

**Natixis Corporate Solutions Limited
(Formerly Nexgen Financial Solutions Limited)**

Directors' Report and Financial Statements

For the year ended 31 December 2006

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NEXGEN GROUP PROFILE

Natixis Corporate Solutions Ltd is an Irish incorporated company with branches in Paris and Milan and a subsidiary based in Singapore (Nexgen Corporate Solutions Asia Ltd) (see Group Corporate Structure on page 5).

Natixis Corporate Solutions Ltd immediate parent is Nexgen Financial Holdings Limited an Irish incorporated company and the holding company of the Nexgen Group, which trades as Nexgen Financial Solutions Group ('Nexgen' or 'the Nexgen Group'). As of 1st January 2006, Nexgen Financial Holdings became a subsidiary of IXIS Corporate and Investment Bank, now a subsidiary of NATIXIS. Nexgen is part of the Corporate Solutions division of NATIXIS BFI (the Group).

NATIXIS CORPORATE SOLUTIONS and Nexgen offer risk based tailor-made financial solutions to corporations, insurance companies, banks and other financial services organisations, and high net worth individuals, principally resident in Europe and Asia. The Group provides its clients with creative and robust solutions and executes transactions as principal counterparty, actively managing the risks assumed.

The principal subsidiaries of Nexgen Financial Holdings are Nexgen Re Limited ('NRL'), a reinsurance company authorised by the Financial Regulator¹, Nexgen Capital Limited ('NCL') and Natixis Corporate Solutions Limited (NCSL) which are both authorised by the Financial Regulator under the Investment Intermediaries Act, 1995 to conduct regulated businesses as investment firms.

NCSL participates in the sourcing and structuring of transactions, products and services on behalf of the risk taking entities of the Group (NCL, NRL and NATIXIS CORPORATE SOLUTIONS). Natixis Corporate Solutions (Asia) Pty Ltd (NCSA), a subsidiary undertaking of NCSL, acts as the Singaporean marketing and structuring unit of the Nexgen Group. It also provides trading support, in the Singaporean time zone, to the Group. NCSA holds a Capital Markets Services Licence granted by the Monetary Authority of Singapore. NCSL also carries out research and development of IT systems for the Nexgen Group.

NRL underwrites Nexgen's reinsurance business. This comprises structured transactions for insurance or reinsurance companies, helping such organisations to meet efficient risk transfer or capital allocation objectives. NRL also provides finance and corporate services for the Nexgen Group.

NCL undertakes capital market transactions. NCL's role within the Group is to act as a principal for many of the client solutions involving financial instruments and to hedge or manage the resulting risks. The solutions offered include equity or credit derivative linked instruments designed to support mergers and acquisitions, treasury management, risk transfer, debt restructuring and private financing situations. Solutions may also include other derivative components. NCL is also the centre for active management of the risks assumed by the Group.

As at the 31 December 2006 Nexgen had 90 employees (68 at the end of 2005) and has established offices in Dublin, Singapore (NCSA), Paris (a branch of NCSL) and Milan (a branch of NCSL).

¹ "Financial Regulator" is the operating name of the Irish Financial Services Regulatory Authority

Natixis Corporate Solutions Ltd

DIRECTORS

Board of Directors as at 31 December 2006

Mr John Donnelly	Non-Executive	Chairman	Irish
Mr Xavier Daudin	Executive	Co Managing Director	French
Mr Luc Giraud	Executive		French
Mr Ravi Viswanathan	Executive	Co Managing Director	French

The following persons resigned from the Board of Directors following the formal completion of the take-over of the Nexgen Financial Holdings Limited group ("Nexgen" or "the Nexgen Group") by IXIS Corporate & Investment Bank ("IXIS CIB") on 24 March 2006:

Mr Francois Robey

Other information

Office Address (Dublin)

Natixis Corporate Solutions
Ormonde House
12 Lower Leeson Street
Dublin 2
Ireland

Registered Number

336712

Company Secretary and Registered Office

Nicola O'Connell
Ormonde House
12 Lower Leeson Street
Dublin 2
Ireland

External Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Internal Auditors

Deloitte
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Office Address (Paris)

Natixis Corporate Solutions, Paris Branch
30 Avenue George V
75008 Paris
France

Office Address (Milan)

