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CREDIT SUISSE 

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK)
INVESTMENT HOLDINGS)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



**CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)**

BOARD OF DIRECTORS

Kevin J. Burrowes Director

Costas P. Michaelides Director

Kevin L. Studd Director

COMPANY SECRETARY

Paul E. Hare

Company Registration Number: 3045280

CREDIT SUISSE INVESTMENT HOLDINGS (UK) (FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and the financial statements for the year ended 31 December 2005.

Change of Name

Credit Suisse Investment Holdings (UK) (the "Company") changed its name from Credit Suisse First Boston (UK) Investment Holdings on 16 January 2006.

Activities

Credit Suisse Investment Holdings (UK) is an investment holding company, established primarily to hold the interests of Credit Suisse Investments (UK), formerly known as Credit Suisse First Boston (UK) Investments, a UK holding company whose ultimate parent is Credit Suisse Group.

The Company's principal interests include:

- Credit Suisse Securities (Europe) Limited (formerly known as Credit Suisse First Boston (Europe) Limited), an international corporate finance and securities issuing and trading company;
- Credit Suisse First Boston Equities Limited, which traded in equities and equity derivative products, but which ceased trading on 1 January 2006, with the intention of being liquidated in the future;
- Credit Suisse First Boston Canary Wharf Health Club Limited, which carries on the business of a sport, health and fitness club;
- Credit Suisse Securities Sociedad de Valores SA (formerly known as Credit Suisse First Boston Sociedad de Valores SA), a Spanish Equity Brokerage company;
- Credit Suisse Client Nominees (UK) Limited (formerly known as Credit Suisse First Boston Client Nominees Limited), a wholly owned subsidiary of Credit Suisse Securities (Europe) Limited, which holds registered securities for Credit Suisse Securities (Europe) Limited and its clients;
- Credit Suisse First Boston Trustees Limited, a wholly owned subsidiary of Credit Suisse Securities (Europe) Limited, a trust company;
- Credit Suisse First Boston PF (Europe) Limited, a wholly owned subsidiary of Credit Suisse Securities (Europe) Limited, which acts as a limited partner in funds for the Credit Suisse Private Fund Group;
- Credit Suisse First Boston Equities Nominees Limited, which is dormant;
- Credit Suisse First Boston Fixed Assets Limited, the principal activity of which is to serve as a holding company;
- Credit Suisse First Boston UK Nominees Limited, which is dormant;
- Grupo Financiero Credit Suisse (Mexico), S.A. de C.V. (formerly known as Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V.), a regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities;
- Banco Credit Suisse Mexico, S.A. (formerly known as Banco Credit Suisse First Boston Mexico, S.A.), a 99.9% owned subsidiary of Grupo Financiero Credit Suisse (Mexico), S.A. de C.V. providing banking facilities in Mexico;
- Casa de Bolsa Credit Suisse (Mexico), S.A. de C.V. (formerly known as Casa de Bolsa Credit Suisse First Boston Mexico, S.A. de C.V.), a 99.9% owned subsidiary of Grupo Financiero

CREDIT SUISSE INVESTMENT HOLDINGS (UK) (FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

Credit Suisse (Mexico), S.A. de C.V. providing broker dealer facilities in Mexico;

Activities (continued)

- Credit Suisse Servicios Mexico S.A. de C.V. (formerly known as Credit Suisse First Boston Servicios Mexico S.A. de C.V.) , a 99.9% owned subsidiary of Grupo Financiero Credit Suisse (Mexico), S.A. de C.V., providing service facilities to the Mexican Bank and Broker Dealer companies in Mexico;
- Credit Suisse First Boston InvestCo UK Limited, an unregulated subsidiary incorporated in Cayman for investment purposes;
- Credit Suisse First Boston InvestCo UK No1 Limited, an unregulated subsidiary incorporated in Cayman for investment purposes;
- Credit Suisse First Boston InvestCo UK No2 Limited, which is dormant;
- DLJ UK Properties Limited, a 99% owned subsidiary of Credit Suisse First Boston Fixed Assets Limited, a property investment company, which purchases fixed assets and rents them to other group companies; and
- Credit Suisse First Boston Gilts, formerly a UK Government Bond Primary Dealer which is expected to be liquidated in the future.

Going Concern Basis

The writedown of the Company's investment in Credit Suisse Securities (Europe) Limited has meant that as at 31 December 2005, the Company has negative shareholders' equity. The parent company, Credit Suisse Investments (UK), made a capital contribution of US\$150,000,000 into the Company on 11 October 2006 to rectify this situation.

The financial statements as at 31 December 2005 have been prepared on a going concern basis taking into account the US\$150,000,000 capital injection and the subordinated loan of 13 April 2006 that was entered into with Credit Suisse First Boston Finance BV, a fellow group company. The subordinated loan is for US\$1,500,000,000 (to date drawdowns of US\$1,288,151,325 have been made) with repayments not to be made earlier than 25 years from the date of the drawdowns.

On 13 April 2006 an amount of US\$250,000,000 which existed at 31 December 2005 and which is reported in these financial statements in amounts due to related entities (note 12), together with the interest due on this date, was converted into subordinated debt as a drawdown under the above subordinated loan, with repayment of the loan not to be made earlier than 13 April 2031.

This conversion of debt, together with the US\$150,000,000 capital conversion in 2006, has provided the directors with the appropriate level of comfort to prepare the financial statements on a going concern basis.

Directors

The names of the directors as at the date of this report are set out on page 2.

Changes in the directorate since 31 December 2004, and up to the date of this report are as follows:

Appointments	- Kevin J. Burrowes	11 March 2005
Resignations	- Nigel P. Bretton	11 March 2005

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

None of the directors who held office at the end of the financial year was beneficially interested, at any time during the year, in the shares of the company.

Results

The loss for the year was US\$460,153,000 (2004: US\$164,315,000). No dividends were paid or are proposed for 2005 (2004: US\$Nil).

