

PRICING SUPPLEMENT

30 January 2004

ÍSLANDBANKI HF.

**Issue of EUR 75,000,000 Index Linked Interest Notes due 2009
under the € 2,500,000,000**

Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 17th July, 2003. The Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

This Pricing Supplement does not constitute, and may not be used for the purpose of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

1.	(i)	Series Number:	125
	(ii)	Tranche Number:	1
2.		Specified Currency or Currencies:	“euro” or “€”
3.		Aggregate Nominal Amount:	
	–	Tranche:	€ 75,000,000
	–	Series:	€ 75,000,000
4.	(i)	Issue Price of Tranche:	93.38 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	€ 70,035,000
5.		Specified Denominations:	€ 1,000
6.	(i)	Issue Date:	30 January 2004
	(ii)	Interest Commencement Date:	Issue Date
7.		Maturity Date:	30 January 2009
8.		Interest Basis:	Fixed Rate and Index-Linked Interest (further particulars specified below)
9.		Redemption/Payment Basis:	Redemption at 100.10 per cent. of the nominal amount of each Note
10.		Change of Interest Basis or Redemption/ Payment Basis:	Change of Interest Basis: The Notes shall be Fixed Rate Notes from (and including) the Issue Date to (but excluding) 30 January 2006 (the « Fixed Rate Period »). See clause 15.

The Notes shall be Index-Linked Interest Notes from (and including) 30 January 2006 to (but excluding) the Maturity Date (the « Index Linked Period »).

See clause 18.

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| 11. | Put/Call Options: | Not Applicable |
| 12. | (i) Status of the Notes: | Senior |
| | (ii) [Date [Board] approval for issuance of Notes obtained: | Not Applicable |
| 13. | Listing: | London |
| 14. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions | Applicable to the Fixed Rate Period |
| | (i) Rate(s) of Interest: | 2.60 per cent. per annum payable in arrear on the Interest Payment Date falling in 2005.
3.43 per cent. per annum payable in arrear on the Interest Payment Date falling in 2006. |
| | (ii) Interest Payment Date(s): | 31 January 2005 and 30 January 2006 |
| | (iii) Fixed Coupon Amount(s): | € 26 per € 1,000 in nominal amount on the Interest Payment Date falling in 2005.
€ 34.30 per € 1,000 in nominal amount on the Interest Payment Date falling in 2006. |
| | (iv) Broken Amount(s): | Not Applicable |
| | (v) Day Count Fraction: | Actual/Actual |
| | (vi) Determination Date(s): | Not Applicable |
| | (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | None |
| 16. | Floating Rate Note Provisions | Not Applicable |
| 17. | Zero Coupon Note Provisions | Not Applicable |
| 18. | Index Linked Interest Note Provisions | Applicable to the Index Linked Period.
See Schedules A and B attached |
| | (i) Index/Formula: | With respect to the Index Linked Period, the Rate of Interest will be dependent upon the relative performance of a basket of underlying shares compared with the performance of the Dow Jones Euro Stoxx 50 Index and will be determined in the manner specified in Schedule A, subject to the provisions of Schedule B. |

Further details with respect to the underlying securities and the Dow Jones Euro Stoxx 50 Index are set out in Schedule C attached

- (ii) Calculation Agent responsible for calculating the interest due: Credit Agricole Indosuez Cheuvreux
 - (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: See provisions detailed in Schedule B attached
 - (iv) Specified Period(s)/Specified Interest Payment Dates: 30 January in each year from (and including) 30 January 2007 to (and including) the Maturity Date.
 - (v) Business Day Convention: Following Business Day Convention
 - (vi) Additional Business Centre(s): None
 - (vii) Minimum Rate of Interest: Not Applicable
 - (viii) Maximum Rate of Interest: Not Applicable
 - (ix) Day Count Fraction: Actual /Actual
19. Dual Currency Interest Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 20. Issuer Call Not Applicable
- 21. Investor Put Not Applicable
- 22. Final Redemption Amount of each Note: 100.10% per Note of the Specified Denomination
- 23. Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): The Early Redemption Amount payable on redemption for taxation reasons or on an Event of Default for each Note, as calculated in good faith by the Calculation Agent, shall be an amount representing the fair market value of the Notes and which shall have the effect – after taking into account the cost of unwinding any underlying hedging and funding arrangement entered into by the Issuer in respect of each outstanding Note – of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after the early redemption date. Such Early Redemption Amount shall be deemed to include any accrued interest in respect of the Notes.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24. Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for

Definitive Notes only upon an Exchange Event

25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and, consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
28. Details relating to Instalment Notes including the amount of each instalment (each an "Instalment Amount") and the date on which each payment is to be made (each an "Instalment Date"): Not Applicable
29. Redenomination applicable: Redenomination not applicable
30. Other terms or special conditions: Not Applicable

DISTRIBUTION

31. (i) If syndicated, names of Managers: Not Applicable
(ii) Stabilising Manager (if any): Not Applicable
32. If non-syndicated, name of relevant Dealer: Credit Agricole Indosuez Cheuvreux
33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
34. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

35. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
36. Delivery: Delivery against payment
37. Additional Paying Agent(s) (if any): Not Applicable

ISIN: XS0180851601
Common Code: 18085160

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the € 2,500,000,000 Euro Medium Term Note Programme of Íslandsbanki hf.


RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:]

Duly authorised

A handwritten signature in black ink, appearing to be 'R. R. R.', is written over the signature line and extends slightly below it.

SCHEDULE A

**DETERMINATION OF THE RATE OF INTEREST
IN RESPECT OF THE INDEX LINKED PERIOD**

**(This Schedule forms part of the Pricing Supplement to which it is attached
and is subject to the provisions of Schedule B)**

The Rate of Interest applicable to each Interest Period comprised in the Index Linked Period shall be the rate per annum as specified in the table below depending on the Number of Shares Outperforming the Index with respect to the relevant Interest Period :

Number of Shares Outperforming the Index	Rate of Interest
10	7%
9	5%
8	4%
7	3%
6	2%
5 or less	1%

Number of Shares Outperforming the Index means, with respect to any Interest Period, the number of Shares for which the Share Performance as determined on the relevant Observation Date is strictly greater than the Index Performance as calculated on the same date.

“Share Performance” means in respect of any Observation Date and any Share in the Portfolio:

$$\text{Share Price} / \text{Initial Share Price}$$

“Index Performance” means in respect of any Observation Date:

$$\text{Index Level} / \text{Initial Index Level}$$

Where, for the purposes of this Schedule:

Company means, in respect of any Share, the issuer of such Share;

Exchange means, (i) in respect of the Index, the principal stock exchange(s) in each relevant country on which the shares comprised in the Index are listed, or any successor, as may be selected in good faith by the Calculation Agent and (ii) in respect of any Share, at any time, and from time to time, the principal regulated stock exchange on which the Share is traded and which, as of the date hereof, is the exchange which appears beside the name of such Share in the table under the definition of "Portfolio", or any other successor exchange which may replace such exchange;

Exchange Business Day means any day (subject to the occurrence of a Market Disruption Event (as defined in Schedule B)) (i) on which the Index is calculated and published by the Sponsor and (ii) which is a trading day on each Exchange and Related Exchange relating to



the Shares, other than a day on which trading on any such Exchange and/or Related Exchange is scheduled to close prior to its regular weekday closing time;

Index means the Dow Jones Euro Stoxx 50 Price Index (Reuters Identification Code: .STOXX50E; Bloomberg code SX5E). Further information with respect to the Index is set out in Schedule C;

Index Level means, for any Interest Period and subject to provisions of Schedule B, the closing level of the Index on the Observation Date comprised in the relevant Interest Period;

Initial Index Level means 2,750.09 (corresponding to the closing level of the Index on 30 December 2003);

Initial Share Price means, in respect of any Share, the price specified in relation to such Share in the table displayed in the definition of "Portfolio" and which :

- ✓ in respect of any Share other than an Italian Share, corresponds to the closing price of such Share on the relevant Exchange as determined by the Calculation Agent on 30 December 2003, and
- ✓ in respect of any Italian Share, corresponds to the weighted average of the price of the last 10% traded volume on the Share on the relevant Exchange (hereafter the "*Prezzo di Riferimento*") on 30 December 2003 as determined by the Calculation Agent.

Observation Date means, subject to paragraph III of Schedule B, each of the following dates: 29 December 2006, 28 December 2007 and 30 December 2008, provided that if any such date is not an Exchange Business Day, the relevant Observation Date shall be brought forward to the immediately preceding Exchange Business Day;

Portfolio means a basket of ordinary shares as specified in the table below, as the same may be varied, exchanged or substituted for other Shares from time to time by the Calculation Agent in accordance with the provisions of Schedule B, provided that the Calculation Agent shall use its reasonable endeavours at all times to maintain in the Portfolio the same number of Shares as comprised in the initial Portfolio:

**Shares comprised in the Portfolio
(as of the Issue Date)**

Company	Exchange	Related Exchange	Reuters Code	Initial Share Price
Aegon	Euronext Amsterdam	EUREX	AEGN.AS	11.73
BBVA	Madrid	SIBE	BBVA.MC	10.95
Fortis	Euronext Amsterdam	EUREX	FOR.AS	15.91
ING Groep	Euronext Amsterdam	EUREX	ING.AS	18.43
L'Oréal	Euronext Paris	MONEP	OREP.PA	65.00
Nokia	Helsinki	EUREX	NOK1V.HE	13.71
Koninklijke Philips Electronics	Euronext Amsterdam	EUREX	PHG.AS	23.23
Sanofi-Synthelabo	Euronext Paris	MONEP	SASY.PA	59.05
Telecom Italia	Italian Stock Exchange	Italian Derivatives Exchange Market	TLIT.MI	2.35