Natixis Corporate Solutions, Milan Branch
Via Landolfo 1
20121 Milan
Italy

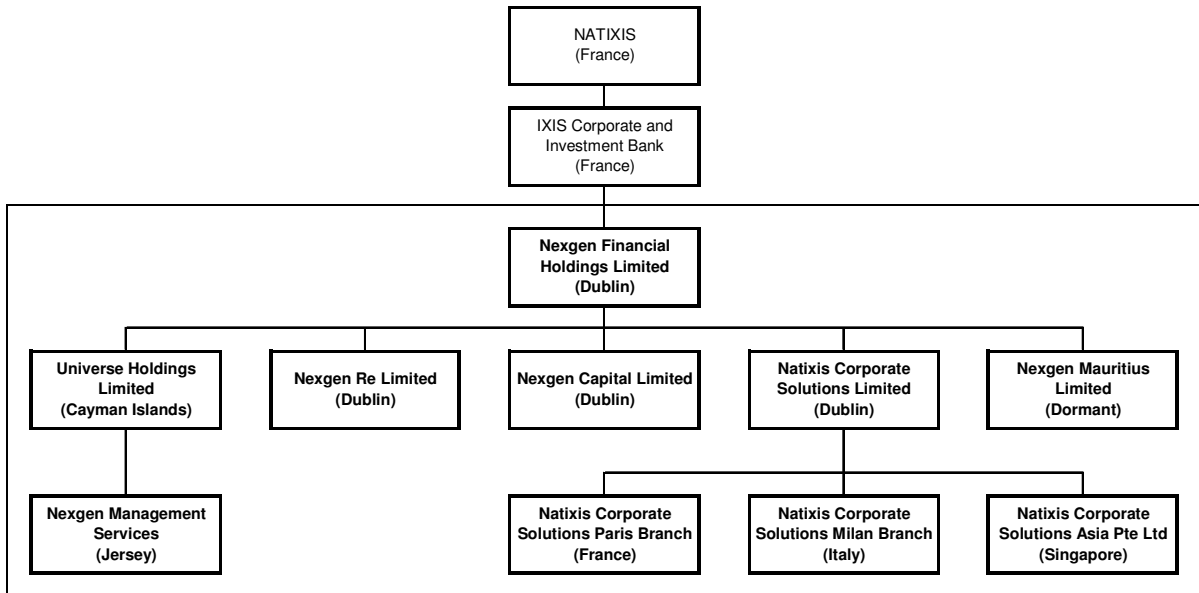
Bankers

BNP Paribas London
10 Harewood Avenue
London NW1 6AA
UK

Credit Lyonnais
Direction Regional Entreprises Paris
61, Rue Lafayette
75009 Paris
France

San Paolo IMI
Filiale 28
Via G.Negri 8
20123 Milan
Italy

GROUP CORPORATE STRUCTURE



There was a restructuring of the Group during the second half of the year. This involved Nexgen Re Ltd selling its investment in Nexgen Capital Ltd and Natixis Corporate Solutions Ltd to Nexgen Financial Holdings Ltd.

As part of the integration within NATIXIS, Nexgen Financial Solutions Ltd was renamed NATIXIS Corporate Solutions Limited on 14th March 2007 and Nexgen Financial Solutions (Asia) Pty Ltd was renamed NATIXIS Corporate Solutions (Asia) Pte Ltd on 3rd April 2007.

DIRECTORS' REPORT

The directors submit their annual report together with the audited financial statements for the year ended 31 December 2006.

Principal activities and review of the business

Natixis Corporate Solutions Limited (NCSL or the Company), an Irish incorporated company, is authorised by the Financial Regulator² under the Investment Intermediaries Act, 1995 and is part of the Nexgen Financial Solutions Group (Nexgen or the Group).

Nexgen, through its offices in Paris, Dublin, Milan and Singapore, offers risk based tailor-made financial solutions to corporations, insurance companies, banks and other financial services firms, and high net worth individuals, principally in Europe and Asia. The Group provides its clients with creative and robust solutions and executes transactions as principal counterparty. The risks assumed by Nexgen, after hedging in the market place, are actively managed and supported by the capital base of the Group.