Share Capital

During the year no share capital was issued (2004: issued US\$125,000,000 of additional preference shares).

Capital Contribution

During the year the Company did not receive any capital contributions (2004: US\$Nil).

Donations

No charitable or political donations were made during the year (2004: US\$Nil).

Prompt Payment Code

It is the policy of the Company to pay all invoices in accordance with contract and payment terms.

Auditor

Pursuant to Section 386 of the Companies Act 1985, KPMG Audit Plc continues in office as the Company's auditor.

International Financial Reporting Standards

The Company's 2005 annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). In 2005, IFRS implementation activities included revising processes, systems and reporting structures, Group-wide IFRS training and analysis of new standards and amendments to existing standards.

Subsequent Events

On 6 June 2006 Credit Suisse First Boston Equities Limited paid to the Company an interim dividend of GBP20,000,000.

On 14 June 2006 the Company invested a further MXN228,654,000 into Grupo Financiero Credit Suisse (Mexico), SA de CV.

Since 31 December 2005 the Company has contributed US\$1,247,661,200 by way of capital contributions to Credit Suisse Securities (Europe) Limited as follows:

- US\$175,000,000 on 23 February 2006.
- US\$350,000,000 on 13 March 2006
- US\$325,000,000 on 18 April 2006.
- US\$300,000,000 on 24 May 2006.
- US\$37,588,000 on 8 June 2006.
- US\$60,073,200 on 29 June 2006.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

Subsequent Events (continued)

On 13 April 2006 the Company entered into a subordinated loan facility with Credit Suisse First Boston Finance B.V. for US\$1,500,000,000. To date the following drawdowns have been made under the subordinated loan.

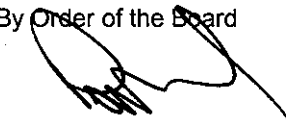
- US\$603,078,125 on 13 April 2006 (conversion of existing loans)
- US\$325,000,000 on 18 April 2006.
- US\$300,000,000 on 24 May 2006.
- US\$60,073,200 on 29 June 2006.

Repayment of each of the above drawdowns will not be made earlier than 25 years from the date of the drawdown.

On 1 June 2006 the Company sold its investment in First South Securities for 5,000,000 South African Rand.

On 11 October 2006 the Company received a US\$150,000,000 capital contribution from its parent which was converted from a senior debt facility the Company previously owed to Credit Suisse First Boston Finance B.V.

By Order of the Board



Paul E. Hare
Secretary

One Cabot Square
London E14 4QJ
23 October 2006

CREDIT SUISSE INVESTMENT HOLDINGS (UK) (FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law to present fairly the financial position and the performance of the Company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these 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 they have been prepared in accordance with IFRS as adopted by the EU; 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT SUISSE
INVESTMENT HOLDINGS (UK) (FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK)
INVESTMENT HOLDINGS)**

We have audited the financial statements (the "financial statements") of Credit Suisse Investment Holdings (UK) for the year ended 31 December 2005 which comprise the income statement, the balance sheet, the cash flow statement, the statement of changes in equity and the related notes. 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 auditor's 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 auditor

As described in the Statement of Directors' Responsibilities set out on page 7 the Company's directors are responsible for the preparation of the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

Our responsibility is to audit the financial statements in accordance with relevant 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 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 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 IFRS as adopted by the EU, of the state of the Company's affairs as at 31 December 2005 and of the loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London
23 October 2006

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 US\$'000	2004 US\$'000
Interest and dividend income	5	177,642	147,547
Other Income	5	1,322	37,326
Revenue	5	178,964	184,873
Administration expenses	6	30	85
Impairment of investments	6	509,092	276,486
Other expenses	6	119,820	1,996
Finance costs	6	63,842	139,438
Loss before tax		(513,820)	(233,132)
Income tax benefit	7	53,667	68,817
Loss for the year		(460,153)	(164,315)

All losses for both 2005 and 2004 are from Continuing Operations.

The notes on pages 13 to 36 form an integral part of these financial statements.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	2005 US\$'000	2004 US\$'000
ASSETS			
Non-current assets			
Investments	8	1,455,848	1,706,267
		1,455,848	1,706,267
Current assets			
Trade and other receivables	10	502,949	372,979
Cash and cash equivalents	9	167	3,918
		503,116	376,897
Total assets		1,958,964	2,083,164
LIABILITIES			
Non-current liabilities			
Deferred tax	11	17,814	41,242
		17,814	41,242
Current liabilities			
Trade and other payables	12	2,079,246	1,719,183
Short-term borrowings	13	1,732	2,414
		2,080,978	1,721,597
Total liabilities		2,098,792	1,762,839
SHAREHOLDERS' EQUITY			
Share capital	14	2,564,729	2,564,729
Retained earnings		(2,704,557)	(2,244,404)
Total shareholders' equity		(139,828)	320,325
Total shareholders' equity and liabilities		1,958,964	2,083,164

The notes on pages 13 to 36 form an integral part of these financial statements.

Approved by the Board of Directors on 23 October 2006 and signed on its behalf by


 Kevin J. Burrows
 Director

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2005

Attributable to equity holders of the Company			
	Share Capital	Retained Earnings	Total
Balance at 1 January 2004	US\$'000 2,439,729	US\$'000 (2,080,089)	US\$'000 359,640
Net loss and total recognised income and expense for the period	-	(164,315)	(164,315)
Share capital issued	125,000	-	125,000
Balance at 31 December 2004	2,564,729	(2,244,404)	320,325
Balance at 1 January 2005	US\$'000 2,564,729	US\$'000 (2,244,404)	US\$'000 320,325
Net loss and total recognised income and expense for the period	-	(460,153)	(460,153)
Balance at 31 December 2005	2,564,729	(2,704,557)	(139,828)