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Telefonica	Madrid	SIBE	TEF.MC	11.64
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Related Exchange means (i) in respect of the Index, EUREX (the European Exchange) or any successor, as may be selected in good faith by the Calculation Agent and (ii) in respect of any Share, the regulated futures and options exchange in the jurisdiction of the Exchange of the relevant Company on which futures and/or options contracts, as the case may be, relating to such Share are traded, as determined by the Calculation Agent and which, as of the date hereof, is the Related Exchange specified in relation to such Share in the table displayed in the definition of "Portfolio" or such other exchange as may replace such exchange (whether following an exchange or substitution of a Share or otherwise);

Share means an ordinary share of a Company comprised in the Portfolio, whose name is specified in the table appearing in the definition of "Portfolio" above, as may be exchanged or substituted from time to time by the Calculation Agent in accordance with the provisions of Schedule B;

Share Price means, for any Interest Period :

- ✓ in respect of any Share other than an Italian Share, the closing price of such Share on the relevant Exchange,
- ✓ in respect of any Italian Share, the Prezzo di Riferimento,

as determined by the Calculation Agent on the Observation Date comprised in the relevant Interest Period, and as may be adjusted from time to time by the Calculation Agent in accordance with the provisions of Schedule B;

SCHEDULE B

EVENTS AFFECTING THE INDEX AND/OR ANY SHARE

(This Schedule forms part of the Pricing Supplement to which it is attached)

I. EVENTS AFFECTING THE INDEX

If the Index is (i) not calculated and announced by the Sponsor but is calculated and published by a successor to the Sponsor (the "*Successor Sponsor*") acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index or (iii) not in existence on or prior to the Observation Date, but the Calculation Agent considers there to be in existence at such time an alternative index which, if substituted for the Index, would materially preserve the economic equivalent of the rights of the Noteholders under the Notes immediately prior to such substitution, then the Index will be deemed to be the index so calculated and published by the Successor Sponsor or that successor or alternative index, as the case may be.

If (A) on or prior to an Observation Date the Sponsor or (if applicable) the Successor Sponsor of the Index makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock, contracts or commodities and other routine events), or (B) on or prior to any such Observation Date the Sponsor or (if applicable) the Successor Sponsor of the Index fails to, or announces its intention not to, calculate and publish the Index other than due to the occurrence on such day of a Market Disruption Event, then the Calculation Agent shall determine the level of the Index at the relevant time on such day using, in lieu of a published official level of the Index, the level for the Index as at the relevant time as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities/commodities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant stock exchange).

II. EVENTS AFFECTING ANY SHARE

1. Definitions in relation to certain events that may affect the Shares

For the purposes of this Schedule, the following terms shall have the following meanings:

"**Affected Share**" means any Share affected by a Share Event, as defined in paragraph 3 below;

"**Company**" has the meaning given to it in Schedule A;

"**De-Listing**" means, in respect of any Share, that such Share is de-listed from the Exchange or listing compartment of such Exchange and either ceases to be listed on any recognized Exchange or has its listing maintained in inappropriate conditions in the opinion of the Calculation Agent;

"De-Merger" means, in respect of any Share any de-merger with respect to the Company, that results in some or all of the Shares of the Company being replaced by the shares of one or more entities, whether new or then existing;

"Effective Date" means: (i) in respect of a Merger or a De-Merger, the date upon which the holders of the Affected Shares receive any New Shares and/or Other Consideration payable or deliverable to them following such Merger or De-Merger (ii) in respect of a Take-Over Bid, the date on which the result of such event is published by the Exchange and (iii) in respect of any other Share Event, the date on which the Calculation Agent becomes aware of the occurrence of such event;

"Insolvency" means an order is made or an effective resolution is passed for a voluntary or involuntary liquidation of a Company or the whole or substantial part of its undertakings, its property or its assets, bankruptcy or insolvency or any analogous proceeding affecting a Company;

"Merger" means, in respect of any Company (i) any reclassification or change in respect of its Shares that results in a transfer or an irrevocable commitment to transfer all of such Shares outstanding or (ii) any consolidation, amalgamation or merger of the Company with or into another entity (other than a consolidation, amalgamation or merger in which the Company is the surviving entity);

"Nationalisation" means, in respect of any Company, that all of its Shares or all or substantially all the assets of such Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;

"New Share" means (i) a type of share (whether of the offeror or a third party, including in the case of a De-merger, any existing shares) which the holder of an Affected Share is entitled to receive following the occurrence of a Share Event and (ii) which satisfies the New Share Condition;

"New Share Condition" means, in respect of any share, that such share (i) is not a Share comprised in the existing Portfolio and (ii) is (or is about to be) listed on an Exchange and (iii) in the determination of the Calculation Agent is, or will be, the subject of a large and liquid market;

