

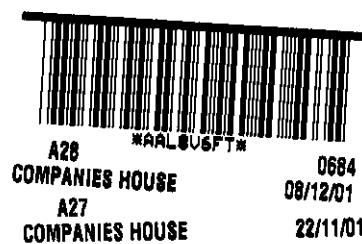
Company Registration No. 2561614

**mitsui bussan commodities
limited**

Abridged Financial Statements

31 December 2000

**Deloitte & Touche
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR**



mitsui bussan commodities limited

REPORT AND FINANCIAL STATEMENTS 2000

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mitsui BUSSAN COMMODITIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H Nakamura
S Underhill (Co-Managing Director)
Y Morishita
M Roffey
K Tasaka
T Matsuoka
S Sato
F Hattori

SECRETARY

S L Nath

REGISTERED OFFICE

Wren House
15-23 Carter Lane
London
EC4V 5HH

BANKERS

The Sakura Bank Limited
Barclays Bank PLC
Fuji Bank Limited
Bank of Tokyo-Mitsubishi Limited
Chase Manhattan Bank

SOLICITORS

Clifford Chance
200 Aldersgate Street
London
EC1A 4JJ

AUDITORS

Deloitte & Touche
Chartered Accountants
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

MITSUI BUSSAN COMMODITIES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the abridged financial statements for the year ended 31 December 2000.

ACTIVITIES

The company is engaged in metal trading on The London Metal Exchange and the trading of related OTC instruments. The US dollar is used as the reporting currency since the company's principal sources of income and expenditure are in this currency.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the current year of trading are set out on page 5. Trading generated a loss before tax of US\$ - 14,301,638 (1999 profit - US\$ 2,690,068). The company expects to continue to trade profitably in future years.

DIVIDENDS

The directors have not recommended a dividend for 2000 (1999 - nil).

DIRECTORS

The current directors are listed on page 1.

The following directors served during the year:

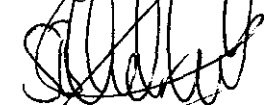
H Nakamura	(Japanese)	
S Underhill		
H Senga	(Japanese)	(Deceased 26 February 2000)
Y Morishita	(Japanese)	
M Roffey		
M Ikeda	(Japanese)	(Resigned 1 March 2000)
K Tasaka	(Japanese)	
T Ohyama	(Japanese)	(Resigned 10 October 2000)
T Matsuoka	(Japanese)	
S Sato	(Japanese)	(Appointed 6 June 2000)
F Hattori	(Japanese)	(Appointed 1 July 2000)

None of the directors held any interests in the shares of the company during the year.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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



S Underhill
Director

30 MARCH 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a 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.

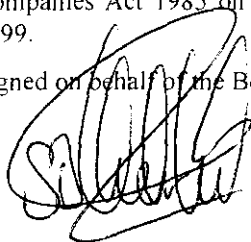
DIRECTORS' REPORT TO THE MEMBERS OF

mitsui BUSSAN COMMODITIES LIMITED

The financial statements on pages 5 to 14 represent the abridged accounts of the company for the year ended 31 December 2000 and 31 December 1999 to the extent that details of the directors' emoluments have not been disclosed. Full accounts for the year ended 31 December 1999 have been delivered to the registrar of companies, but 31 December 2000 have not yet been delivered.

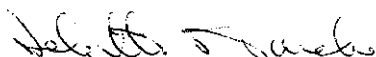
The company's auditors, Deloitte & Touche, have made an unqualified report under Section 236 of the Companies Act 1985 on the full statutory accounts for the year ended 31 December 2000 and 31 December 1999.

Signed on behalf of the Board of Directors



ACCOUNTANTS' STATEMENT TO THE DIRECTORS OF MITSUI BUSSAN COMMODITIES LIMITED

In our opinion these abridged accounts, which do not include information in respect of directors' emoluments and staff costs, have been extracted from the accounts for the year ended 31 December 2000, upon which we rendered an unqualified audit opinion on 30 March 2001.



