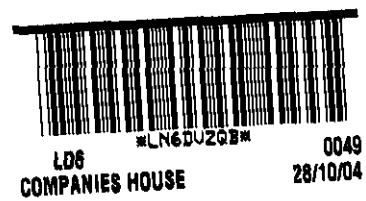


Registered Number 2676407

Report of the Directors and
Financial Statements for the Year Ended 31 December 2003
for
METLIFE INVESTMENTS LIMITED



METLIFE INVESTMENTS LIMITED

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for the Year Ended 31 December 2003

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METLIFE INVESTMENTS LIMITED

Company Information
for the Year Ended 31 December 2003

DIRECTORS:

C Symington (resigned 5 April 2004)
D Hawk (resigned 30 June 2004)
M Graetz-Ball (appointed 5 April 2004)
W Schmiedeskamp (appointed 5 April 2004)
F Donnantuono
J Hodgman (resigned 5 April 2004)
B J LeWand (resigned 5 April 2004)
W Takacs (resigned 21 March 2003)

SECRETARY:

W Schmiedeskamp

REGISTERED OFFICE:

1 Angel Court
London
EC2R 7HJ

REGISTERED NUMBER:

2676407 (England and Wales)

AUDITORS:

Deloitte & Touche LLP
London

METLIFE INVESTMENTS LIMITED

Report of the Directors for the Year Ended 31 December 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing investment advice to its ultimate parent company.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the financial statements.

The directors are satisfied with the development of the company's activities during the year and are confident regarding the long term prospects of the company.

DIVIDENDS

No dividends are proposed in respect of the year (2002:£Nil).

DIRECTORS

The directors during the year under review were:

C Symington (resigned 5 April 2004)
D Hawk (resigned 30 June 2004)
W G Takacs (resigned 21 March 2003)
F Donnantuono
J Hodgman (resigned 5 April 2004)
B Lewand (resigned 5 April 2004)

The directors holding office at 31 December 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 31 December 2003.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

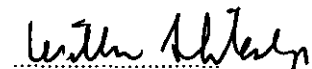
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors consider that applicable accounting standards have been followed in the preparation of these financial statements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Pursuant to section 386 of the Companies Act 1985, an Elective Resolution was passed dispensing with the requirement to appoint auditors annually. On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD:



W Schmiedeskamp – COMPANY SECRETARY

Dated: 29 September 2004

METLIFE INVESTMENTS LIMITED

Report of the Independent Auditors to the Members of
METLIFE INVESTMENTS LIMITED

We have audited the financial statements of METLIFE INVESTMENTS LIMITED for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the statement of director's responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom Law and Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte + Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

Dated: 21 October 2004

METLIFE INVESTMENTS LIMITED

Profit and Loss Account
for the Year Ended 31 December 2003

		<u>31.12.03</u>	<u>31.12.02</u>
	Notes	£	£
TURNOVER		6,523,464	7,298,535
Administrative expenses		<u>(5,930,424)</u>	<u>(6,635,222)</u>
OPERATING PROFIT	3	593,040	663,313
Interest receivable and similar income		<u>57,772</u>	<u>60,657</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		650,812	723,970
Tax on profit on ordinary activities	4	<u>(192,332)</u>	<u>(224,438)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		458,480	499,532
Retained profit brought forward		<u>2,404,960</u>	<u>1,905,428</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£2,863,440</u></u>	<u><u>£2,404,960</u></u>

CONTINUING OPERATIONS

All of the company's activities are from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the year and the previous year.

METLIFE INVESTMENTS LIMITED

Balance Sheet
31 December 2003

		<u>31.12.03</u>		<u>31.12.02</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		82,276		77,894
CURRENT ASSETS:					
Debtors	6	1,746,346		2,313,703	
Cash at bank		<u>2,654,462</u>		<u>2,174,081</u>	
		4,400,808		4,487,784	
CREDITORS: Amounts falling due within one year	7	<u>(1,369,544)</u>		<u>(1,910,618)</u>	
NET CURRENT ASSETS:			<u>3,031,264</u>		<u>2,577,166</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£3,113,540</u>		<u>£2,655,060</u>
CAPITAL AND RESERVES:					
Called up share capital	8		250,100		250,100
Profit and loss account			<u>2,863,440</u>		<u>2,404,960</u>
EQUITY SHAREHOLDERS' FUNDS:	12		<u>£3,113,540</u>		<u>£2,655,060</u>

ON BEHALF OF THE BOARD:



W Schmiedeskamp - DIRECTOR

Approved by the Board on 29 September 2004

METLIFE INVESTMENTS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2003

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Accounting convention

The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold Property	- 35% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Cash flow statement

Under Financial Reporting Statement No.1 the company is exempt from preparing a cash flow statement as its ultimate parent company, Metlife Inc, prepares a cash flow statement which is publically available.

Turnover

Turnover comprises of the value of charges levied for investment advice. The whole of the company's turnover is attributable to North America.