"Other Consideration" means, in respect of a Share Event, cash and/or any securities (other than New Shares) or assets (whether of the offeror or a third party) that a holder of an Affected Share is entitled to receive, if any, in consideration for an Affected Share, following the occurrence of a Share Event;

"Potential Adjustment Event" means, in respect of a Share, any of the following events which may have, in the determination of the Calculation Agent, a diluting or concentrative effect on the theoretical value of such Share:

- (i) issue granting preferential subscription rights, priority rights, or allotment rights to existing shareholders ;
- (ii) free allotment of Shares to existing shareholders resulting from the incorporation of reserves, profits or premiums;
- (iii) free allotment to existing shareholders of securities or rights;
- (iv) distribution of reserves in cash or shares of the portfolio held by the Company ;
- (v) amortisation of capital;
- (vi) a subdivision, consolidation or reclassification of such Shares (unless a Merger); or
- (vii) any other event that may have similar effect on the relevant Share than any event mentioned in (i) to (vi);

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"Selection Condition" means in respect of a Share, that it fulfils criteria (ii) and (iii) of the New Share Condition; and

"Share Event" means, in respect of any Share, the occurrence of any of the following events: (i) a Merger (ii) a Take-Over Bid (iii) a De-Merger (iv) a Stake Event (v) a Nationalisation (vi) a De-Listing (vii) there is no longer, in the determination of the Calculation Agent, a large and liquid market in the Shares, whether or not pursuant to the transfer of such Share to another exchange (unless for the avoidance of doubt, a case of Insolvency);

"Stake Event" means that one of the Companies takes a stake exceeding 20% of another Company comprised in the Portfolio (unless a Merger or a Take-Over Bid);

"Substitute Share" means, in respect of any Affected Share, a share selected by the Calculation Agent to be substituted to that Affected Share in the Portfolio, provided that such share is (i) not a Share comprised in the existing Portfolio, (ii) in the determination of the Calculation Agent is the subject of a large and liquid market, (iii) the issuer of which has a similar international standing and financial strength as the issuer of the Affected Share and (iv) and, to the extent that this is possible, is part of the same economic sector or has a comparable market capitalization; and

"Take-Over Bid" means any successful take-over bid, whether a paper take-over bid or cash take-over bid, made on the Shares of the Company by another entity.

2. Adjustment Events and consequences

Following the occurrence of any Potential Adjustment Event with respect to any Share, the Calculation Agent will determine whether such Potential Adjustment Event would have a material diluting or concentrative effect on the theoretical value of such Share and, if so, will (a) calculate as it deems appropriate, the corresponding adjustment, if any, to be made to the relevant Initial Share Price in respect of the determination of any Rate of Interest to be determined after the occurrence of the Potential Adjustment Event and (b) determine the effective date of such adjustment to be made. The Calculation Agent shall, whenever it is possible, determine the appropriate adjustments by reference to the adjustment adopted in respect of such Potential Adjustment Event by a Related Exchange on which options or future contracts on that Share are traded; provided however that, if the Calculation Agent determines that no adjustment decided by a Related Exchange is appropriate nor technically practicable to implement, it shall make such other adjustments, in compliance with local practices and/or legislation as it shall consider necessary in order that the Notcholders' rights are preserved.

3. Share Events and consequences

3.1. General guidelines and methods

Upon the occurrence, prior to any Observation Date, of a Share Event as determined by the Calculation Agent in respect of any Share (the "Affected Share"), then the Calculation Agent shall, in order to maintain at all times the same number of Shares in the Portfolio (subject as provided below in relation to a De-Merger), elect one of the following procedures, depending on the circumstances:

- (i) keep the Affected Share in the Portfolio, provided that such Affected Share continues to satisfy the Selection Condition, or
- (ii) where the Share Event results in the distribution of (a) New Share(s) in consideration for the Affected Share, apply the New Share Method (as described below), in order to replace the Affected Share by a successor share, or
- (iii) in all other cases, apply the Substitution Method (as described below), to substitute a new share to the Affected Share in the Portfolio.

The New Share Method

The procedure described below may be applied by the Calculation Agent when the occurrence of a Share Event gives rise to the distribution of a New Share in consideration for the Affected Share. The Affected Share will be replaced by the consideration to which a holder of such Affected Share would be entitled to receive in respect of such holding upon consummation of the Share Event, i.e. a New Share and/or, as the case may be, Other Consideration. In such case (i) the Affected Share shall be replaced by the New Share in the Portfolio, and (ii) the New Share and the New Share issuer will be deemed to be a Share and a Company, respectively.

The replacement of the Affected Share, and the adjustment of the relevant Initial Share Price (as described below) shall take effect on the Exchange Business Day (in respect of the sole New Share) following the Effective Date.

For the purposes of determining the Rate of Interest in respect of each Specified Interest Payment Date falling after the Effective Date, the Calculation Agent shall calculate an adjusted Initial Share Price calculated, in its reasonable discretion, either :

- (a) by applying to the Initial Share Price the adjustment ratio adopted by the relevant Related Exchange, if any, where the Calculation Agent considers it is appropriate and practicable to implement, or otherwise
- (b) by applying the following formula:

$$\frac{\text{Initial Share Price of the Affected Share}}{Q_e + K}$$

Where:

"Q_e" means the exchange parity used in the process of the Share Event.