Chartered Accountants

30 March 2001

mitsui bussan commodities limited

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2000**

	Note	2000 US\$	1999 US\$
TURNOVER	1,2	(1,945,376)	13,140,039
Administrative expenses		<u>(12,247,509)</u>	<u>(11,817,914)</u>
OPERATING (LOSS)/ PROFIT	4	(14,192,885)	1,322,125
Other interest and similar income		2,596,169	2,731,285
Interest payable and similar charges	5	<u>(2,704,922)</u>	<u>(1,363,342)</u>
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(14,301,638)	2,690,068
Tax credit/ (charge) on (loss)/ profit on ordinary activities	6	<u>4,241,838</u>	<u>(791,272)</u>
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(10,059,800)</u>	<u>1,898,796</u>
RETAINED (LOSS)/ PROFIT FOR THE FINANCIAL YEAR TRANSFERRED (FROM)/ TO RESERVES	13	(10,059,800)	1,898,796
Profit and loss account brought forward		<u>4,647,379</u>	<u>2,748,583</u>
Profit and loss account carried forward		<u><u>(5,412,421)</u></u>	<u><u>4,647,379</u></u>

All items of income and expenditure disclosed above are derived from continuing operations. There are no recognised gains or losses for the current financial year and preceding financial year, other than as stated in the profit and loss account.

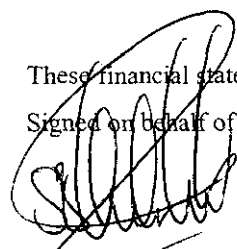
MITSUI BUSSAN COMMODITIES LIMITED

BALANCE SHEET 31 December 2000

	Note	US\$	2000 US\$	US\$	1999 US\$
FIXED ASSETS					
Tangible assets	7		754,777		983,213
Investments	8		1,026,795		652,870
			<u>1,781,572</u>		<u>1,636,083</u>
CURRENT ASSETS					
Stock		723		-	
Debtors	9	113,097,336		138,299,353	
Cash at bank and in hand		<u>68,792,054</u>		<u>27,642,057</u>	
		<u>181,890,113</u>		<u>165,941,410</u>	
CREDITORS: amounts falling due within one year					
Bank loans and overdrafts		82		332,978	
Trade creditors		64,881,395		112,065,627	
Amounts owed to group companies:					
Parent company and fellow subsidiaries		67,136,759		13,961,086	
Subordinated liabilities	16	30,000,000		10,000,000	
Other creditors including taxation and social security	10	599,255		245,037	
Accruals and deferred income		<u>997,455</u>		<u>1,189,428</u>	
		163,614,946		137,794,156	
Provisions for liabilities and charges	11	<u>469,160</u>		<u>135,958</u>	
		<u>164,084,106</u>		<u>137,930,114</u>	
NET CURRENT ASSETS			<u>17,806,007</u>		<u>28,011,296</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,587,579</u>		<u>29,647,379</u>
CAPITAL AND RESERVES					
Called up share capital	12		25,000,000		25,000,000
Profit and loss account			<u>(5,412,421)</u>		<u>4,647,379</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	13		<u>19,587,579</u>		<u>29,647,379</u>

These financial statements were approved by the Board of Directors on 30 MARCH 2001.

Signed on behalf of the Board of Directors



S. Underhill
Director

MITSUI BUSSAN COMMODITIES LIMITED

CASH FLOW STATEMENT Year ended 31 December 2000

	Note	2000 US\$	1999 US\$
Net cash inflow/(outflow) from operating activities	A	22,398,814	(39,414,980)
Returns on investments and servicing of finance			
Interest received		2,333,860	1,841,631
Interest paid		(2,847,281)	(1,363,342)
Net cash (outflow)/ inflow from returns on investments and servicing of finance		(513,421)	478,289
Taxation			
UK corporation tax paid		(255,101)	(1,787,607)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(147,399)	(643,269)
Disposal of tangible fixed assets		-	77,506
Net cash outflow from capital expenditure and financial investment activities		(147,399)	(565,763)
[Net cash inflow/(outflow) before financing]		21,482,893	(41,290,061)
Increase/ (decrease) in cash	B	21,482,893	(41,290,061)

NOTES TO THE CASH FLOW STATEMENT

Year ended 31 December 2000

A. RECONCILIATION OF OPERATING (LOSS)/ PROFIT TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	2000 US\$	1999 US\$
Operating (loss)/ profit	(14,192,885)	1,322,125
Depreciation	375,835	335,505
Decrease in debtors	29,484,417	4,709,247
Increase/ (decrease) in creditors	6,874,284	(45,751,821)
Sundry non-operating income	(373,925)	-
F/X expense related non-operating items	231,088	-
Profit on sale of fixed assets	-	(30,036)
	<hr/>	<hr/>
Net cash inflow/ (outflow) / from operating activities	22,398,814	(39,414,980)
	<hr/>	<hr/>