The notes on pages 13 to 36 form an integral part of these financial statements.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 US\$'000	2004 US\$'000
Operating activities of operations			
Loss before tax for the year		(513,820)	(233,132)
Adjustments to reconcile net income to net cash provided by operating activities			
<i>Non-cash items included in loss before tax</i>			
Impairment of investments	6, 8a.	509,092	276,486
Foreign exchange losses / (gains)	8b, 8c.	121,117	(177,247)
<i>Net increase in operating assets:</i>			
Increase in trade and other receivables (excluding group tax relief receivable)		(99,733)	(213,962)
<i>Net increase in operating liabilities:</i>			
Increase in trade and other payables		360,063	542,860
Cash generated from operations		376,719	195,005
Income taxes paid		-	-
Net cash flow from operating activities		376,719	195,005
Investing activities			
Return of Capital		20,212	165,401
Investment in subsidiaries	8a.	(400,000)	(485,684)
Net cash flow used in investing activities		(379,788)	(320,283)
Financing activities			
Shares issued	14	-	125,000
Net cash flow from financing activities		-	125,000
Net decrease in cash and cash equivalents		(3,069)	(278)
Cash and cash equivalents at beginning of year		1,504	1,782
Cash and cash equivalents at end of year		(1,565)	1,504
Cash and cash equivalents at end of year comprises:			
Cash and cash equivalents	9	167	3,918
Short-term borrowings	13	(1,732)	(2,414)
Cash and cash equivalents at end of year		(1,565)	1,504

The notes on pages 13 to 36 form an integral part of these financial statements.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

1. General

Credit Suisse Investment Holdings (UK) is a company domiciled in the United Kingdom.

2. Significant Accounting Policies

a) Statement of compliance

Following the adoption of Regulation EC 1606/2002 on the 19 July 2002 by the European Parliament, the Company has elected to prepare financial statements in accordance with IFRS as adopted by the European Union ('EU'), including the standards (IAS/IFRS), as well as the interpretations issued by both the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) as applicable to the Company under IFRS for financial periods beginning 1 January 2005 and Schedule 9 of the Companies Act 1985 ('the Act').

These are the Company's first annual financial statements under IFRS and IFRS 1 has been applied.

To assist with the understanding of the impact of transition from UK GAAP to IFRS, the Company has presented an explanation of the transition to IFRS, refer note 18.

b) Basis of preparation

The financial information has been prepared on the basis of recognition and measurement requirements of IFRS in issue as at 31 December 2005 and endorsed by the EU.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision has a significant effect on both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1 January 2004 for the purpose of the transition to IFRS.

The financial statements have also been prepared in accordance with the Companies Act 1985.

c) Foreign currency

Transactions denominated in currencies other than the functional currency of the reporting entity are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to US\$ at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies at balance sheet date are not revalued for movements in foreign exchange rates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

2. Significant accounting policies (continued)

d) Cash and cash equivalents

For the purpose of preparation and presentation of the cash flow statement, cash and cash equivalents are defined as short-term, highly liquid instruments with original maturities of three months or less and that are held for cash management purposes.

Cash and cash equivalents also include overdrafts for the purposes of the cash flow statement.

e) Netting

The Company only offsets financial assets and liabilities and presents the net amount in the balance sheet where it:

- currently has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Intercompany balances with other group companies are net settled and it is the Company's policy to offset assets and liabilities where applicable.

f) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the income tax is recognised in equity. For items initially recognised in equity and subsequently recognised in the income statement, the related income tax initially recognised in equity is also subsequently recognised in the income statement.

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous years. Current tax is calculated using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. The principal temporary differences arise from the revaluation of certain investments. The amount of deferred tax provided is based on the amount at which it is expected to recover or settle the carrying amount of assets and liabilities in the balance sheet, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax liability is recognised on taxable temporary differences arising on un-remitted earnings of subsidiaries except to the extent that it is probable that such temporary differences will not reverse in the foreseeable future.

Information as to the calculation of income tax on the profit or loss for the periods presented is included in Note 7.

g) Interest income

Interest income relates to intercompany loan interest, amounts received on the Company's bank accounts and amounts received from the Company's investment in securities, which are redeemable with fixed dividends.

Interest income is recognised on an effective yield basis.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

2. Significant accounting policies (continued)

h) Investments

Investments in subsidiaries are carried at cost and are assessed on a regular basis for impairment.

Investments in unquoted debt securities are classified as loans and receivables. They are held at amortised cost in the balance sheet and changes in foreign exchange are recognised in the income statement.

Financial investments are available-for-sale assets. These investments have not been fair valued as they are unquoted equity investments and the fair value cannot be reliably measured.

i) Contingent liabilities

Contingent liabilities are not recognised because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability is not recognised as a liability but only disclosed. However, provisions are recognised (assuming that a reliable estimate can be made) if they are current obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

j) Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair Value

The Company reports fair values in the financial statements with respect to financial instruments. Fair value may be objective, as is the case for exchange-traded instruments, for which quoted prices in price-efficient and liquid markets generally exist, or as is the case where a financial instrument's fair value is derived from actively quoted prices or pricing parameters or alternative pricing sources with a reasonable level of price transparency. For financial instruments that trade infrequently and have little price transparency, fair value may be subjective and require varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

2. Significant accounting policies (continued)

Income taxes

Deferred tax valuation

Deferred tax assets and liabilities are recognised to reflect the estimated amounts of income tax recoverable/payable in future periods in respect of temporary differences and unused carry forward of tax losses and credits. For temporary differences, a deferred tax asset is recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised. Similarly, a deferred tax asset is recognised on unused carry forward tax losses and credits to the extent that it is probable that future taxable profits will be available against which the unused carry forward tax losses and credits can be utilised.

Periodically, management evaluates the probability that taxable profits will be available against which the deductible temporary differences and unused carry forward tax losses and credits can be utilised. Within this evaluation process, management also considers tax-planning strategies. The evaluation process requires significant management judgement, primarily with respect to projecting future taxable profits.

