

C u s t o d i a H o l d i n g A G



A N N U A L R E P O R T 2 0 0 7



Auf der Ludwigsbrücke, Heinrich Adam, 1829

Custodia Holding Aktiengesellschaft

with registered office in Munich, entered in the
Commercial Register at the Municipal Court in Munich

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Supervisory Board

Gerd Amtstätter

Munich
Chairman

Dr. jur. Rudolf Nörr

Munich
1st. Deputy Chairman

Dipl.-Betriebswirt Gerd Peskes

Düsseldorf
2nd. Deputy Chairman

August François von Finck

Freienbach

Luitpold von Finck

Freienbach

Dipl.-Kfm. Ernst Knut Stahl

Munich

Executive Board

Dipl.-Kfm. Hans Eibeler

Grünwald
(until July 04, 2007)

Manfred Karl

Feldkirchen

Dr. Stephan Ring

Munich
(since March 01, 2007)



Das alte Rathaus, Anton Höchl, 1860

**General
economic
situation**

The German economy only grew slightly in the fourth quarter of 2007. Domestic consumer demand was restrained, while the export boom, as an important pillar of growth, continued. Products made in German were able to maintain their stable economic status in key export markets, so that foreign trade made a clearly positive contribution overall to the growth of the country's economy.

The increase in the level of employment intensified slightly at the end of 2007. Short-term unemployment declined relatively sharply, but the proportion of the long-term unemployed, who in the meantime account for 70 % of those out of work, is increasing significantly. The unemployment rate fell towards the end of 2007 for seasonal reasons to 8.5 % and declined further in January 2008 to 8.1 %. Thereby, industry in particular is further increasing its manpower levels; in addition, the corporate service section, which also includes the hiring out of employees (temporary labour), is also expanding.

With regard to consumer prices, the highest level of price increases since 1994 is mainly concentrated on energy and food, the prices of which increased year on year by 8.6 % and 5.6 % respectively. All indicators suggest that the unfavourable price trend overall and the resultant weak consumption that has prevailed for a number of years will also continue in 2008.

**Custodia Holding
during the
reporting period** **Property, plant and equipment**

At the end of the reporting period, Custodia Holding AG continued to hold properties at Dachauer Strasse 37 (office building with shops), Bavariaring 4 (office building) and Altheimer Eck 2 (office building with shops). The low book value of these properties in Munich is due to the transfer of a reserve in accordance with § 273 German Commercial Code in conjunction with § 6 b German Income Tax Act.

The Company acquired the premises at Weinstrasse 6 in Munich with a notarised purchase agreement dated December 28, 2007 for KEUR 25,000. With the purchase of the property in the pedestrian precinct of the Bavarian capital of Munich, an object in a top location has been acquired that could

be highly promising in the long term as regards yield and value appreciation. The ancillary acquisition costs incurred to date were capitalised at the end of the reporting period, and it was agreed that rights and burdens will be transferred on April 30, 2008.

The Company increased its holding of fine gold during the reporting period at a cost of KEUR 45,016; the book value of the gold held at the end of 2007 amounted to KEUR 48,255. The increase in the holding of gold during the past business year is part of a diversification strategy in the fixed assets aimed at minimising the risk potential.

Financial assets

The decrease in financial assets relates exclusively to the sale of the investment in HOCHTIEF AG, Essen, which resulted in a book gain of KEUR 570,678.

On the other hand, shares in the Australian company, Leighton Holdings Ltd., and the Finnish Fortum Corporation were acquired during the financial year for KEUR 259,285.

Leighton Holdings Limited is the parent company of the largest Australian construction services and project development group and employs almost 28,000 people in the realisation of projects throughout the Asian-Pacific region, in India and on the Persian Gulf. Group turnover in 2006/07 amounted to some EUR 7.41 billion on pre-tax earnings of EUR 404.5 million. The shares are traded on the Sydney Stock Exchange. The largest shareholder with about 55 % is the HOCHTIEF Group.

Fortum Corporation is the leading energy company in the Scandinavian countries and parts of the Baltic States, with activities in Russia and Poland. Fortum recorded pre-tax earnings of about EUR 1.9 billion in 2007 with some 8,300 employees on revenues of approximately EUR 4.5 billion from the generation, distribution and trading of energy. The shares are traded on the Helsinki Stock Exchange. The largest shareholder is the Finnish government with a holding of about 51 %.

Current assets

The other assets consist very largely of tax reimbursement claims and the corporate income tax credit in accordance with § 37 (4) Corporate Income Tax Act, which will be paid out in ten equal annual instalments commencing on September 30, 2008.

Cash at banks results from the proceeds from the sale of the shares in HOCHTIEF AG, Essen.

Business trends and position of Custodia Holding in 2007

Custodia Holding AG reported net income for the year of KEUR 550,956 in the 2007 reporting period, which, together with the profit brought forward of KEUR 96,228, results in retained earnings of KEUR 647,184.