The Company, together with its branches in Paris and Milan, carries out the sourcing and structuring of transactions, products and services on behalf of the risk taking entities of the Nexgen Group (Nexgen Capital Limited and Nexgen Re Limited). Natixis Corporate Solutions (Asia) Pte Limited (NCSA), a subsidiary undertaking of NCSL, acts as the Singaporean marketing and structuring unit of the Group and provides trading support, in the Singaporean time zone, to related corporations. NCSA holds a Capital Markets Services Licence granted by the Monetary Authority of Singapore. NCSL also carries out research and development of IT systems for the Group.

The Company (and its subsidiary) employs the majority of the marketing and sales staff of the Nexgen Group and is therefore primarily responsible for the generation of new clients and transactions. The transactions are then managed in other entities within the NATIXIS group, primarily being Nexgen Capital Ltd and Nexgen Re Ltd. The Company's primary source of income is fee income from marketing financial solutions for clients.

In prior years, NCSL generated marketing fees on the basis of reimbursement of costs plus a fixed and variable margin for the recognition of the contribution of the marketing team. In 2006, due to the expansion of the business, the recovery of marketing fees was adjusted to be directly based on the contribution of the marketing team to the profitability of the Nexgen Group.

The total number of employees in the NCSL Group at 31 December 2006 was 61 (31 December 2005: 49), of whom 16 were based in the subsidiary in Singapore, 35 in the branch in Paris and 3 in the branch in Milan.

Results for the year and state of affairs at 31 December 2006

The profit retained for the year was €5,948k (2005: €545k). The Company's net assets at 31 December 2006 amounted to €12,218k (2005: €6,270k). The increase in the sourcing of new transactions has resulted in an increase in profits and net assets and accordingly to larger marketing fee income.

The income statement for the period ended 31 December 2006 and the balance sheet at that date are set out on pages 12 to 14. A dividend of €2.5m was approved by the Board of Directors and paid to Nexgen Re Ltd in October 2006. Subsequent to the payment of this dividend, Nexgen Re Ltd sold its investment in Natixis Corporate Solutions Ltd to Nexgen Financial Holdings Ltd.

² "Financial Regulator" is the operating name of the Irish Financial Services Regulatory Authority

Natixis Corporate Solutions Ltd

Directors

The names of the persons who were directors at any time during the year ended 31 December 2006 are set out on page 4.

Directors' and secretary's interests

The directors and Company secretary had no direct interest in Natixis Corporate Solutions Limited. The beneficial interests of the directors and the company secretary, in office at 31 December 2006, in the ordinary share capital of Nexgen Financial Holdings Limited, the company's parent, at 31 December 2006 and 31 December 2005 were as follows:

	Number of shares			
	31 December 2006		31 December 2005	
Luc Giraud	-	Ordinary shares	764,750	Ordinary shares
	-	Founders shares	15,240	Founders shares
Ravi Viswanathan	-	Ordinary shares	764,750	Ordinary shares
	-	Founders shares	15,240	Founders shares
Xavier Daudin	-	Ordinary shares	-	Ordinary shares
	-	Founders shares	3,088	Founders shares
Nicola O'Connell (Company Secretary)	-	Founders shares	400	

In addition, as at 31 December 2005, the directors listed below held the following warrants to subscribe for ordinary shares in Nexgen Financial Holdings Limited:

	Number of Warrants		
	Number	Maturity date	Subscription price
As at 31 December 2006			
Luc Giraud	1,911,750	31st December 2008	EUR 1.00
Ravi Viswanathan	1,911,750	31st December 2008	EUR 1.00
Xavier Daudin	750,000	31st December 2008	EUR 1.00
As at 31 December 2005			
Luc Giraud	771,731	11 th December 2009	USD 1.50
	1,441,778	11 th December 2009	USD 2.50
Ravi Viswanathan	771,731	11 th December 2009	USD 1.50
	1,441,778	11 th December 2009	USD 2.50
Xavier Daudin	88,617	11 th December 2009	USD 1.50
	165,558	11 th December 2009	USD 2.50

None of the other directors of NCSL held other interests in the Company, any Group company or its ultimate parent, NATIXIS at 31 December 2006. There have been no contracts or arrangements entered into during the financial year in which a director was materially interested and which were significant in relation to the Company's business.