Tax contingencies

Significant judgement is required in determining the effective tax rate and in evaluating certain tax positions. The Company may accrue for tax contingencies despite the belief that positions taken in tax returns are always fully supportable. Tax contingency accruals are adjusted due to changing facts and circumstances, such as case law, progress of audits or when an event occurs requiring a change to the tax contingency accruals. Management regularly assesses the appropriateness of provisions for income taxes. Management believes that it has appropriately accrued for any contingent tax liabilities.

3. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the central treasury department of Credit Suisse (Group Treasury) under policies approved by its Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. The Credit Suisse Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

a) Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the GBP and the South African Rand. Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities.

Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Group Treasury is responsible for managing the net position in each foreign currency by using external forward currency contracts.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

3. Financial Risk Management (continued)

b) Credit Risk

The Company has policies in place to ensure that loans are made only to customers with an appropriate credit history. These include a credit request and approval process, ongoing credit and counterparty monitoring and a credit quality review process.

Credit committees and senior credit managers make credit decisions on a transaction-by-transaction basis, determined by levels appropriate to the amount and complexity of the transactions, and based on the overall exposures to counterparties and their related parties.

c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet requirements as they fall due.

Group Treasury manages the day-to-day liquidity position of Credit Suisse Group as a group. The Company is managed within this framework and receives intercompany funding.

d) Cash Flow and Fair Value Interest Rate Risk

The Company's interest rate risk arises from the Company participating in the intercompany funding process with funding being short term and at fixed rates. Preference shares carry dividends at long term fixed interest rates. This process is overseen by Credit Suisse Group Treasury.

4. Corporate Asset And Liability Management

The Group Treasury department at Credit Suisse also oversees corporate policy with respect to interest rate and foreign exchange exposure, as well as a range of other important policy areas including debt maturity profile, internal and external capitalisation and intercompany funding. Credit Suisse minimises interest rate and foreign currency exposures from a corporate perspective.

5. Revenue

	2005 US\$'000	2004 US\$'000
Interest income	127,910	120,729
Dividend income	49,732	26,818
Other income	1,322	37,326
Total Revenue	178,964	184,873

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

6. Expenses

The following table sets forth the details of expenses:

	2005 US\$'000	2004 US\$'000
Auditor's remuneration for audit services	14	15
Advisory fees	15	60
Other	1	10
Administration expenses	30	85
Impairment of investment in subsidiaries (note 8a)	506,000	198,002
Impairment of investment in securities (note 8b)	12,060	77,285
Writeback of investment in securities (note 8b)	(8,968)	-
Impairment of financial investment	-	1,199
Impairment of investments	509,092	276,486
Foreign exchange translation losses	119,820	1,996
Other expenses	119,820	1,996
Finance costs	63,842	139,438
Finance costs	63,842	139,438
Total Expenses	692,754	418,005

7. Income Tax Benefit

	2005 US\$'000	2004 US\$'000
Components of tax benefit		
Current tax		
Current tax on loss of the year	(29,274)	(94,204)
Adjustments in respect of previous years	(965)	1,675
Total current tax	(30,239)	(92,529)
Deferred tax		
Origination and reversal of temporary differences	(23,428)	23,712
Total deferred tax	(23,428)	23,712
Income tax benefit	(53,667)	(68,817)

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2005

7. Income Tax Benefit (continued)

Reconciliation of effective tax rate

The income tax benefit for the year can be reconciled to the loss per the income statement as follows:

	2005 US\$'000	2004 US\$'000
Loss before tax	(513,820)	(233,132)
Loss before tax multiplied by the UK statutory rate of corporation tax at the rate of 30% (2004: 30%)	(154,146)	(69,939)
Tax effect of expenses that are non-deductible in determining taxable loss	2,170	1,067
Non-taxable income arising on dividends from UK tax resident subsidiaries	(50,740)	(55,104)
Non-deductible/(non-taxable) foreign exchange movements	12,906	(29,462)
Other permanent differences	(397)	-
Adjustment to current tax in respect of previous periods	(965)	1,675
Group relief surrendered for consideration in excess of 30%	(15,223)	-
Non-taxable write back of investment in subsidiaries	(2,690)	-
Non-deductible writedown of investment in subsidiaries	155,418	82,946
Income tax benefit	(53,667)	(68,817)

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

8. Investments

	2005 US\$'000	2004 US\$'000
Investment in subsidiaries	629,184	755,396
Loans and receivables	826,464	950,673
Financial investments held as available-for-sale	200	198
	1,455,848	1,706,267

a) Investment in Subsidiaries

A list of the investments in subsidiaries is given on the next page.

Movements in investment in subsidiaries for the year were as follows:

	2005 US\$'000	2004 US\$'000
As at 1 January	755,396	633,220
Acquisitions and subscription of capital	-	185,579
Distributions out of capital reserves	(20,212)	(165,401)
Capital contribution	400,000	300,000
Investment impairment	(506,000)	(198,002)
As at 31 December	629,184	755,396

Capital contributions represent contributions made to Credit Suisse Securities (Europe) Limited of US\$150,000,000 on 10 May 2005 and US\$250,000,000 on 6 December 2005. During the year the Company's investment in Credit Suisse Securities (Europe) Limited was written down by US\$506,000,000 (2004: US\$198,002,000).

During the year the Company's investment in Credit Suisse First Boston Equities Limited was written down by US\$20,212,050 (2004: US\$165,401,000), as a result of Credit Suisse First Boston Equities Limited paying a dividend to the Company from its capital contributions reserve.

Under section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated financial statements as the Company is 98.07% owned by Credit Suisse Investments (UK) which prepares consolidated accounts. The ultimate holding company is Credit Suisse Group, which is incorporated in Switzerland.

Copies of accounts of Credit Suisse Investments (UK) and group accounts of the ultimate holding company, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff and Credit Suisse Group, Paradeplatz, P.O. Box 1, 8070 Zurich, respectively.