Income and expenses developed as follows:

Rental income amounted in the reporting period to KEUR 1,503 and was therefore KEUR 147 lower than in the previous year, due to the partial vacancy of the property at Dachauer Strasse 37. This property is fully let in the meantime.

Following the completion of the necessary re-development of the property at Dachauer Strasse 37, maintenance expenditure fell by KEUR 319 and is also responsible for the reduction of cost of materials to KEUR 1,433.

Other operating income consists almost entirely of the book gain on the sale of the investment in HOCHTIEF AG, Essen. It also includes income from the recharging of expenses and proceeds from the reversal of other provisions.

Other operating expenses mainly comprise administrative expenses, whereby, among other things, higher legal and professional fees were recorded in connection with the reshuffling of the fixed assets.

Income from investments in the previous year related to dividends on the investment in HOCHTIEF AG, which were no longer received in the reporting period.

Dividends of together KEUR 5,205 were received on the investments in Leighton and Fortum.

The interest income of KEUR 21,239 relates almost entirely to the interest received on the large balance of liquid funds, and also includes proceeds from winding back the discounting on the § 37 Corporate Income Tax Act credit.

Interest and similar expenses amounted during the reporting period to KEUR 18,481.

The tax expense for the reporting period is mainly due to the expected trade tax payment and is responsible for the tax provisions of KEUR 7,583.

Shareholders' equity increased as of the balance sheet date to KEUR 653,983; the equity ratio accordingly amounts to 64.0 %.

The pension provisions reported in the statutory balance sheet amounted as of the balance sheet date to KEUR 29,349; amended valuation parameters and risks with regard to future adjustment obligations, which were taken into account optionally, resulted in larger allocations (additional expense) of altogether KEUR 13,150, which are reflected by the higher personnel expenses. This measure took complete account on a nonrecurring basis of expected future obligations.

Liabilities to banks with medium to long-term maturities and firmly agreed interest rates amounted at the balance sheet date to KEUR 322,648.

The other liabilities of KEUR 5,280 consist almost entirely of accrued interest of KEUR 5,025.

**Report in
accordance with
§ 312 AktG**

von Finck'sche Hauptverwaltung GmbH informed us that their share of the voting rights amounted on October 14, 2004 to 92.24 %. We have therefore prepared a report in accordance with § 312 Stock Companies Act on transactions between our company and von Finck'sche Hauptverwaltung GmbH during the period from January 1, 2007 to December 31, 2007.

The Executive Board affirms that, based on the circumstances of which it was aware at the time that the transactions were carried out, the Company received appropriate consideration for every transaction described in the report on relationships with affiliated companies. No measures were performed or waived in 2007 at the instigation of affiliated companies.

**Risk
management**

Identified risks are monitored and evaluated in conjunction with the risk management system on an ongoing basis. This ensures that risks to going concern or the Company's development are recognised as early as possible so that appropriate countermeasures can be adopted.

The Company's main risks and opportunities are as follows:

– **Interest rate risk**

The borrowings could be significantly reduced during the reporting period; the remaining liabilities of about KEUR 323,000 have medium to long-term maturities on firmly agreed or hedged interest rates. An interest rate risk therefore only exists to a very limited degree. Irrespective of this, the development of the interest rates is monitored continuously and, also in view of the credit balances at banks, alternative investment opportunities weighed up.

– **Liquidity risk**

A liquidity risk is not apparent with regard to the assets held.

– **Risk of rent defaults and changes in rents**

The property at Dachauer Strasse 37 could be let again completely on a long-term basis during the reporting period. No further material vacancies exist.

The tenant structure for all properties is well-balanced and the credit standing of the tenants continues to be good.

The risk of changes in rents is taken into account through rent escalation clauses in the leases.

– **General investment risk**

The further development not only of the precious metal portfolios but also of the fixed asset securities is monitored on every trading date and evaluated under yield aspects. Both cases involve liquid investment forms, which, on the basis of historical experience, develop in contrary directions in crisis situations, and if necessary can be sold.

Overall, we are able to confirm that going concern risks or risks that could have a significant impact on the net assets, financial position and results of operations of Custodia Holding AG were not identified at any time during the past financial year 2007 and are also not foreseeable at the present time.

Events of particular significance after the end of the financial year

No events that would be material for the evaluation of the Company's net assets, financial position and results of operations have occurred since the end of the financial year.

Corporate Governance Codex

The Supervisory Board and the Executive Board of Custodia Holding AG firmly believe that the Company is managed and monitored in compliance with the principles of proper corporate management as prescribed by the Stock Companies Act.

The Supervisory Board and the Executive Board of Custodia Holding AG have therefore declared in accordance with § 161 Stock Companies Act that the recommendations of the "Government Commission on the German Corporate Governance Codex" in the version dated June 12, 2006 and June 14, 2007 did not apply during the reporting period and have also not been complied with since then.

