disclose transactions with fellow Group undertakings under paragraph 3(c) of FRS 8 *Related Party Disclosures*. There were no other related party transactions requiring disclosure.

MSDW MONTGOMERIE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2007

17. PARENT UNDERTAKINGS

The ultimate parent undertaking and controlling entity and the largest group of which the Company is a member and for which group accounts are prepared is Morgan Stanley. Morgan Stanley is incorporated in Delaware, the United States of America and copies of its accounts can be obtained from 25 Cabot Square, Canary Wharf, London E14 4QA.

The parent undertaking of the smallest group of companies for which group accounts are drawn up and of which the Company is a member is Morgan Stanley & Co International plc which is registered in England and Wales. Copies of its accounts can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.