"K" means the Other Consideration, expressed as a number or a fraction of a number of the New Share (or Retained New Share (as defined in paragraph 3.2.1 below in the case of a Take-Over Bid), as the case may be), based on market conditions, as determined by the Calculation Agent on the Effective Date.

The Substitution Method

In the event that the Calculation Agent determines that the New Share Method is impossible to implement, i.e. when the occurrence of the Share Event does not result in the distribution of any New Share, it will substitute to the Affected Share an ordinary share of another issuer that qualifies as a Substitute Share, in which case the Substitute Share and its issuer shall be

deemed to be the relevant Share and the relevant Company, respectively. The substitution of the Affected Share, and the adjustment of its Initial Share Price (as described below), shall take effect on the Exchange Business Day (in respect of the Substitute Share) following the Effective Date.

For the purposes of determining the Rate of Interest in respect of each Specified Interest Payment Date falling after the Effective Date, the Calculation Agent shall calculate an adjusted Initial Share Price, which shall be equal to:

$$\frac{\text{Initial Share Price of the Affected Share}}{\text{AF(s)}} \times \text{AS(s)}$$

Where:

"AF(s)" means the first closing price of the Affected Share available on the Exchange after the Effective Date, provided that if no closing price can be obtained on each of the three Exchange Business Days immediately following the Effective Date, the Calculation Agent shall determine its good faith estimate of the trading price for the Affected Share on such third Exchange Business Day.

"AS(s)" means the closing price of the Substitute Share determined on the same day as AF(s).

3.2. Application by type of Share Event

3.2.1. Take-Over Bid

If any Share is the subject of a Take-Over Bid, the Calculation Agent may:

- keep such Affected Share in the Portfolio, provided such Share continues to satisfy the Selection Condition; or
- if the consideration for the Affected Share consists of (a) New Share(s) (and/or, as the case may be, Other Consideration), apply the New Share Method to replace the Affected Share by a successor New Share.

For the avoidance of doubt, in the case where several New Shares have been exchanged therefor, the Calculation Agent shall select one of the New Shares (the "**Retained New Share**") to replace the Affected Share in the Portfolio. In such case, for the purpose of applying the New Share Method, the non-retained New Shares shall be expressed as a number or fraction of a number of the Retained New Share as if they were Other Consideration.

- if the consideration for the Affected Share does not consist of any New Share, the Calculation Agent shall apply the Substitution Method in order to substitute a Substitute Share to the Affected Share in the Portfolio.

3.2.2. Merger

Following the occurrence of a Merger:



- if the consideration for the Affected Share consists of a New Share (and/or, as the case may be, Other Consideration), the Calculation Agent shall apply the New Share Method in order to replace the Affected Share by the successor New Share in the Portfolio.
- if the consideration for the Affected Share does not consist of any New Share, the Calculation Agent shall apply the Substitution Method in order to substitute a Substitute Share to the Affected Share in the Portfolio.

In the event of a Merger affecting two Companies comprised in the Portfolio, the Calculation Agent will select a Substitute Share to replace the absorbed Company's Share, as described above. The absorbing Company's Share (which is not an Affected Share) shall not be removed from the Portfolio, provided however that such Share continues to satisfy the Selection Condition. If such is not the case, the Calculation Agent may also apply the Substitution Method in respect of the absorbing company.

3.2.3. De-Merger

In the event any Share is subject to a De-Merger:

- if the consideration for the Affected Share consists of two or more New Shares (and as the case may be, Other Consideration), the Calculation Agent may, as it considers appropriate:
 - (a) elect one of the New Shares (the "Retained New Share") to replace the Affected Share. In such case, for the purpose of applying the New Share Method, the non-retained New Shares shall be expressed as a number or fraction of a number of the Retained New Share as if they were Other Consideration; or
 - (b) replace the Affected Share by a basket comprising the New Shares resulting from such De-Merger (the "De-Merger Basket"), which shall be deemed to represent one Share only in the Portfolio. The Share Price to be taken into account by the Calculation Agent in respect of the Affected Share for the determination of any Interest Amount after the Effective Date will be the arithmetic sum of the price of each of the New Shares comprising the De-Merger Basket on the relevant Stock Exchange, as respectively weighted in accordance with the exchange parity used in the process of De-Merger. It is moreover understood that if the De-Merger also consists of Other Consideration, such Other Consideration shall be expressed as a number or fraction of number of one of the New Shares comprised in the De-Merger Basket, as selected by the Calculation Agent, and shall be taken into account in the above mentioned arithmetic sum;
- if the consideration for the Affected Share solely consists of one type of share qualifying as a New Share (and/or, as the case may be, Other Consideration), the Calculation Agent shall apply the New Share Method in order to replace the Affected Share by the successor New Share in the Portfolio.
- if the consideration for the Affected Share does not consist of any New Share, the Calculation Agent shall apply the Substitution Method in order to substitute a Substitute Share to the Affected Share in the Portfolio.