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Branches Outside the State

The Company has branches, within the meaning of Regulation 25 of the European Communities (Accounts) Regulations, 1993 (which gave effect to EU Council Directive 89/666/EEC), in France and Italy.

Political Donations

There were no political contributions which require disclosure under the Electoral Act 1997.

Subsequent Events

There were no significant events affecting the Company since the end of the financial year.

Books of Account

The directors comply with the Company's obligation to keep proper books of account by using appropriate systems and procedures and employment of competent persons. The books of account are kept at the following address:

Ormonde House
12 Lower Leeson Street
Dublin 2
Ireland

Regulator

The Company is authorised by the Financial Regulator under the Investment Intermediaries Act, 1995. The Paris and Milan branches of the Company were established under Article 17 of the Investment Services Directive, 1993.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office under Section 160 of the Companies Act, 1963.

On behalf of the Board

John Donnelly
Chairman

Xavier Daudin
Co Managing Director

Natixis Corporate Solutions Ltd

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations endorsed by the European Union and with those parts of the Companies Act, 1963 to 2006 applicable to companies reporting under IFRS and Article 4 of the IAS Regulation.

Irish 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with IFRS and IFRIC interpretations endorsed by the European Union and with those parts of the Companies Act, 1963 to 2006 applicable to companies reporting under IFRS and Article 4 of the IAS Regulation.

The directors are responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

John Donnelly
Chairman

Xavier Daudin
Co Managing Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIXIS CORPORATE SOLUTIONS LIMITED

We have audited the company financial statements (the "financial statements") of Natixis Corporate Solutions Limited for the year ended 31 December 2006 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Change in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements, in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union. We report to you our opinion as to whether the parent financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2006. We also report to you whether the financial statements have been properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006 and Article 4 of the IAS Regulation. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting of the company; such a financial situation may exist if the net assets of the company, as stated in the company balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Nexgen Group Profile, Corporate Governance and Risk Management, Directors' Report and Directors Responsibility Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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

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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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 December 2006 and of its profit and cash flows for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2006, of the state of the parent company's affairs as at 31 December 2006 and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and Article 4 of the IAS Regulation.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2006 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin, Ireland

25 May 2007

INCOME STATEMENT

	Notes	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Interest receivable		178	175
Fees and commission receivable	3	31,102	15,039
		<u>31,280</u>	<u>15,214</u>
Operating expenses	4	(18,544)	(14,364)
Profit on ordinary activities before taxation		<u>12,736</u>	<u>850</u>
Taxation	6	(4,288)	(305)
Profit after tax		<u>8,448</u>	<u>545</u>
Dividends paid		(2,500)	-
Profit retained for the year		<u>5,948</u>	<u>545</u>
Balance at beginning of year		2,046	1,501
Balance at end of year		<u>7,994</u>	<u>2,046</u>

The above results relate exclusively to continuing operations. There are no recognised gains or losses other than those dealt with in the profit and loss account.

On behalf of the Board

John Donnelly
Chairman

Xavier Daudin
Co Managing Director

STATEMENT OF CHANGES IN EQUITY

	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Profit attributable to equity shareholders	8,448	545
Dividend paid to parent company during the year	14 (2,500)	-
Movement in shareholder's funds	5,948	545
Balance at the beginning of the year	6,270	5,725
Balance at the end of the year	<u>12,218</u>	<u>6,270</u>

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BALANCE SHEET

	Notes	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Assets			
Investment in Subsidiary	12	940	940
Tangible fixed assets	7	479	435
Amounts due from Group undertakings	8	17,565	3,982
Other Debtors	8	1,596	2,739
Cash at bank and in hand		772	932
Total Assets		<u>21,352</u>	<u>9,028</u>
Liabilities			
Creditors	9	5,148	2,717
Corporation Tax due	9	3,986	41
Total Liabilities		<u>9,134</u>	<u>2,758</u>
Net Assets		<u><u>12,218</u></u>	<u><u>6,270</u></u>
Capital and reserves			
Capital contribution	11	2,112	2,112
Share premium	11	2,112	2,112
Profit and loss account		7,994	2,046
Equity shareholder's funds	13	<u><u>12,218</u></u>	<u><u>6,270</u></u>