**Disclosures in
accordance with
§ 289 (4) HGB**

The following disclosures are required with regard to the regulations in § 289 (4) HGB [German Commercial Code]:

The breakdown of the share capital into shares of no par value is as follows:

	Number	Votes	EUR	Holding in company's capital in %
Ordinary bearer shares				
one vote per share	600,840	600,840	600,840	99.79
Registered preferred shares				
130 votes per share	1,260	163,800	1,260	0.21
	602,100	764,640	602,100	100.00

The rights and obligations of the ordinary bearer shares are based on the commensurate obligations in the Stock Companies Act.

According to § 4 of the Company's articles of incorporation, the preferred shares can only be transferred with the approval of the Supervisory Board and have a preferential right before the ordinary shares to a dividend of EUR 0.62 per preferred share, with the entitlement to receive arrears. If the distributable retained earnings for a particular year are not sufficient to pay the preferential dividend of EUR 0.62 per preferred share, the shortfall shall be compensated in advance each time from the retained earnings of the following years. Any arrears of dividends shall be paid out on the dividend warrant for the immediate past financial year, provided the retained earnings of the financial year affected are sufficient for this. Apart from the preferential dividend right with the entitlement to receive arrears, the preferred shares do not participate in the retained earnings.

On allocation of the Company's net assets following the winding up of the Company, the holders of preferred shares will receive EUR 13.00 per preferred share plus any arrears of preference dividends and 3 percent interest from the beginning of the financial year in which the resolution to wind up the Company is passed, before a distribution is made to the holders of the ordinary shares, while the remainder of the Company's net assets will be allocated to the holders of ordinary shares.

In accordance with § 14 of the articles of incorporation, one ordinary share grants one vote and one preferred share grants 130 votes at the ordinary general meeting of the shareholders. The Company does not hold any treasury shares.

Referring to the regulations under § 21 (1) Securities Trading Act, von Finck'sche Hauptverwaltung GmbH announced that its holding of the voting rights in Custodia Holding AG had reached 92.24 % on October 14, 2004.

The general regulations in the Stock Companies Act (§ 84, § 85 and § 179 et seq. Stock Companies Act) apply to the appointment and the rescission of the appointment of members of the Executive Board and amendments to the articles of incorporation. The number of members of the Executive Board is decided by the Supervisory Board.

In accordance with § 18 of the articles of incorporation, the Supervisory Board is empowered to amend and augment the articles of incorporation, to the extent that this only relates to their wording (see § 179 (1) Sentence 2 Stock Companies Act). Terms in the articles of incorporation going beyond this do not exist.

The powers of the Executive Board with regard to the possible repurchase of shares are based on the commensurate resolution at the general meeting of the shareholders on July 04, 2007. The Company is empowered by this resolution to purchase its own shares in accordance with § 71 (1) No. 8 Stock Companies Act.

This power applies until January 03, 2009. It is limited to ten percent of the share capital at the time of the purchase, whereby the purchase can be made at the option of the Executive Board either via the stock exchange or by means of a public purchase offer addressed to all of the shareholders.

If the purchase is carried out via the stock exchange, the consideration paid by the Company for each share in the Company shall not exceed the average closing price on the Frankfurt Stock Exchange on the last three trading days

before the purchase of the shares by more than ten percent and may not be more than twenty percent lower than this amount (excluding transaction costs).

If the purchase is carried out by means of a public purchase offer addressed to all of the shareholders, the Company can define either a purchase price or a range of purchase prices for which it is prepared to acquire the shares. Subject to an adjustment during the offer term, the consideration paid by the Company for each share in the Company may not exceed the average closing price on the Frankfurt Stock Exchange on the last three trading days before the official announcement of the offer to purchase the shares and may not be more than twenty percent lower than this amount (excluding transaction costs). If material fluctuations occur compared with the defined price after the official announcement, the purchase price can be adjusted. In this case, reference is made to the average closing price on the Frankfurt Stock Exchange on the fifth, fourth and third trading day before such an announcement, calculated on the basis of the arithmetical mean of the closing share prices in XETRA trading. If the XETRA system is replaced by a comparable successor system, this will also be referred to in this power in place of the above-mentioned XETRA system. The purchase offer can include further conditions.

The Executive Board is furthermore empowered, with the approval of the Supervisory Board, to cancel treasury shares entirely or partially without a further resolution of the general meeting of the shareholders. The Supervisory Board is empowered to amend the number of shares stated in the Company's articles of incorporation in accordance with the reduction in capital.

The above-mentioned powers to purchase or cancel treasury shares can be exploited completely or in partial amounts, once or on several occasions, individually or jointly.

No agreements have been concluded with members of the Executive Board for compensation in the event of a takeover bid.

Explanatory report by the Executive Board of Custodia Holding AG in accordance with § 175 (2) Stock Companies Act on the disclosures in accordance with § 289 (4) HGB

The Executive Board is providing the following explanations on the disclosures in accordance with § 289 (4) HGB in Custodia Holding AG's management report:

We have based our disclosures for Custodia Holding AG on the circumstances prevailing in the business year 2007. This involves information on the subscribed capital and the rights resulting from this that is disclosed separately in accordance with classes of shares, on investments in capital that exceed ten percent of the voting rights, on the legal regulations and provisions in the Company's articles of incorporation on the appointment and rescission of the appointment of members of the Executive Board and on the amendment of the articles of incorporation, on the powers of the Executive Board with regard to the possibility to buy back shares and on agreements with members of the Executive Board on compensation in the event of a change in control.