3.2.4. Stake Event

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In the event of a Company taking a stake exceeding 20% in another Company comprised in the Portfolio (unless a Merger or a Take-Over Bid), and where the shares of the latter are the Affected Shares in respect of such event, the Calculation Agent may:

- keep such Affected Share in the Portfolio, provided such Share continues to satisfy the Selection Condition; or
- apply the Substitution Method in order to substitute a Substitute Share to the Affected Share in the Portfolio.

3.2.5. Nationalisation , De-Listing

In case of occurrence of a Nationalisation or a De-Listing in respect of any Share, the Calculation Agent may, whenever the Affected Share does not satisfy any longer the Selection Condition, apply the Substitution Method, in order to substitute a Substitute Share to the Affected Share in the Portfolio.

3.2.6. Similar events

In case of occurrence of any event similar to any event mentioned in paragraph 3.2.1. to paragraph 3.2.5. above, and which may result in the same type of effect on the Affected Share, the Calculation Agent may apply the procedure that would be applied in case of occurrence of the event to which it is most similar.

4. Insolvency

In the event that an Insolvency has occurred with respect to any Company on or prior to any Observation Date, the Calculation Agent will replace the relevant Share (the "Insolvent Share") with an ordinary share of another issuer that (i) is not a Share comprised in the existing Portfolio, (ii) is (or is about to be) listed on a recognized stock exchange, (iii) in the determination of the Calculation Agent is the subject of a large and liquid market and (iv), to the extent that this is possible, is part of the same economic sector than the Insolvent Share (the "Replacement Share"), using the Substitution Method described above (where for the only purposes of the formula, the "Insolvent Share" shall be deemed to be the "Affected Share" and the "Replacement Share" shall be deemed to be the "Substitute Share").

III. MARKET DISRUPTION EVENT

1. Definition

"Market Disruption Event" means:

- (i) in respect of the Index, the occurrence or existence on any Exchange Business Day during the one-half hour period that ends at the time at which the Index is calculated and published by the relevant Sponsor of a suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Exchanges or otherwise) on:

- ✓ the Stock Exchange(s) of securities/commodities that comprise 20 per cent. or more of the level of the Index (it being specified that the securities for which the relevant Exchange(s) are closed on the relevant Observation Date shall not be taken into account for the determination of such percentage); or
- ✓ any Related Exchange of options contracts or futures contracts on the Index,

if, in the determination of the Calculation Agent, such suspension or limitation is material.

For the purposes of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from a published change in the regular business hours of the Exchange(s) or any Related Exchange.

For the purpose of determining whether a Market Disruption Event exists at any time, if trading in a security/commodity included in the Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity relative to (ii) the overall level of the Index, in each case immediately before that suspension or limitation; and

- (ii) in respect of any Share, the occurrence or existence on any Exchange Business Day during the one-half hour period that ends at the close of business on such day of any suspension of, or limitation imposed on, trading (by reason of movements in price exceeding limits permitted by the Exchange or otherwise) in (a) the Share on the Exchange or (b) any options contracts or futures contracts relating to the Share on any Related Exchange if, in any such case, that suspension or limitation is, in the determination of the Calculation Agent, material.

2. Consequences

If, on any Observation Date, a Market Disruption Event occurs or is continuing in respect of a Share and/or the Index, then the Observation Date for the affected Share and/or Index shall be the first succeeding Exchange Business Day relating to that Share and/or Index on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days relating to such Share and/or Index immediately following the originally scheduled Observation Date that, but for the Market Disruption Event, would have been the Observation Date. In that case (i) the fifth Exchange Business Day shall be deemed to be the Observation Date for the relevant Share and/or Index notwithstanding the Market Disruption Event, and the Calculation Agent shall determine its good faith estimate of the trading price for the Share and/or the level of the Index which, but for that Market Disruption Event, would have prevailed on the Exchange as of the close of business on such date.

For the avoidance of doubt, the Observation Date for each Share (and/or the Index) not affected by a Market Disruption Event shall be the scheduled Observation Date.



IV. NOTIFICATION

The Calculation Agent shall as soon as practicable notify the Issuer and the Principal Paying Agent of any adjustment and determination made pursuant to this Schedule B and the Issuer shall procure that Noteholders are notified of such adjustment in accordance with Condition 14.

SCHEDULE C

INFORMATION RELATING TO THE DOW JONES EUROSTOXX 50 INDEX AND THE UNDERLYING SHARES

I. INFORMATION RELATING TO THE DOW JONES EUROSTOXX 50 INDEX

The description and figures below, which are provided for information purposes only, are extracted or summarised from the Bloomberg Database and the Dow Jones STOXX SM Index Guide dated January 2003 (version 7.2), published by STOXX Limited and available on the STOXX web site (<http://www.stoxx.com/>). Neither the Issuer nor the Dealer has independently verified any such information, and neither accepts any responsibility for error or omission, other than accepting responsibility for accurately reproducing and/or summarising the information relating to the underlying index.