B. CHANGES IN NET FUNDS AND RECONCILIATION OF NET CASH FLOWS TO MOVEMENT IN NET DEBT

	At 31/12/2000 US\$	Cash flows US\$	At 31/12/1999 US\$
Cash at bank and in hand	68,792,054	41,149,997	27,642,057
Bank overdraft	(82)	332,896	(332,978)
	<hr/>	<hr/>	<hr/>
Debt due within one year	68,791,972 (30,000,000)	41,482,893 (20,000,000)	27,309,079 (10,000,000)
	<hr/>	<hr/>	<hr/>
Total net funds	38,791,972	21,482,893	17,309,079
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NOTES TO THE ACCOUNTS
Year ended 31 December 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the valuation of trading positions.

Turnover

Turnover comprises:

- (i) profits on dealing operations, being gains less losses on options and futures dealing and currency hedging;
- (ii) gross commission from investment business, less commissions paid away.

All amounts are derived from the United Kingdom.

Tangible fixed assets

Depreciation is provided on the cost or revalued amount on the following bases:

Leasehold improvements	Over the remaining term of the lease
Office equipment	Straight line method over 4 years
Motor vehicles	25% Reducing balance method

Fixed asset investments

Investments held as fixed assets are stated at cost less permanent impairment in value. Shares in unlisted companies are stated at directors' valuation.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

The company has recognised a deferred tax asset on carried forward trading losses under FRS 19. Although, FRS 19 does not have to be adopted till January 2002, early adoption is encouraged. Under FRS 19 the recognition of the deferred tax amount appears to be on a reasonable basis.

Foreign exchange

Transactions denominated in other currencies are translated into US dollars at the rates of exchange ruling at the dates of the transactions. Fixed assets are translated at the rates ruling on acquisition. Other assets and liabilities stated in foreign currencies are translated into US dollars at the rates ruling at the year end. Exchange profits and losses are dealt with in the profit and loss account.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Valuation of positions

Positions held for trading purposes in options, futures and forwards are accounted for on a trade date basis and valued at market value. Market values are derived, as appropriate, from externally quoted prices and other market data and internal valuation models. Unrealised profits and losses on open forward contracts are discounted. Stocks held as trading positions are valued at net realisable value. The client positions reflected in trade debtor and creditor accounts are also stated at market values.

MITSUI BUSSAN COMMODITIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

1. ACCOUNTING POLICIES (Continued)

Pension costs

The company contributes towards a money purchase pension scheme on behalf of its employees. Costs are charged against profits in the period in which they become payable.

2. TURNOVER

	2000 US\$	1999 US\$
Realised and unrealised dealing profits/(losses), net commissions receivable/(payable), and amounts payable on metal lease agreements	(1,945,376)	13,140,039

3. INFORMATION REGARDING EMPLOYEES

	2000 No.	1999 No.
Average number of persons employed:		
Trading	11	12
Administration	20	18
	31	30

4. OPERATING (LOSS)/ PROFIT

	2000 US\$	1999 US\$
Operating (loss)/ profit is after charging:		
Rentals under operating leases of land and buildings	201,547	202,264
Rentals under operating leases of office equipment	-	-
Depreciation and other amounts written off tangible fixed assets	375,835	335,505
Auditors' remuneration - audit services	67,307	63,886
other services	148,451	-
Foreign exchange losses	196,632	80,415

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 US\$	1999 US\$
Bank loans and overdrafts payable within five years	26,394	2,860
Other loans - group undertakings	1,787,272	582,598
- other	891,256	777,884
	2,704,922	1,363,342

MITSUI BUSSAN COMMODITIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2000

6. TAX (CREDIT)/ CHARGE ON (LOSS)/ PROFIT ON ORDINARY ACTIVITIES

	2000 US\$	1999 US\$
United Kingdom corporation tax at 30% (1999: 30.25%) based on the (loss)/ profit for the year	(247,440)	824,798
Group relief	(3,308,621)	-
Deferred taxation	(664,176)	-
Adjustment in respect of prior periods	(21,601)	(33,526)
	<u>(4,241,838)</u>	<u>791,272</u>