The composition of the subscribed capital, the division into no-par-value ordinary bearer shares and no-par-value registered preferred shares and the associated rights in each case result, among other things, from the Company's articles of incorporation. The general meeting of the shareholders of Custodia Holding AG on May 30, 2001 resolved in accordance with § 5 (1) EC Stock Companies Act the continued validity of the multiple voting rights relating to the registered preferred shares; This resolution was entered in the Commercial Register on November 08, 2001.

Restrictions on the voting rights of the shares can result from the regulations in the Stock Companies Act, i.e. as appropriate from § 136 Stock Companies Act or § 71 b Stock Companies Act. The Company's Executive Board is not aware of any contractual restrictions with regard to voting rights or the transfer of shares.

von Finck'sche Hauptverwaltung GmbH notified the Company in accordance with § 21 Securities Trading Act that it held 92.24 % of the voting rights on October 14, 2004.

The Company does not hold any treasury shares. No shares have been issued that grant powers of control of any kind whatsoever.

Matters affecting the Company's Executive Board are regulated in § 5 and § 6 of Custodia Holding AG's articles of incorporation. To the extent that these provisions do not include any regulations, members of the Executive Board shall be appointed or their appointments rescinded in accordance with § 84 and § 85 Stock Companies Act. The Executive Board consists in accordance with § 5 of the articles of incorporation of two or more persons; as a matter of principle, the Supervisory Board decides the number of members of the Executive Board. The Supervisory Board can appoint deputy members of the Executive Board. § 6 of the articles of incorporation states that the Company shall be represented by two members of the Executive Board or by one member of the Executive Board together with a Prokurist [company officer with defined powers]. The articles of incorporation do not foresee release from the restrictions imposed by § 181 BGB.

Custodia Holding AG's articles of incorporation can be amended on the basis of the legal regulations. A resolution necessary for this will require a majority of 75 percent of the share capital voting on the resolution (§ 179 (2) Sentence 1 Stock Companies Act).

Exceptionally, the Supervisory Board is empowered in accordance with § 18 of the articles of incorporation to make amendments to articles of incorporation, to the extent that they only affect the wording (§ 179 (2) Sentence 1 Stock Companies Act).

The powers of the Executive Board to buy back shares are based on the commensurate resolution of the general meeting of the shareholders on July 04, 2007 that granted these powers, and are described appropriately.

No agreements exist with members of the Executive Board on compensation in the event of a takeover bid.

The remaining disclosures required in accordance with § 289 (4) HGB relate to circumstances not arising at Custodia Holding AG, so that commensurate explanations are not required.

**Disclosures
in accordance
with § 289 (2)
No. 5 HGB**

Members of the Executive Board receive a fixed salary and variable compensation that is decided individually each year by the Supervisory Board.

Outlook

Following the sale of the investment in HOCHTIEF AG, the proceeds are being placed in various investment areas in conjunction with a diversification strategy.

Not only the yield but also appreciation of the value is in the foreground of every investment decision.

The investments in Leighton Holdings Ltd. and Fortum Corporation reflect these investment principles. The long-term investment in precious metals is part of our diversification strategy, and will make an important contribution to minimisation of the risks.

The purchase of the property at Weinstrasse 6 in Munich is a further step along the way towards building up the property portfolio in top locations.

The income from the fixed assets will continue to ensure that an adequate yield can also be earned in the future.

Munich
March 27, 2008

The Executive Board

Financial statements as of December 31, 2007
and management report 2007

Confirmation by management

We confirm to the best of our knowledge that the financial statements give a true and fair view of the net assets, financial position and results of operations in accordance with the financial reporting framework and that the development of the business, including the business earnings and the position of the Company, are described in the management report so that a true and fair view is presented, and the opportunities and risks of future development are described.

Munich

March 28, 2008

Custodia Holding Aktiengesellschaft

The Executive Board

In 2007, the Supervisory Board of Custodia Holding AG performed the tasks and responsibilities imposed on it by the law and the Company's statutes.

The Supervisory Board informed itself continuously in 2007 through verbal and written reports by the Executive Board and in altogether four regular meetings about the development and position of the Company, advised the Executive Board on the management of the business and monitored the management of the Company. In addition, the members of the Supervisory Board obtained information on fundamental detailed matters in the course of meetings with individual members of the Executive Board and discussed these with the Executive Board. The Executive Board informed the Supervisory Board in regular written reports about significant matters relating to the corporate planning, liquidity and the financial planning, the position of the Company and the course of the business. The Supervisory Board was involved directly and on a timely basis in all decisions of fundamental importance for the Company.

In addition to the ongoing monitoring of management, a main focus of the consultations in the Supervisory Board was the sale of the investment in HOCHTIEF AG, Essen and the contractual arrangements in connection with this.