Investors may acquire such further information, as they deem necessary in relation to the underlying index from such publicly available information as they deem appropriate. Investors should make their own investment decisions (including decisions regarding the suitability of this investment) based upon their own judgments and upon advice from such advisers as such investors deem necessary and not upon any view expressed by the Issuer or the Dealer.

GENERAL DESCRIPTION

The Dow Jones EURO STOXX 50 Index (or the «Index») is a capitalisation-weighted index sponsored by STOXX Limited, a joint venture of Deutsche Börse AG, Dow Jones & Company, Euronext Paris S.A. and SWX Swiss Exchange. The Dow Jones EURO STOXX 50 Index is composed of 50 European blue-chips shares from the countries participating in the European Monetary Union (EMU), with the aim of reflecting the sector leaders.

The objective of the Dow Jones EURO STOXX 50 Index is to provide a standard measure of the stock market performance on a Euro-zone basis and to provide a liquid base for derivative products.

The composition of the Dow Jones EURO STOXX 50 Index is reviewed annually in September to reflect the largest broad market leaders.

PUBLICATION

Code Bloomberg : « SX5E Index »

Code Reuters : « .STOXX50E »

REGIONAL UNIVERSE

To the extent that companies from countries which exchange/trading system are listed below are included in the Dow Jones EURO STOXX 50 Index, and as per the provisions contained in the last periodic review (version 7.2) released by STOXX Limited (dated January 2003) the calculation of the Index will be based on prices quoted on stock exchanges/trading systems selected by STOXX Limited as reliable sources of corporate action data and readily available real-time and historical stock prices, ie:

• Exchange / System	
Athens	NASDAQ Europe
Copenhagen	Oslo
EURONEXT (BE)	SIBR
EURONEXT (FR)	Stockholm
EURONEXT (NL)	Virt-x, SWX
Helsinki	XETRA (AT)
Lisbon	XETRA (DE)
London	XETRA (IE)
Milan	

Computation and dissemination

The Dow Jones EURO STOXX 50 Index is calculated pursuant to a formula (Laspeyres' formula) that measures price changes against a fixed base quantity weight. The Index is computed, on a real time basis, using the traded prices during official trading hours on the various principle exchanges/systems where the 50 shares are listed. The Index is disseminated every 15 seconds from the time the first major relevant exchange/system starts to the time the last major relevant exchange/system closes.

The official closing value for the Index is calculated using the closing level of each component share on such day; if a closing price is not available for a given share, the last closing price of the previous trading day shall be used for that purpose.

STOXX Limited publishes from time to time an Index dissemination calendar, indicating the days on which the Index will not be disseminated for the current year (corresponding to days for which, according to the Sponsor, the market capitalization of the component shares is insufficient to calculate and disseminate the Index).

The Dow Jones EURO STOXX 50 Index was developed with a base value of 1,000 as of December 1991.

HISTORICAL PERFORMANCE

The historical performance of the Euro Stoxx 50 should not be taken as an indication of any future performance.

- The following table shows the high and low closing levels of the Euro Stoxx 50 for the years ended 2000, 2001 and 2002:

Year	Highest closing level	Lowest closing level
2000	5,464.43	4,500.69
2001	4,787.45	2,877.68
2002	3,833.09	2,150.27

Source: Bloomberg.

- The following table shows the high and low closing levels of the Euro Stoxx 50 for the twelve months of 2003 :

	High	Low
01-2003	2,529.86	2,154.53
02-2003	2,280.82	2,059.97
03-2003	2,249.11	1,849.64
04-2003	2,365.97	2,067.23
05-2003	2,389.70	2,229.43
06-2003	2,527.44	2,365.76
07-2003	2,519.79	2,366.86
08-2003	2,593.55	2,436.06
09-2003	2,641.55	2,395.87
10-2003	2,575.04	2,434.63
11-2003	2,657.60	2,568.71
12-2003	2,760.66	2,651.41

Source: Bloomberg

The closing level of the Euro Stoxx 50 on 9 January 2004 was 2,800.16.

DISCLAIMER

"Dow Jones Euro Stoxx 50 Index" is owned by Stoxx Limited ("Stoxx"). The name of the Dow Jones Euro Stoxx 50 Index is a service mark of Dow Jones & Company, Inc. ("Dow Jones").