7. TANGIBLE FIXED ASSETS

	Total US\$	Leasehold improve- ments US\$	Office equipment US\$	Motor vehicles US\$
Cost				
At 1 January 2000	3,147,998	384,839	2,723,999	39,160
Additions	147,399	-	147,399	-
Disposals	-	-	-	-
At 31 December 2000	<u>3,295,397</u>	<u>384,839</u>	<u>2,871,398</u>	<u>39,160</u>
Accumulated depreciation				
At 1 January 2000	2,164,785	101,663	2,044,891	18,231
Charge for the year	375,835	39,916	330,687	5,232
Disposals during the year	-	-	-	-
At 31 December 2000	<u>2,540,620</u>	<u>141,579</u>	<u>2,375,578</u>	<u>23,463</u>
Net book value				
At 31 December 2000	<u>754,777</u>	<u>243,260</u>	<u>495,820</u>	<u>15,697</u>
At 31 December 1999	<u>983,213</u>	<u>283,176</u>	<u>679,108</u>	<u>20,929</u>

mitsui BUSSAN COMMODITIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

8. INVESTMENTS

	2000
	US\$
At 1 January 2000	652,870
Additions	373,925
	<hr/>
At 31 December 2000	1,026,795
	<hr/> <hr/>

9. DEBTORS

	2000	1999
	US\$	US\$
Trade debtors	105,453,571	72,953,612
London Clearing House deposit	1,735,012	1,620,727
Amounts owed by group companies:		
Parent company and fellow subsidiaries	692,972	62,243,095
Other debtors	252,668	306,404
Tax/ACT recoverable	4,168,475	176,907
Prepayments and accrued income	794,638	998,608
	<hr/>	<hr/>
	113,097,336	138,299,353
	<hr/> <hr/>	<hr/> <hr/>

10. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2000	1999
	US\$	US\$
This heading includes:		
UK corporation tax	(22,473)	292,147
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

11. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are:

	2000	Provided	2000	Unprovided
	US\$	1999	US\$	1999
		US\$		US\$
Depreciation in excess of capital allowances	-	-	(92,807)	(80,415)
Other short term timing differences	(664,176)	-	(7,500)	-
	<u>(664,176)</u>	<u>-</u>	<u>(100,307)</u>	<u>(80,415)</u>
				2000
				US\$
Other provisions:				
Balance at 31 December 1999				135,958
Additions				<u>333,202</u>
At 31 December 2000				<u><u>469,160</u></u>

12. CALLED UP SHARE CAPITAL

	2000	1999
	US\$	US\$
Authorised, allotted and fully paid: 25,000 ordinary shares of US\$1,000 each	<u>25,000,000</u>	<u>25,000,000</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	US\$	US\$
(Loss)/ profit for the financial year	<u>(10,059,800)</u>	<u>1,898,796</u>
Opening shareholders' funds	<u>29,647,379</u>	<u>27,748,583</u>
Closing shareholders' funds	<u><u>19,587,579</u></u>	<u><u>29,647,379</u></u>

mitsui BUSSAN COMMODITIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

14. OPERATING LEASE COMMITMENTS

At 31 December 2000 the company was committed to making the following payments during the next year in respect of operating leases:

	Office equipment		Land and buildings	
	US\$ 2000	US\$ 1999	US\$ 2000	US\$ 1999
Leases which expire:				
Over five years	-	-	201,547	202,264

15. ULTIMATE PARENT COMPANY

In the opinion of the directors, the ultimate parent company of Mitsui Bussan Commodities Limited, is Mitsui & Co., Ltd which is incorporated in Japan. A copy of the consolidated financial statements of the ultimate parent company can be obtained from that company's registered office 2-1 Ohtemachi 1-Chome, Chiyoda-ku, Tokyo 100, Japan. The parent company of both the largest and smallest groups of which the company is a part is Mitsui & Co., Ltd.

As a wholly owned subsidiary of a company whose accounts are publicly available, the company is exempt from the disclosure requirements of FRS8 relating to other group companies.

16. SUBORDINATED LIABILITIES

The subordinated debt has been borrowed from Mitsui & Co. UK PLC. Interest is payable at 0.40% above the London Inter-Bank Offer Rate for US dollars of the Bank of Tokyo-Mitsubishi Limited. The only event of default in relation to the subordinated debt is the non-payment of principal or interest. The only remedy available to the holders of the subordinated debt in the event of default is to petition for the winding up of the Company after giving seven Business Days' prior written notice to SFA of its intention to do so. The repayment date of the subordinated debt is 28 September 2001.