A further focus was the consultations on the reinvestment of the respective sales proceeds; these discussions included in particular the selection of the investment objects, also with regard to risk minimisation and diversification.

In addition, the Supervisory Board received reports on the letting situation in all properties owned by the Company.

The Supervisory Board reviewed in detail all management measures for which its authorisation was required, and granted its approval. A uniform consensus with the Executive Board was achieved in all cases.

An investment committee, which held four meetings in 2007, existed during the reporting period. The Supervisory Board was informed regularly and in detail about the work of the investment committee.

The bookkeeping system, the accompanying financial statements and the management report of the Executive Board for the financial year 2007 were audited by Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft on the basis of the resolution of the general meeting of the shareholders on July 04, 2007. Their audit resulted in no reservations; the auditors rendered an unqualified auditors' report.

The financial statements and management report for the financial year 2007 and the long-form audit report prepared by the elected auditors, Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, were brought to the attention of the Supervisory Board. The auditors attended the meeting of the Supervisory Board that was held on April 23, 2008 to approve the financial statements, reported on the main findings of their audit and provided explanations on the questions raised. As a result of its own review, the Supervisory Board agrees with the audit conclusions of the auditors. No objections needed to be raised. The Supervisory Board has approved the financial statements, which are therefore adopted in accordance with § 172 Stock Companies Act. The Supervisory Board concurs with the proposal of the Executive Board on the appropriation of the retained earnings and the comments in the management report prepared by the Executive Board.

In accordance with § 312 Stock Companies Act, the Executive Board prepared a report for the period from January 01 to December 31, 2007 on transactions with affiliated companies and presented this to the auditors and the Supervisory Board for their audit and review respectively. Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft audited the report, and rendered the following auditors' report on April 02, 2008:

“Following our audit performed in accordance with professional standards and our assessment, we confirm that that

1. the factual information in the report is correct,
2. the payment by the Company for the transactions set out in the report was not inappropriately high.”

The Supervisory Board declares that, following the final results of its review, no reservations have to be raised on the declaration of the Executive Board at the end of the report on transactions with affiliated companies. As for the rest, it concurs with the assessment of the auditors as documented in their auditors' report.

Munich
April 23, 2008

The Supervisory Board

Gerd Amtstätter
Chairman of the Supervisory Board

Financial Statements 2007



Gesamtansicht nach Bernardo Bellotto (Canaletto), Wilhelm von Kobell (zugeschrieben), um 1805

Custodia Holding Aktiengesellschaft, Munich
Balance sheet as of December 31, 2007

Assets	31.12.2007		31.12.2006	
	EUR	EUR	KEUR	KEUR
Fixed assets				
<u>Property, plant and equipment</u>				
Land and buildings	802,507.00		833	
Other equipment, furniture and fixtures	48,317,806.14		3,294	
Advance payments and construction in progress	<u>607,392.41</u>	49,727,705.55	—	4,127
<u>Financial assets</u>				
Interests in affiliated companies	33,455.11		33	
Participating interests	1.00		656,509	
Fixed asset securities	<u>259,284,786.44</u>	<u>259,318,242.55</u>	—	<u>656,542</u>
		<u>309,045,948.10</u>		<u>660,669</u>
Current assets				
<u>Accounts receivable and other assets</u>				
Trade accounts receivable	321,612.12		254	
Receivables from other related companies	10,171.62		—	
Other assets	<u>8,646,901.97</u>	8,978,685.71	<u>9,747</u>	10,001
<u>Securities</u>				
Other securities		5,140.81		4
<u>Cash in hand and at banks</u>		<u>703,714,416.65</u>		<u>13,180</u>
		<u>712,698,243.17</u>		<u>23,185</u>
		<u>1,021,744,191.27</u>		<u>683,854</u>

Shareholders' equity and liabilities	31.12.2007		31.12.2006	
	EUR	EUR	KEUR	KEUR
Shareholders' equity				
Subscribed capital		602,100.00		602
Capital reserve		2,440,019.67		2,440
Revenue reserves		3,756,717.10		3,757
Retained earnings		<u>647,184,188.58</u>		<u>99,834</u>
		<u>653,983,025.35</u>		<u>106,633</u>
Provisions				
Provisions for pensions	29,348,541.00		16,199	
Tax provisions	7,583,391.09		—	
Other provisions	<u>1,707,804.85</u>	38,639,736.94	<u>2,397</u>	18,596
Liabilities				
Liabilities to banks	322,647,877.96		385,854	
Trade liabilities	762,514.56		178	
Liabilities to affiliated companies	24,991.99		25	
Other liabilities	<u>5,280,044.47</u>	328,715,428.98	<u>172,029</u>	558,086
Deferred income		406,000.00		539
		<u>1,021,744,191.27</u>		<u>683,854</u>

Custodia Holding Aktiengesellschaft, Munich
Income statement for the year ended December 31, 2007