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

a) Investment in Subsidiaries (continued)

%	Company name	Domicile	Activity	Investment in US\$
100	Credit Suisse Securities (Europe) Limited	UK	International corporate finance and securities issuing and trading company	520,000,000
100	Grupo Financiero Credit Suisse (Mexico), S.A. de C.V.	Mexico	Regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities	75,200,000
100	Credit Suisse First Boston Equities Limited	UK	Traded in equities and equity derivative products. Ceased trading on 1 January 2006, with the intention of being liquidated in the future	24,750,000
100	Credit Suisse Securities Sociedad de Valores SA	Spain	Spanish Equity Brokerage company	9,213,570
100	Credit Suisse First Boston Fixed Assets Limited	UK	Holding company	17,717
100	Credit Suisse First Boston Canary Wharf Health ClubUK Limited	UK	Carries on the business of a sport, health and fitness club	162
100	Credit Suisse First Boston InvestCo UK Limited	Cayman	Unregulated subsidiary incorporated in Cayman for investment purposes	802
100	Credit Suisse First Boston InvestCo UK No1 Limited	Cayman	Unregulated subsidiary incorporated in Cayman for investment purposes	1,000
100	Credit Suisse First Boston InvestCo UK No2 Limited	Cayman	Dormant	891
100	Credit Suisse First Boston UK Nominees Limited	UK	Dormant	3
100	Credit Suisse First Boston Gifts	UK	Formerly a UK Government Bond Primary Dealer which is expected to be liquidated in the future	3
100	Credit Suisse Client Nominees Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, which holds registered securities of Credit Suisse Securities (Europe) Limited and its clients	Indirect
100	Credit Suisse First Boston Trustees Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, a trust company	Indirect
100	Credit Suisse First Boston PF Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, which acts as a limited partner in funds for the Private Fund Group	Indirect
100	Credit Suisse First Boston (Equities) Nominees Limited	UK	Wholly owned subsidiary of Credit Suisse First Boston Equities Limited, which is dormant	Indirect
99.9	Banco Credit Suisse Mexico, S.A	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S.A. de C.V., providing banking facilities in Mexico	Indirect
99.9	Casa de Bolsa Credit Suisse (Mexico), S.A. de C.V.	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S.A. de C.V., providing broker dealer facilities in Mexico	Indirect
99.9	Credit Suisse Servicios Mexico S.A. de C.V.	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S.A. de C.V., providing service facilities to the Mexican Bank and Broker Dealer companies	Indirect
99	DLJ UK Properties Limited	UK	Subsidiary of Credit Suisse First Boston Fixed Assets Limited, a property investment company, which rents fixed assets to other group companies	Indirect

629,184,148

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

8. Investments (continued)

b) Loans and Receivables

	2005 US\$'000	2004 US\$'000
As at 1 January	950,673	850,711
Foreign exchange movement	(121,117)	177,247
Net impairment of investment	(3,092)	(77,285)
As at 31 December	826,464	950,673

The loans and receivables represent an investment in the preference shares of Credit Suisse First Boston InvestCo UK Limited and Credit Suisse First Boston InvestCo UK No. 1 Limited, which are subsidiary companies. The preference shares were issued as redeemable preference shares with fixed dividends.

The movement during the year for loans and receivables is the result of foreign exchange movements of US\$121,117,000 (2004: US\$177,247,000) and a net impairment of US\$3,092,000 (2004: US\$77,285,000).

The fair value of loans and receivables approximates their carrying value. The effective interest rate on loans and receivables was 12.48% during the year (2004: 12.44%). The average maturity was 137 days (2004: 502 days) based on the actual redemption of these instruments during 2006. Their contractual maturity is in the year 2023.

c) Financial Investments held as available-for-sale

	2005 US\$'000	2004 US\$'000
As at 1 January	198	1,292
Acquisitions	-	105
Impairment of investment	-	(1,199)
Foreign exchange gains	2	-
As at 31 December	200	198

Financial investments represent the Company's 10% investment in First South Securities (Proprietary) Limited, a local broker in South Africa and a 15.84% investment in Portucale SGFTC S.A, a Portuguese fund manager.

9. Cash and Cash Equivalents

	2005 US\$'000	2004 US\$'000
Cash at bank	167	3,918
	167	3,918

All bank accounts are matured on demand. The effective interest rate on the GBP bank account was 4.25% (2004: 4.05%).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

10. Trade and Other Receivables

	2005 US\$'000	2004 US\$'000
Receivables from related entities (note 15)	212,505	212,585
Interest receivable (note 15)	109,174	9,363
Group tax relief due from related entities (note 15)	181,270	151,031
	502,949	372,979

Receivables from related entities represents intercompany deposits held by the Company, which are interest bearing. Interest receivable represents preference dividends owed through the Company's investment in securities.

The fair value of trade and other receivables approximates book value due to their short-term nature. The effective interest rate on USD receivables from related entities was 3.74% (2004: 2.70%) and the average maturity was 48 days (2004: 22 days). The effective interest rate on GBP receivables from related entities was 4.81% (2004: 5.09%) and the average maturity was 7 days (2004: Nil days).

11. Deferred Tax

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2004: 30%).

	2005 US\$'000	2004 US\$'000
Deferred tax liabilities	17,814	41,242
Net position	17,814	41,242

The movement for the year on the deferred tax position is analysed as follows:

Beginning of the year	41,242	17,530
(Benefit)/expense to income for the year	(23,428)	23,712
At end of year	17,814	41,242

Deferred tax liabilities are attributed to the following items:

Deferred tax liabilities		
Investment in securities	17,814	41,242
At end of year	17,814	41,242

The Company had no deferred tax provided or deferred tax liabilities not recognised in respect of subsidiaries at 31 December 2005 (2004: US\$Nil).

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

12. Trade and Other Payables

	2005 US\$'000	2004 US\$'000
Amounts due to related entities (note 15)	2,079,232	1,269,338
Deposits received and amounts due in respect of securities loaned (note 15)	-	449,845
Other accruals	14	-
	2,079,246	1,719,183

Amounts due to related entities represents intercompany loans made to the Company, which are interest bearing. Deposits received and amounts due in respect of securities loaned represented amounts owed under a stock loan agreement with Credit Suisse International, which was repaid on 25 February 2005.