Pension costs

Payments to the company's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

Operating leases

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

2. STAFF COSTS

	31.12.03	31.12.02
	£	£
Wages and salaries (including directors)	3,439,257	4,275,673
Social security costs	184,363	155,879
Pension costs	103,428	108,057
	<u>3,727,048</u>	<u>4,539,609</u>

The average monthly number of employees during the year was as follows:

	31.12.03	31.12.02
Administrative	<u>22</u>	<u>21</u>

METLIFE INVESTMENTS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2003

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.03	31.12.02
	£	£
Hire of plant and machinery	25,302	19,295
Depreciation - owned assets	39,420	65,212
Foreign exchange differences	-	1282
Auditors remuneration - audit fee	<u>5,000</u>	<u>5,000</u>

Directors' emoluments	<u>1,303,770</u>	<u>1,771,738</u>
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The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	31.12.03	31.12.02
	£	£
Emoluments	449,640	733,785
Accrued pension at 31 December 2003	162,048	172,843
Accrued lump sum at 31 December 2003	<u>674,768</u>	<u>291,835</u>

4. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.03	31.12.02
	£	£
Current tax:		
UK corporation tax	192,141	220,073
Underprovision in previous year	<u>191</u>	<u>4,365</u>
Total current tax	<u>192,332</u>	<u>224,438</u>
Deferred tax:		
Deferred taxation	-	-
Tax on profit on ordinary activities	<u>192,332</u>	<u>224,438</u>

UK corporation tax has been charged at 30% (2002 - 30%).

METLIFE INVESTMENTS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2003

4. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.03 £	31.12.02 £
Profit on ordinary activities before tax	<u>650,812</u>	<u>723,970</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	195,244	217,191
Effects of:		
Expenses disallowed for tax purposes	-	-
Capital allowances in excess of depreciation	(3,103)	4,454
Underprovision previous year	191	4,365
Underprovision current year	-	(191)
Interest payable	<u>-</u>	<u>(1,381)</u>
Current tax charge	<u>192,332</u>	<u>224,438</u>

5. TANGIBLE FIXED ASSETS

	Leasehold Property	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 January 2003	232,327	78,884	257,187	568,398
Additions	-	2,555	43,635	46,190
Disposals	<u>-</u>	<u>(36,353)</u>	<u>(84,215)</u>	<u>(120,568)</u>
At 31 December 2003	<u>232,327</u>	<u>45,086</u>	<u>216,607</u>	<u>494,020</u>
DEPRECIATION:				
At 1 January 2003	232,327	58,988	199,189	490,504
Charge for year	-	7,983	31,437	39,420
Eliminated on disposals	<u>-</u>	<u>(36,353)</u>	<u>(81,827)</u>	<u>(118,180)</u>
At 31 December 2003	<u>232,327</u>	<u>30,618</u>	<u>148,799</u>	<u>411,744</u>
NET BOOK VALUE:				
At 31 December 2003	<u>-</u>	<u>14,468</u>	<u>67,808</u>	<u>82,276</u>
At 31 December 2002	<u>-</u>	<u>19,896</u>	<u>57,998</u>	<u>77,894</u>

METLIFE INVESTMENTS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2003

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.03 £	31.12.02 £
Interest receivable	15,467	14,207
Deferred income	1,176,659	1,685,778
Prepayments	179,248	224,291
Rent deposits	336,320	356,140
Recoverable vat	24,038	25,529
Other debtors	14,614	7,758
	<u>1,746,346</u>	<u>2,313,703</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.03 £	31.12.02 £
Trade creditors	18,555	21,546
Amount due to parent company	1,210	-
Social security and other taxes	113,652	109,361
Other creditors	-	17,105
Taxation	73,122	106,047
Accrued expenses	<u>1,163,005</u>	<u>1,656,559</u>
	<u>1,369,544</u>	<u>1,910,618</u>

8. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	31.12.03 £	31.12.02 £
1,000,000	Ordinary	1	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.03 £	31.12.02 £
250,100	Ordinary	1	<u>250,100</u>	<u>250,100</u>

9. **PENSION COMMITMENTS**

The company contributes to the cost of a defined contribution scheme for all eligible employees. Three of the directors of the company are members of a defined benefit pension scheme operated by Metlife, Inc. No costs associated with this are borne within Metlife Investments Limited. All contributions are paid for by Metlife, Inc. Metlife Investments Limited is not entitled to any benefits arising from a surplus, nor is it liable for any costs associated with a deficit arising from the operation of the scheme.

10. **ULTIMATE PARENT COMPANY**

The immediate parent company is MetLife Asset Management Corporation, owning 250,099 ordinary shares. 23rd Street Investments Inc owns 1 ordinary share. The ultimate Parent Company and controlling party is Metlife, Inc., which is organised under the laws of the State of Delaware, USA. Copies of the financial statements of the ultimate parent company are publically available and can be obtained from 200 Park Avenue, New York, New York, USA. The largest and smallest group for which consolidated accounts are prepared is Metlife, Inc.

METLIFE INVESTMENTS LIMITED

Notes to the Financial Statements
for the Year Ended 31 December 2002

11. **RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption allowed by FRS8 not to disclose related party transactions with Metlife Inc and its subsidiaries.

12. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.12.03	31.12.02
	£	£
Profit for the financial year	<u>458,480</u>	<u>499,532</u>
Net addition to shareholders' funds	458,480	499,532
Opening shareholders' funds	<u>2,655,060</u>	<u>2,155,528</u>
Closing shareholders' funds	<u><u>3,113,540</u></u>	<u><u>2,655,060</u></u>
 Equity interests	 <u><u>3,113,540</u></u>	 <u><u>2,655,060</u></u>

13. **OPERATING LEASE COMMITMENTS**

	31.12.03	31.12.02
	£	£
The following annual payments are committed to be made:		
<i>Land and Buildings</i>		
Expiring in more than five years	<u><u>340,300</u></u>	<u><u>340,300</u></u>
<i>Other Leases</i>		
Expiring in one year	<u><u>480</u></u>	<u><u>480</u></u>
Expiring in two to five years	<u><u>4,560</u></u>	<u><u>4,560</u></u>