	2007		2006	
	EUR	EUR	KEUR	KEUR
Revenue	1,502,910.86		1,650	
Other operating income	570,841,415.22	572,344,326.08	9,603	11,253
Cost of materials				
Purchased services		-1,432,634.34		-1,763
Personnel expenses				
Wages and salaries	-564,907.97		-322	
Social security and pension expenses	-14,872,015.39	-15,436,923.36	-1,233	-1,555
Depreciation on property, plant and equipment		-51,324.43		-53
Other operating expenses		-1,711,057.14		-1,561
		553,712,386.81		6,321
Income from transfer of profits	390.29		1	
Income from investments	0.00		15,798	
Income from other securities and loans reported in financial assets	5,204,963.96		—	
Other interest and similar income	21,239,290.62		306	
Interest and similar expenses	-18,481,126.56	7,963,518.31	-21,716	-5,611
Result from ordinary operations		561,675,905.12		710
Taxes on income	-10,213,255.23		4,408	
Other taxes	-506,667.75	-10,719,922.98	-60	4,348
Net income for the year		550,955,982.14		5,058
Retained earnings brought forward		96,228,206.44		94,776
Retained earnings		647,184,188.58		99,834

General The financial statements of Custodia Holding AG as of December 31, 2007 have been prepared in accordance with the Third Book of the German Commercial Code (HGB) and the Stock Companies Act. The type of expenditure format has been applied for the income statement.

Accounting policies Property, plant and equipment are recognised at cost reduced by systematic straight-line depreciation in accordance with the useful lives.

Special depreciation for German tax purposes is deducted from the respective asset amounts on the assets side of the balance sheet. Depreciation on additions to moveable assets is calculated pro rata temporis. Minor value assets are written off completely in the year acquired and reported in the fixed assets schedule as a disposal.

Valuation within the financial assets is at cost. Sustained impairment is reflected by unscheduled write-downs.

Accounts receivable and other assets are generally valued at face value, taking into account necessary allowances for doubtful amounts. The corporate income tax credit in accordance with § 37 Corporate Income Tax Act is recognised at present value.

Securities reported in current assets are valued at the lower of cost and the stock market prices.

The pension provisions are set up in accordance with actuarial principles applying the entry age normal procedure. They are calculated on the basis of a discounting rate of 3.0 % (2006: 5.0 %) and a pension trend of 2.0 % (2006: 0.0 %). Mortality is determined 75 % (2006: 100 %) in accordance with Prof. Dr. Klaus Heubeck's 2005 G mortality tables. The pension provisions take into account possible adjustment obligations relating to pension promises and the handling costs of the company pension scheme.

Tax and other provisions take into account all foreseeable risks and uncertain obligations with the amount expected to be used in accordance with commercial prudence.

Liabilities are recognised with their settlement amounts.

Short-term foreign currency receivables and liabilities are translated with the exchange rate on the transaction date or with the lower or higher closing rates respectively, observing the strict principle of lower of cost and market value in accordance with § 253 (3) HGB. Expenses and income are translated with the exchange rate prevailing at the time of the transaction.

	Cost				
	B/fwd 01.01.2007	Additions	Disposals	Balance 31.12.2007	
	EUR	EUR	EUR	EUR	
<u>Property, plant and equipment</u>					
Land and buildings	34,297,077.74	—	—	34,297,077.74	
Other equipment, furniture and fixtures	3,362,426.48	45,071,802.99	74,537.22	48,359,692.25	
Advance payments and construction in progress	—	607,392.41	—	607,392.41	
	37,659,504.22	45,679,195.40	74,537.22	83,264,162.40	
<u>Financial assets</u>					
Interests in affiliated companies	33,455.11	—	—	33,455.11	
Participating interests	656,534,455.04	—	656,508,889.96	25,565.08	
Fixed asset securities	—	259,284,786.44	—	259,284,786.44	
	656,567,910.15	259,284,786.44	656,508,889.96	259,343,806.63	
	694,227,414.37	304,963,981.84	656,583,427.18	342,607,969.03	

Fixed assets The development of the fixed assets in the financial statements of Custodia Holding AG can be seen from the following fixed assets schedule.

A holding of fine gold of KEUR 48,255 (31.12.06: KEUR 3,239) is reported within the property, plant and equipment in other equipment, furniture and fixtures.

Custodia Holding AG, Munich Development of fixed assets in 2007

	Accumulated depreciation and write-downs				Book values	
	B/fwd 01.01.2007	Charge for the financial year	Disposals	Balance 31.12.2007	31.12.2007	31.12.2006
	EUR	EUR	EUR	EUR	EUR	EUR
	33,463,787.74	30,783.00	—	33,494,570.74	802,507.00	833,290.00
	68,333.90	20,541.43	46,989.22	41,886.11	48,317,806.14	3,294,092.58
	—	—	—	—	607,392.41	—
	33,532,121.64	51,324.43	46,989.22	33,536,456.85	49,727,705.55	4,127,382.58
	—	—	—	—	33,455.11	33,455.11
	25,564.08	—	—	25,564.08	1.00	656,508,890.96
	—	—	—	—	259,284,786.44	—
	25,564.08	—	—	25,564.08	259,318,242.55	656,542,346.07
	33,557,685.72	51,324.43	46,989.22	33,562,020.93	309,045,948.10	660,669,728.65