On behalf of the Board

John Donnelly
Chairman

Xavier Daudin
Co Managing Director

CASH FLOW STATEMENT

	Notes	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Cash flows from operating activities			
Operating Profit		12,736	850
Depreciation and amortisation	7	128	147
Changes in operating assets and liabilities			
-net (increase)/decrease in other assets		1,142	(1,922)
-net increase/(decrease) in other liabilities		2,416	(560)
		<u>16,422</u>	<u>(1,485)</u>
Taxation paid		(327)	(275)
Net cash inflow from operating activities		<u>16,095</u>	<u>(1,760)</u>
Investing activities			
Additions to tangible fixed assets	7	(185)	(276)
Proceeds from disposal of fixed assets	7	13	-
Financing activities			
Dividends Paid	14	(2,500)	-
Increase/(decrease) in cash and cash equivalents		<u>13,423</u>	<u>(2,036)</u>
Opening cash and cash equivalents		4,914	6,950
Closing cash and cash equivalents	15	<u>18,337</u>	<u>4,914</u>

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1 General Information

Natixis Corporate Solutions Limited (NCSL) is a 100% subsidiary of Nexgen Financial Holdings Limited.

Nexgen Financial Holdings and its subsidiaries, as part of NATIXIS Corporate Solutions, offer risk based tailor-made financial solutions to corporations, insurance companies, banks and other financial services organisations, and high net worth individuals, principally resident in Europe and Asia. The Nexgen Group has operations in 4 countries and employs 90 people including those seconded from related NATIXIS Group companies.

Nexgen Financial Holdings Ltd acts as a holding company for the Nexgen Group of companies. Nexgen Financial Holdings Ltd is incorporated in Ireland. The address of the registered office is: Ormonde House, 12 Lower Leeson Street, Dublin 2, Ireland.

As part of the integration within NATIXIS, Nexgen Financial Solutions Ltd was renamed NATIXIS Corporate Solutions Limited on 14th March 2007 and Nexgen Financial Solutions (Asia) Pty Ltd was renamed NATIXIS Corporate Solutions (Asia) Pte Ltd on 3rd April 2007.

2 Significant Accounting Policies

A summary of the principal accounting policies is set out below.

2.1 Basis of Preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards for the year ended 31st December 2006. Up to 31 December 2005 NCSL prepared its Financial Statements in accordance with Irish Generally Accepted Accounting Principles (IR GAAP).

The rules for first time adoption of IFRS are set out in IFRS 1 "First-time Adoption of International Financial Reporting Standards". IFRS 1 requires NCSL to determine its IFRS accounting policies and apply these retrospectively to determine the opening balance sheet position under IFRS at the date of transition.

No material changes to the various financial aggregates arise as a result. As part of the process NCSL has determined its functional currency to be the Euro. From 1st January 2006 its financial risks have been managed on this basis and its Financial Statements are now presented in Euro. Comparatives have been restated using the EUR/USD closing rate as at 31st December 2005 (1.18395).

Assets and liabilities are recorded at settlement date. For those items recorded at fair value, income is recognized on a trade date basis.

On First Time Adoption of IFRS, the Group has adopted those provisions of *IAS 30: Disclosures in the Financial Statements of Banks and Similar Financial Institutions* that are relevant to the business of the Nexgen Group and *IAS 32: Financial Instruments: Disclosure and Presentation*.

The following prospective accounting policy changes have not been applied, but will be applied for the financial year ended 31st December 2007:

New and amended standards

IFRS 7 - Financial instruments: Disclosures, Amendment to IAS 1 - Capital disclosures

NCSL has chosen not to early adopt the following standard and interpretations that were issued but not yet effective for accounting periods beginning on 1 January 2006:

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Interpretations issued but not yet effective

- IFRS 8, Operating Segments (effective 1 January 2008);
- IFRIC 7, Applying the Restatement Approach under IAS 29 (effective 1 March 2006);
- IFRIC 8, Scope of IFRS 2 (effective 1 May 2006);
- IFRIC 9, Reassessment of embedded derivative (effective 1 June 2006);
- IFRIC 10, Interim Financial Reporting and Impairment (effective 1 November 2006);
- IFRIC 11, IFRS 2 – Group Treasury Share Transactions (effective 1 March 2007); and
- IFRIC 12, Service Concession Arrangements (effective 1 January 2009).

