

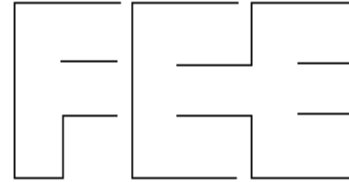
Date
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cc Alexander Schaub
David Wright
Christopher Huhne

Dear Mr Demarigny,

Re: CESR Prospectus Consultation

Further to our responses to you in respect of earlier consultations in relation to proposals for Level 2 implementing measures for the proposed Prospectus Directive, we are delighted to respond to your latest request for written comments on texts for additional possible implementing measures published in June 2003 (CESR 03-162).

Our observations are as follows:

- We do not agree with your changed view that issuers of derivatives should be required to include interim financial information in their prospectus where they would not be required to do so on an ongoing basis (see para 43 - 47). Interim financial information should only be required where the issuer has already published such interim financial information or if it is required by the (new) EU Transparency Directive, national GAAP or national Law to do so. We continue to believe that CESR should not use the Prospectus Directive as a backdoor to introduce disclosure requirements related to interim financial reporting issues beyond the EU Transparency Directive.
- In response to question in paragraph number 165, we agree with those CESR members who believe that additional information as to an issuer's working capital or capitalisation and indebtedness will add no value to the investors at the point of drawing up the prospectus (Derivatives RD), because it will be outdated at the time when the investor finally receives the new shares. The not insignificant cost of obtaining such information would need to be carefully balanced against any possible benefits
- As regards the format of the prospectus, question paragraph number 172, our view is that issuers should be able to choose the format of their prospectus. Our response to question 176 as concerns the format of a single document prospectus is that this should also be at issuer choice although, clearly, the summary would be expected to be the first substantive element as is the case with existing market practice.

Yours sincerely,

Kevin Desmond