**List of
investment
holdings**

Name and registered office	Holding in capital	Equity	Earnings
	31.12.2007	31.12.2007	2007
	%	KEUR	KEUR
Affiliated companies			
1. Bavaria Braubeteiligungsgesellschaft mbH, Munich	100	25	0
2. Bavaria Brau GmbH & Co. KG, Munich	100	49	0
Beteiligungen			
3. Münchner Löwenbräu Altershilfe GmbH, Munich	100	69	-9

**Accounts
receivable and
other assets**

Of the other assets, KEUR 3,460 (31.12.06: KEUR 3,624) have a remaining term of more than one year (of which KEUR 2,351 (31.12.06: KEUR 2,565) is a corporate income tax credit in accordance with § 37 (4) Corporate Income Tax Act). All the remaining receivables and other assets are due within a year.

**Subscribed
capital**

The breakdown of the share capital into shares of no par value is as follows:

	Number	Votes	EUR	Holding in company capital in %
Ordinary bearer shares				
one vote per share	600,840	600,840	600,840	99.79
Registered preferred shares				
130 votes per share	1,260	163,800	1,260	0.21
	602,100	764,640	602,100	100.00

The preferred shares are entitled to a preference dividend of EUR 0.62, with the entitlement to receive arrears.

Revenue reserves The revenue reserves, which are unchanged compared with the previous year, are made up as follows:

	EUR
Legal reserve	766,937.82
Other revenue reserves	<u>2,989,779.28</u>
	<u>3,756,717.10</u>

Provisions The other provisions mainly include amounts for outstanding invoices, holiday entitlement, gratuities, deferred maintenance and costs relating to the financial statements.

Liabilities With the exception of liabilities to banks, all of the liabilities have a remaining term of less than one year. The liabilities to banks are secured in full by mortgages and liens on the securities portfolio; KEUR 334 (31.12.06: KEUR 93,150) has a remaining term of up to a year and KEUR 218.819 (31.12.06: KEUR 100,000) has a remaining term of over five years. Of the other liabilities, KEUR 100,000 is secured by liens on the securities portfolio.

The other liabilities include tax liabilities of KEUR 188 (31.12.06: KEUR 54).

Deferred income includes prepayments of rent and premiums for the premature termination of leases, which are being released straight-line over the original residual term of the leases.

Notes to the income statement

Revenue Revenue comprises exclusively rental and leasehold income generated in Germany.

Other operating income	2007	2006
	KEUR	KEUR
Gains on disposal of financial assets (2006: property, plant and equipment)	570,678	9,447
Other income relating to other periods	76	59
Income relating to other periods	570,754	9,506
Sundry current income	88	97
	570,842	9,603

Cost of materials Custodia Holding AG employed one salaried employee on average in 2007, as in the previous year. Pension expense amounted to KEUR 14,853 (2006: KEUR 1,218).

Personnel expenses Custodia Holding AG employed one salaried employee on average in 2007, as in the previous year.
Pension expense amounted to KEUR 14,853 (2006: KEUR 1,218).

Depreciation As a result of depreciation in accordance with § 6b Income Tax Act in earlier years, the depreciation charge was KEUR 744 lower in the past financial year (2006: KEUR 744) than it would otherwise have been.

Other operating expenses The other operating expenses comprise administrative expenses.

Other interest and similar income Interest of KEUR 641 (2006: KEUR 0) was received from von Finck'sche Hauptverwaltung GmbH (affiliated company) in 2007.

Interest and similar expenses Interest expense of KEUR 1 (2006: KEUR 1) relates to affiliated companies.

Taxes on income	2007	2006
	KEUR	KEUR
Tax expense for the reporting period	9,696	0
Capitalisation of corporate income tax claim under § 37 (4) Corporate Income Tax Act	0	-3,257
Tax expense (2006: tax income) for prior years	517	-1,151
	10,213	-4,408

Other taxes Other taxes include expenses of KEUR 367 (2006: KEUR 0) for prior years.

Other disclosures

Supervisory Board

Gerd Amtstätter, Munich (Chairman)

Chief Representative (Generalbevollmächtigter) of von Finck'sche Hauptverwaltung
further positions held:

Staatl. Mineralbrunnen AG Bad Brückenau, Bad Brückenau

Sektkellerei J. Oppmann AG, Würzburg

FidesSecur Versicherungs- und Wirtschaftsdienst Versicherungsmakler GmbH,

Munich

von Roll Holding AG, Gerlafingen

Dr. jur. Rudolf Nörr, Munich (1st. Deputy Chairman)

Lawyer

further positions held:

Bank Schilling u. Co. AG, Hammelburg

Dipl.-Betriebswirt Gerd Peskes, Düsseldorf (2nd. Deputy Chairman)