The fair value of trade and other payables approximates book value due to their short-term nature. The effective interest rate on USD amounts due to related entities was 3.70% (2004: 2.25%) and the average maturity was 58 days (2004: 52 days). The effective interest rate on ZAR amounts due to related entities was 14.04% (2004: 13.31%) and the average maturity was 3 days (2004: Nil days). The effective interest rate on EUR amounts due to related entities was 2.85% (2004: Nil) and the average maturity was 61 days (2004: Nil days).

13. Short-term Borrowings

	2005 US\$'000	2004 US\$'000
Bank overdrafts (note 15)	1,732	2,414
	1,732	2,414

All bank accounts are matured on demand. The effective interest rate on the EUR bank account was 3.3% (2004: 3.1%) and 5.05% (2004: 4.85%) on the USD bank account.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

14. Share Capital

	2005 US\$'000	2004 US\$'000
Authorised:		
100,000,000 ordinary shares of US\$1 each	100,000	100,000
1,000,000,000 preference shares of US\$1 each	1,000,000	1,000,000
	2005 GBP'000	2004 GBP'000
60,000,000 preference shares of GBP1 each	60,000	60,000
	2005 US\$'000	2004 US\$'000
Allotted, called up and fully paid		
73,369,578 ordinary shares of US\$1 each	73,369	73,369
860,000,000 preference shares of US\$1 each	860,000	860,000
35,000,000 preference shares of GBP1 each	58,003	58,003
Share premium	362,600	362,600
Capital reserve	1,210,757	1,210,757
	2,564,729	2,564,729

During the year the Company issued no shares (2004: issued US\$125,000,000 of additional preference shares).

Preference Shares

All preference shares are non-cumulative perpetual shares and are only entitled to dividends as and when declared by the board of directors in any given dividend period.

Should the Company be wound up the preference shares shall carry the right to a return of capital (including premium) paid up thereon in priority to all payments made to holders of ordinary shares.

The preference shares do not carry any voting rights.

Share options

The Company does not offer share options to directors.

15. Related Party Transactions

The Company is controlled by Credit Suisse Investments (UK), incorporated in the United Kingdom and which owns 98.07% of the ordinary shares. The ultimate parent company is Credit Suisse Group, which is incorporated in Switzerland.

The Company is involved in significant financing and other transactions, and has significant related party balances, with subsidiaries and affiliates of Credit Suisse Group. The Company generally enters into these transactions in the ordinary course of business and believes that these transactions are generally on market terms that could be obtained from unrelated parties.

The following tables set forth the Company's related party assets and liabilities and related party revenues and expenses:

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

15. Related Party Transactions (continued)

a) Related party assets and liabilities

	2005				2004		
	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals US\$'000
ASSETS							
Non-current assets							
Investments	-	-	1,455,648	1,455,648	-	1,706,069	1,706,069
	-	-	1,455,648	1,455,648	-	1,706,069	1,706,069
Current assets							
Cash and cash equivalents	-	3	-	3	83	-	83
Trade and other receivables	210,704	183,071	109,174	502,949	153,031	9,436	372,979
	210,704	183,074	109,174	502,952	153,114	9,436	373,062
Total related party assets	210,704	183,074	1,564,822	1,958,600	153,114	1,715,505	2,079,131
LIABILITIES							
Current liabilities							
Trade and other payables	-	943,550	1,135,682	2,079,232	1,061,925	657,258	1,719,183
Short-term borrowings	-	1,732	-	1,732	2,414	-	2,414
Total related party liabilities	-	945,282	1,135,682	2,080,964	1,064,339	657,258	1,721,597

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

15. Related Party Transactions (continued)

b) Related party revenues and expenses

	2005				2004			
	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals
Interest and dividend income	7,910	439	169,135	177,483	927	39	146,355	147,321
Total related party revenue	7,910	439	169,135	177,483	927	39	146,355	147,321
Administration expenses	-	15	-	15	-	60	-	60
Impairment of investments	-	-	509,092	509,092	-	-	275,287	275,287
Finance costs	-	27,564	36,112	63,676	-	65,563	73,782	139,345
Total related party expenses	-	27,579	554,172	581,751	-	65,623	349,069	414,692

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

15. Related Party Transactions (continued)

c) Remuneration of Directors and Key Management Personnel

	2005 US\$'000	2004 US\$'000
Directors' emoluments	190	738
Amounts receivable under long term incentive schemes	450	56
	<u>640</u>	<u>794</u>
Company contributions to money purchase pension schemes	528	243
	<u>1,168</u>	<u>1,037</u>

Under IFRS the aggregate value of compensation provided in the financial statements for 2005 for Directors was US\$4.9m (2004: US\$US0.9m).

Where directors perform services for a number of companies within the Credit Suisse Group, the total emoluments payable to each director have been apportioned to the respective entities. The directors' emoluments have been borne by subsidiary undertakings.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was US\$639,857 (2004: US\$733,338). The highest paid director was a member of a money purchase pension scheme and the contribution paid during the year for the money purchase pension scheme was US\$527,639 (2004: US\$240,793). During the year the highest paid director received an entitlement to shares under a long term incentive scheme.

Retirement benefits are accruing to the following number of directors under:

	Number of Directors	
	2005	2004
Money purchase schemes	2	1
Both money purchase and defined benefit	<u>2</u>	<u>2</u>
Number of directors who exercised share options	<u>-</u>	<u>-</u>
Directors in respect of whose services shares were received or receivable under long term incentive schemes	<u>4</u>	<u>3</u>

d) Loans and advances to Directors and Key Management Personnel

There were no loans or advances made to directors or key management personnel during the year (2004: US\$Nil).

e) Liabilities due to pension funds

The Company has no employees and therefore does not have any liabilities with regard to pension funds.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

16. Currency Risk

The Company had the following assets and liabilities denominated in currencies other than US\$. The majority of these assets and liabilities are denominated in ZAR:

	2005 US\$'000	2004 US\$'000
Non-USD denominated assets	<u>945,220</u>	<u>979,221</u>
Non-USD denominated liabilities	<u>92</u>	<u>659,604</u>

17. Subsequent Events

On 6 June 2006 Credit Suisse First Boston Equities Limited paid to the Company an interim dividend of GBP20,000,000.