The application of the above is not expected to impact the entity's financial statements in the period of initial application.

2.2 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than or equal to three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to financial institutions, amounts due from financial institutions and short-term government securities.

2.3 Foreign currencies

Monetary assets, liabilities and commitments denominated in other currencies are reported at the rates of exchange or forward rates prevailing at the reporting date. Gains or losses arising from changes in exchange rates are included in the profit and loss account. Revenue, costs and non-monetary assets are translated at the exchange rates prevailing at the dates of the respective transactions.

2.4 Taxation

Corporation tax is provided on taxable profits based on the year to date profit in EUR.

Deferred income tax is provided in full, using the liability method, on all material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is not discounted.

2.5 Pension costs

Employees may be members either of the Nexgen Group pension plan or of a personal pension plan. The Nexgen Group pension plan is a defined contribution scheme. NCSL contributes directly to the appropriate pension plans.

The amount charged to the profit and loss account in respect of pension costs is the sum of contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

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2.6 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and any provisions for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer Software	3 years
Computer Equipment	3 years
Office Equipment	3 years

2.7 Functional Currency

The functional currency of the Company was reviewed with reference to the requirements of IAS 21. The functional currency was determined as EUR. In prior years the functional currency was USD.

2.8 Comparatives

Comparative figures have been reclassified in order to be consistent with the presentation of the current year. As the functional currency was changed at 1st January 2006, comparatives have been restated using the closing EUR/USD rate as at 31st December 2005. The rate used was 1.18395.

Natixis Corporate Solutions Ltd

	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
3 Fees and commissions		
Fees and commissions receivable comprise:		
Intercompany service income (see note 5)	31,136	13,990
Other income/expense	<u>(34)</u>	<u>1,049</u>
	<u>31,102</u>	<u>15,039</u>
4 Operating Expenses	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Operating expenses comprise:		
Staff Costs	7,623	7,124
Audit Fee	66	19
Depreciation	128	147
Intercompany service expense (see note 5)	4,251	3,680
Deal related fees and expenses	644	99
Other administrative expenses		
- Professional fees	2,863	907
- Non Executive directors fees	23	23
- Travel and hotels	841	583
- Office rental	899	706
- Other administrative fees	<u>1,206</u>	<u>1,076</u>
	<u>18,544</u>	<u>14,364</u>
Staff costs comprise:		
Wages and salaries	4,889	4,802
Social welfare costs	1,316	1,234
Pension costs	508	437
Other staff costs	<u>910</u>	<u>652</u>
	<u>7,623</u>	<u>7,124</u>

The average number of persons employed by the Company during 2006 was 39 (2005:29), 3 of whom were seconded employees.

	31 December 2006 EUR'000	31 December 2005 EUR'000
Directors' emoluments	732	1,000

In 2006, fees for directors' services and auditors' remuneration were paid by Nexgen Re Limited and recharged back to the Company.

5 Intercompany Services

A new transfer pricing policy was implemented during the year to recognise the booking of certain deals where NCL acts as booking counterparty for risk management purposes. A proportion of the profit on the transaction is transferred back to the relevant country through Natixis Corporate Solutions Ltd's branches/subsidiaries in order to recognise income in the country of transaction origin based on the location of Nexgen or NATIXIS staff involved.

6 Taxation	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Corporation tax in the Republic of Ireland:		
Current tax on income for the year	81	17
Adjustments in respect of previous years	<u>-</u>	<u>3</u>
	81	20
Foreign tax		
Current tax on income for the year	4,207	259
Adjustments in respect of previous years	-	26
	<u>4,288</u>	<u>305</u>
Effective tax rate	<u>34%</u>	<u>36%</u>

The reconciliation of current tax on profit on ordinary activities at the standard Irish corporation tax rate to the Company's actual current tax charge for the year ended 31 December 2006 is shown as follows:

	2006 EUR'000	2005 EUR'000
Profit on ordinary activities before taxation	<u>12,736</u>	<u>850</u>
Profit on ordinary activities multiplied by the standard rate of Corporation tax in Ireland of 12.5% (2006: 12.5%)	1,592	106
Effects of:		
Expenses not deductible for tax purposes	11	14
Foreign tax	2,695	157
Capital allowances in excess of depreciation	(10)	(1)
Adjustments in respect of previous years	<u>-</u>	<u>29</u>
Current tax charge for year	<u>4,288</u>	<u>305</u>