German Public Auditor (Wirtschaftsprüfer), managing director of Gerd Peskes GmbH

further positions held:

apetito AG, Rheine

ARAG Allgemeine Rechtsschutz-Versicherungs-AG, Düsseldorf

ARAG AG, Düsseldorf

Claas KGaA, Harsewinkel

HOCHTIEF AG, Essen (until June 5, 2007)

Nymphenburg Immobilien AG, Munich

Semper idem. Underberg AG, Rheinberg

Mövenpick Holding AG, Cham

Mövenpick Hotels u. Resorts Management AG, Glattbrugg

RHI AG, Vienna

Treibacher Industrie AG, Treibach (until August 10, 2007)

Underberg AG, Dietlikon

von Roll Holding AG, Gerlafingen

Zwack Unicum Rt., Budapest

MPW Mövenpick Wein AG, Zug

Clair Finanz Holding AG, Cham

August François von Finck, Freienbach

Bank officer

further positions held:

Staatl. Mineralbrunnen AG Bad Brückenau, Bad Brückenau

Treibacher Industrie AG, Treibach (until August 10, 2007)

SGS Société Générale de Surveillance S.A., Geneva

Luitpold von Finck, Freienbach
 Bank officer
 further positions held:
 Mövenpick Holding AG, Cham
 Clair Finanz Holding AG, Cham
 Marché International Ltd., Glarus
 Mövenpick Hotels und Resorts Management AG, Glattbrugg
 MPW Mövenpick Wein AG, Zug
 Dipl.-Kfm. Ernst Knut Stahl, Munich
 Managing director of Lenbach Holding GmbH
 further positions held:
 Amira Verwaltungs AG, Munich
 Nymphenburg Immobilien AG, Munich
 Staatl. Mineralbrunnen AG Bad Brückenau, Bad Brückenau
 Mövenpick Holding AG, Cham
 Welinvest AG, Basel
 Clair Finanz Holding AG, Cham
 Sonotel Ouchy SA, Lausanne

Members of the **Executive Board:**

Manfred Karl, Feldkirchen
 Dr. Stephan Ring, Munich (since March 01, 2007)
 Dipl.-Kfm. Hans Eibeler, Grünwald (until July 04, 2007)

**Total
 compensation
 of the Executive
 Board and the
 Supervisory
 Board**

The total compensation of the members of the Executive Board amounted to KEUR 574 (2006: KEUR 316). Disclosure of the compensation of individual members of the Executive Board is waived in accordance with the resolution of the general meeting of the shareholders on July 12, 2006.

The total compensation of the members of the Supervisory Board amounted to KEUR 617 (2006: KEUR 459). Pension provisions of KEUR 14,963 had been set up as of December 31, 2007 (31.12.06: KEUR 9,181) for pension obligations to former members of the Executive Board and their surviving dependants; the compensation of this group of persons in the past financial year amounted to KEUR 795 (2006: KEUR 784).

Statement in accordance with § 161 Stock Companies Act

The statement of compliance in accordance with § 161 Stock Companies Act was issued and was made available to the shareholders on a permanent basis.

Derivative financial instruments The Company concluded the following derivative financial instruments in 2007 to hedge the interest rates on two loans. The financial instruments are valued on the basis of mark-to-market.

	Nominal amount	Market value	Maturity
	31.12.2007		
	KEUR	KEUR	
Interest swap	105,000	-1,047	08.06.2017
Interest swap	14,944	-364	30.08.2017
	<u>119,944</u>	<u>-1,411</u>	

Audit fees The fees of the auditors, Bayerische Treuhandgesellschaft AG, for services rendered in 2007 amounted to:

	KEUR
Audit (including out-of-pocket expenses)	26
Other audit services	<u>9</u>
	35

Investment relationships On October 18, 2004, von Finck'sche Hauptverwaltung GmbH notified the Company in accordance with § 21 (1) Securities Trading Act that its holding of the voting rights had on October 14, 2004 exceeded the thresholds of 5%, 10%, 25%, 50% and 75% and that it held 92.24% of the voting rights.

Appropriation of profits We will propose the following appropriation of the retained earnings to the general meeting of the shareholders:

		EUR
For the financial year 2007		
Ordinary shares	Dividends EUR 6.00	3,605,040.00
	Bonus EUR 694.00	416,982,960.00
Preferred shares	Preference dividend EUR 0.62	<u>781.20</u>
		420,588,781.20
To be carried forward		<u>226,595,407.38</u>
Retained earnings		<u><u>647,184,188.58</u></u>

Munich, March 27, 2008

Custodia Holding Aktiengesellschaft

The Executive Board

We have rendered our unqualified auditors' report as follows:

“Auditors' report

We have audited the annual financial statements comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system and the management report, of Custodia Holding Aktiengesellschaft, Munich, for the business year from January 1 to December 31, 2007. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report, based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [Handelsgesetzbuch: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of Custodia Holding Aktiengesellschaft in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Munich

April 2, 2008

Bayerische Treuhandgesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

signed

Huber

Wirtschaftsprüfer

signed

Mühlhuber

Wirtschaftsprüfer

Conception and design: F&H, Munich

Pictures: Munich City Museum, Collection of Drawings and Paintings