On 14 June 2006 the Company invested a further MXN228,654,000 into Grupo Financiero Credit Suisse (Mexico), SA de CV.

Since 31 December 2005 the Company has contributed US\$1,247,661,200 by way of capital contributions into Credit Suisse Securities (Europe) Limited as follows:

- US\$175,000,000 on 23 February 2006.
- US\$350,000,000 on 13 March 2006
- US\$325,000,000 on 18 April 2006.
- US\$300,000,000 on 24 May 2006.
- US\$37,588,000 on 8 June 2006.
- US\$60,073,200 on 29 June 2006.

On 13 April 2006 the Company entered into a subordinated loan facility with Credit Suisse First Boston Finance B.V. for US\$1,500,000,000. To date the following drawdowns have been made under the subordinated loan.

- US\$603,078,125 on 13 April 2006 (conversion of existing loans)
- US\$325,000,000 on 18 April 2006.
- US\$300,000,000 on 24 May 2006.
- US\$60,073,200 on 29 June 2006.

Repayment of each of the above drawdowns will not be made earlier than 25 years from the date of the drawdown.

On 1 June 2006 the Company sold its investment in First South Securities for 5,000,000 South African Rand.

On 11 October 2006 the Company received a US\$150,000,000 capital contribution from its parent which was converted from a senior debt facility the Company previously owed to Credit Suisse First Boston Finance B.V.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

18. Explanation of Transition to IFRS

As stated in note 2, these are the Company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2005, the comparative information presented in these financial statements for the year ended 31 December 2004 and in the preparation of the opening IFRS balance sheet at 1 January 2004.

Transitional arrangements

On transition to IFRS, an entity is required to apply IFRS retrospectively, except where an exemption is available under IFRS 1 'First-time Adoption of International Financial Reporting Standards'. The Company did not make any elections for the exemptions available.

Reclassifications

Certain reclassifications of comparatives have been made on the balance sheet and income statement to reflect the appropriate IFRS categorisations.

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

18. Explanation of Transition to IFRS (continued)

Reclassification (before remeasurement) of balances from UK GAAP to IFRS format only as at 1 January 2004

	Note	UK GAAP US\$'000	Reclassification US\$'000	UK GAAP in IFRS format US\$'000
ASSETS				
Non-current assets				
Shares in subsidiary undertakings	d.	1,628,344	(1,628,344)	-
Financial investments	d.	1,292	(1,292)	-
Investments	d.	-	1,629,636	1,629,636
		1,629,636	-	1,629,636
Current assets				
Cash at bank	a.	1,782	(1,782)	-
Debtors	b.	66,488	(66,488)	-
Trade and other receivables	b.	-	66,488	66,488
Cash and cash equivalents	a.	-	1,782	1,782
		68,270	-	68,270
Total assets		1,697,906	-	1,697,906
LIABILITIES				
Current liabilities				
Other creditors	c.	1,176,323	(1,176,323)	-
Trade and other payables	c.	-	1,176,323	1,176,323
Total liabilities		1,176,323	-	1,176,323
SHAREHOLDERS' EQUITY				
Called up share capital	e.	866,372	(866,372)	-
Share premium	e.	362,600	(362,600)	-
Capital reserves	e.	1,210,757	(1,210,757)	-
Share capital	e.	-	2,439,729	2,439,729
Profit and loss account	f.	(1,918,146)	1,918,146	-
Retained earnings	f.	-	(1,918,146)	(1,918,146)
Total shareholders' equity		521,583	-	521,583
Total shareholders' equity and liabilities		1,697,906	-	1,697,906

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

18. Explanation of Transition to IFRS (continued)

Reclassification (before remeasurement) of balances from UK GAAP to IFRS format only as at
31 December 2004

	Note	UK GAAP US\$'000	Reclassification US\$'000	UK GAAP in IFRS format US\$'000
ASSETS				
Non-current assets				
Shares in subsidiary undertakings	d.	1,693,520	(1,693,520)	-
Financial investments	d.	198	(198)	-
Investments	d.	-	1,693,718	1,693,718
		1,693,718	-	1,693,718
Current assets				
Cash at bank	a.	1,504	(1,504)	-
Debtors	b.	370,979	(370,979)	-
Trade and other receivables	b.	-	370,979	370,979
Cash and cash equivalents	a.	-	1,504	1,504
		372,483	-	372,483
Total assets		2,066,201	-	2,066,201
LIABILITIES				
Current liabilities				
Other creditors	c.	1,717,183	(1,717,183)	-
Trade and other payables	c.	-	1,717,183	1,717,183
Total liabilities		1,717,183	-	1,717,183
SHAREHOLDERS' EQUITY				
Called up share capital	e.	991,372	(991,372)	-
Share premium	e.	362,600	(362,600)	-
Capital reserves	e.	1,210,757	(1,210,757)	-
Share capital	e.	-	2,564,729	2,564,729
Profit and loss account	f.	(2,215,711)	2,215,711	-
Retained earnings	f.	-	(2,215,711)	(2,215,711)
Total shareholders' equity		349,018	-	349,018
Total shareholders' equity and liabilities		2,066,201	-	2,066,201

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

18. Explanation of Transition to IFRS (continued)

Reclassification (before remeasurement) of Income Statement from UK GAAP to IFRS format only for the year ended 31 December 2004