Natixis Corporate Solutions Ltd

7 Tangible fixed assets	Computer Equipment EUR'000	Office Equipment EUR'000	Computer Software EUR'000	Total EUR'000
Cost				
At 31 December 2005	374	528	66	968
Additions	127	54	4	185
Disposals		(19)		(19)
At 31 December 2006	<u>501</u>	<u>563</u>	<u>70</u>	<u>1,134</u>
Accumulated Depreciation				
At 31 December 2005	272	196	65	533
Charge for the period	65	61	2	128
Disposals		(6)		(6)
At 31 December 2006	<u>337</u>	<u>251</u>	<u>67</u>	<u>655</u>
Net Book Value				
At 31 December 2005	<u>102</u>	<u>332</u>	<u>1</u>	<u>435</u>
At 31 December 2006	<u>164</u>	<u>312</u>	<u>3</u>	<u>479</u>

8 Debtors - amounts falling due within one year	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Amounts due from group undertakings	17,565	3,982
Other debtors	1,174	2,328
Prepayments	422	411
	<u>19,161</u>	<u>6,721</u>

9 Creditors - amounts falling due within one year	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Amounts due to group undertakings	1,763	936
Other creditors	<u>3,385</u>	<u>1,781</u>
	5,148	2,717
Corporation Tax	<u>3,986</u>	<u>41</u>
	<u>9,134</u>	<u>2,758</u>

Natixis Corporate Solutions Ltd

10 Share Capital

31 December 2006

Authorised:

1,000 ordinary shares of EUR 1 each 1,000

Allotted, called up and fully paid:

250 ordinary share of EUR 1 each 250

31 December 2005 (*in USD*)

Authorised:

1,000 ordinary shares of USD 1 each 1,000

Allotted, called up and fully paid:

250 ordinary shares of USD 1 each 250

11 Share Premium & Capital Contribution 31 December 2006

	EUR'000
Share premium	2,112
Capital contribution	2,112
	4,224

Share Premium & Capital Contribution 31 December 2005

(translated at EUR/USD rate of 1.18395)

	EUR'000
Share premium	2,112
Capital contribution	2,112
	4,224

The share capital was redeemed in USD and reissued in EUR on 24th March 2006.

12 Group companies

Details of subsidiary undertakings are as follows:

Subsidiary	% Interest 31 December 2006	% Interest 31 December 2005	Amount of Investment	Country of incorporation and principal area of Operation	Nature of Business
Natixis Corporate Solutions (Asia) Pte Limited	100%	100%	SGD 2,000,000	Singapore	Marketing

	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
13 Reconciliation of movement in equity shareholders funds		
Opening shareholders' funds	6,270	5,725
Profit for the year	8,448	545
Dividend paid	(2,500)	-
Closing shareholders' funds	12,218	6,270

14 Dividends

	31 December 2006 EUR'000	31 December 2005 EUR'000
Declared and paid		
Interim Dividend	<u>2,500</u>	<u>-</u>

15 Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances:

	Year ended 31 December 2006 EUR'000	Year ended 31 December 2005 EUR'000
Cash and balances with Central Banks	772	932
Amounts due from Group undertakings	<u>17,565</u>	<u>3,982</u>
	<u>18,337</u>	<u>4,914</u>

16 Transactions with Related Parties

Transactions with other entities within the group are disclosed in Notes 8 & 9 above as due from or due to Group undertakings.

17 Ultimate Holding Company

The Company's parent undertaking is Nexgen Financial Holdings Limited, a company incorporated in Ireland. Nexgen Group financial statements are available from the Company Secretary at Ormonde House, 12 Lower Leeson Street, Dublin 2 or, from the Nexgen Group's website, www.nexgenfs.com.

Nexgen Financial Holdings is a 100% subsidiary of IXIS Corporate and Investment Bank, which is a 100% subsidiary of NATIXIS, a bank listed on the Bourse de Paris, France.

18 Commitments and Guarantees

There were no commitments or guarantees at 31 December 2006 or at 31 December 2005.

19 Approval of Financial Statements

The Directors approved the financial statements on 14 May 2007.