	Note	UK GAAP US\$'000	Reclassification US\$'000	UK GAAP in IFRS format US\$'000
Operating loss	g.	(390,009)	390,009	-
Interest and dividend income	g.	-	312,948	312,948
Other Revenue	g.	-	37,326	37,326
Revenue		(390,009)	740,283	350,274
Administrative expenses		85	-	85
Impairment of investments	g.	-	421,602	421,602
Other expenses	g.	-	179,243	179,243
Finance cost	g.	-	139,438	139,438
Total expenses		85	740,283	740,368
Loss before tax		(390,094)	-	(390,094)
Tax credit		92,529	-	92,529
Loss for the year		(297,565)	-	(297,565)

Reclassification notes

a. Cash and cash equivalents

Cash and due from bank is also classified as cash and cash equivalents under IAS 1.

b. Trade and other receivables

Debtors are reclassified to trade and other receivables according to IAS 1.

c. Trade and other payables

Creditors (excluding current income tax payable) are reclassified to trade and other payables according to IAS 1.

d. Investments

Investment in subsidiaries and financial investments are reclassified to investments under IFRS, according to IAS 1.

e. Share capital

Called up share capital, share premium and capital reserves are reclassified to share capital under IFRS, according to IAS 1.

f. Retained earnings

Profit and loss account has been reclassified to retained earnings under IFRS, according to IAS 1.

g. Interest and dividend income, Other Revenue, Impairment of investments, Other expenses and Finance costs

Included in Operating loss under UK GAAP. Reclassified under separate headings under IFRS (IAS 1).

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT
HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

18. Explanation of Transition to IFRS (continued)

Reconciliation of UK GAAP to IFRS Balance Sheet as at 1 January 2004

	Note	UK GAAP in IFRS format US\$'000	Transitional adjustments US\$'000	IFRS US\$'000
ASSETS				
Non-current assets				
Investments	a., d., e.	1,629,636	(144,413)	1,485,223
		1,629,636	(144,413)	1,485,223
Current assets				
Trade and other receivables		66,488	-	66,488
Cash and cash equivalents		1,782	-	1,782
		68,270	-	68,270
Total assets		1,697,906	(144,413)	1,553,493
LIABILITIES				
Non-current liabilities				
Deferred tax	c.	-	17,530	17,530
		-	17,530	17,530
Current liabilities				
Trade and other payables		1,176,323	-	1,176,323
		1,176,323	-	1,176,323
Total liabilities		1,176,323	17,530	1,193,853
SHAREHOLDERS' EQUITY				
Share capital		2,439,729	-	2,439,729
Retained earnings		(1,918,146)	(161,943)	(2,080,089)
Total shareholders' equity		521,583	(161,943)	359,640
Total shareholders' equity and liabilities		1,697,906	(144,413)	1,553,493

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

18. Explanation of Transition to IFRS (continued)

Reconciliation of UK GAAP to IFRS Balance Sheet as at 31 December 2004

	Note	UK GAAP in IFRS format US\$'000	Transitional adjustments US\$'000	IFRS US\$'000
ASSETS				
Non-current assets				
Investments	a., d., e.	1,693,718	12,549	1,706,267
		1,693,718	12,549	1,706,267
Current assets				
Trade and other receivables	b.	370,979	2,000	372,979
Cash and cash equivalents	b.	1,504	2,414	3,918
		372,483	4,414	376,897
Total assets		2,066,201	16,963	2,083,164
LIABILITIES				
Non-current liabilities				
Deferred tax	c.	-	41,242	41,242
		-	41,242	41,242
Current liabilities				
Trade and other payables	b.	1,717,183	2,000	1,719,183
Short-term borrowings	b.	-	2,414	2,414
		1,717,183	4,414	1,721,597
Total liabilities		1,717,183	45,656	1,762,839
SHAREHOLDERS' EQUITY				
Share capital		2,564,729	-	2,564,729
Retained earnings		(2,215,711)	(28,693)	(2,244,404)
Total shareholders' equity		349,018	(28,693)	320,325
Total shareholders' equity and liabilities		2,066,201	16,963	2,083,164

Reconciliation of UK GAAP to IFRS Income Statement for the year ended 31 December 2004

	Note	UK GAAP in IFRS format US\$'000	Transitional adjustments US\$'000	IFRS US\$'000
Interest and dividend income	d.	312,948	(165,401)	147,547
Other Revenue		37,326		37,326
Revenue		350,274	(165,401)	184,873
Administrative expenses		85	-	85
Impairment of investments	e.	421,602	(145,116)	276,486
Other expenses	a.	179,243	(177,247)	1,996
Finance cost		139,438	-	139,438
Total expenses		740,368	(322,363)	418,005
Loss before tax		(390,094)	156,962	(233,132)
Tax credit	c.	92,529	(23,712)	68,817
Loss for the year		(297,565)	133,250	(164,315)

CREDIT SUISSE INVESTMENT HOLDINGS (UK)
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

18. Explanation of Transition to IFRS (continued)

IFRS transitional adjustment notes

a. Valuation adjustment

Adjustment to the carrying value of investment in securities. Under UK GAAP certain of these investments were shown as investment in subsidiaries and valued at historical cost. Under IFRS the investments have been reclassified to loans and receivables and are held at amortised cost, with any changes due to foreign exchange rates of the investments resulting in an amount going through the income statement (IAS 39). The adjustment in carrying value is the result of movements in the foreign exchange rate (South African Rand) that the preference shares are denominated in.

b. Netting adjustment

Adjustment to remove the effect of netting. Under IFRS (IAS32) netting is only allowed under the circumstances mentioned in note 2e. Under UK GAAP (FRS 5) items are aggregated into a single item where there is a right to insist on net settlement and the debit balance matures no later than the credit balance.

c. Tax adjustment

Deferred tax adjustment for the tax effect of the valuation adjustment in a. above.

d. Interest and dividend income

Adjustment relating to a capital distribution from a subsidiary. This was shown as dividend income under UK GAAP, but is deducted from the investment value under IFRS (IAS27, IAS10).

e. Impairment of investments

Investment values are reviewed annually for impairment (IAS36). This differs from UK GAAP where investments were written down for permanent diminution in value. In addition IFRS has required adjustments to the underlying value of assets and liabilities of subsidiaries.