The Notes are not sponsored, endorsed, sold or promoted by Stoxx or Dow Jones. Neither Stoxx nor Dow Jones makes any representation or warranty, express or implied, to the Noteholders or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly. The only relationship of Stoxx to the Issuer is as the licensor of the Dow Jones Euro Stoxx 50 Index and of certain trademarks, trade names and service marks of Stoxx, and as the sub-licensor of certain trademarks, trade names and service marks of Dow Jones. The Dow Jones Euro Stoxx 50 Index is determined, composed and calculated by Stoxx or Dow Jones, as the case may be, without regard to the Issuer of the Notes. Neither Stoxx nor Dow Jones is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued. Neither Stoxx nor Dow Jones has any obligation or liability in connection with the administration, marketing or trading of the Notes.

Neither Stoxx nor Dow Jones guarantees the accuracy and/or the completeness of the Dow Jones Euro Stoxx 50 Index or any data included therein and neither shall have any liability for any errors, omissions, or interruptions therein. Neither Stoxx nor Dow Jones make any warranty, express or implied, as to the results to be obtained by the Issuer, Noteholders, or any other person or entity from the use of the Dow Jones Euro Stoxx 50 Index or any data included therein. Neither Stoxx nor Dow Jones makes any express or implied warranties, and each expressly disclaims all warranties, of merchantability or fitness for a particular use with respect to the Dow Jones Euro Stoxx 50 Index or any data included therein. Without limiting

any of the foregoing, in no event shall either Stoxx or Dow Jones have any liability for any lost profits or indirect, punitive, special or consequential damages, even if notified of the possibility thereof. There are no third party beneficiaries or any agreements or arrangements between Stoxx and the Issuer.

II. INFORMATION RELATING TO THE UNDERLYING SHARES

I. AEGON NV

Code Bloomberg : AGN NA Code ISIN : NL0000301760

GENERAL DESCRIPTION

Aegon N.V. offers life and health insurance, and related pension, savings, and investment products in Europe and North America. The Company also offers property and casualty insurance in the Netherlands, Spain, and Hungary, and financial services including banking, equipment lease financing, and mortgage lending.

COMPANY ADDRESS

AEGONplein 50
PO Box 202
2501 CE The Hague
The Netherlands

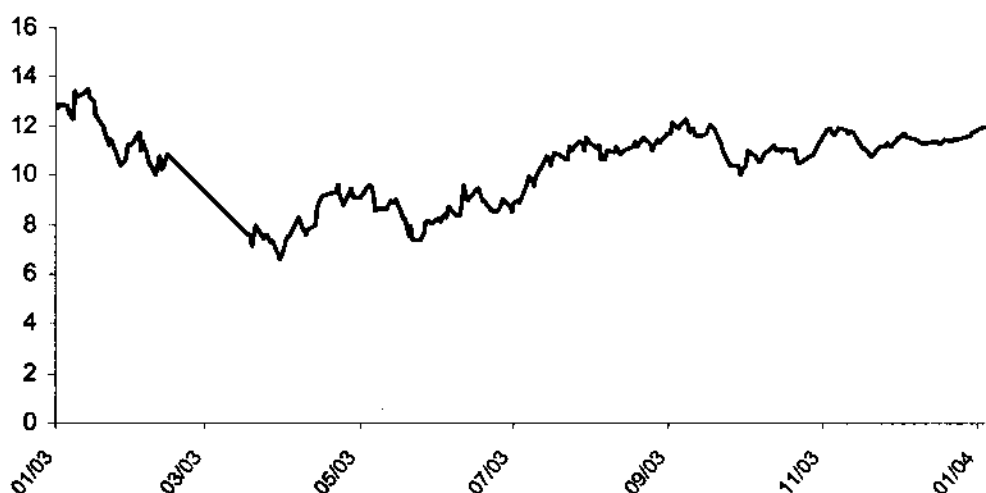
Website : <http://www.aegon.com>

HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	53.34	33.41
2000	46.44	32.28
2001	41.85	22.15
2002	28.89	9.04
01-2003	13.47	10.39
02-2003	11.73	8.57
03-2003	9.15	5.87
04-2003	9.63	6.76
05-2003	9.56	7.33
06-2003	9.55	8.14
07-2003	11.53	8.46
08-2003	11.50	10.65
09-2003	12.27	9.99
10-2003	11.28	10.28
11-2003	11.94	10.75
12-2003	11.73	11.27

The closing level of the share AEGON NV on 09/01/04 was 12.08 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	1.5096	1.6923	1.0385
Shares Outstanding (in Mio)	1 371.88	1 446.98	1 470.21
Dividends per Share (in EUR)	0.7115	0.7981	0.3558

2. BANCO BILBAO VIZCAYA ARGENTA

Code Bloomberg : BBVA SM EQUITY Code ISIN : ES0113211835

GENERAL DESCRIPTION

Banco Bilbao Vizcaya Argentaria, S.A. attracts deposits and offers retail, wholesale, and investment banking services. The Bank offers consumer and mortgage loans, private banking, asset management, insurance, mutual funds, and securities brokerage services. It operates in Europe and Latin America.

COMPANY ADDRESS

Plaza de San Nicolas 4
48005 Bilbao
Spain

Website : <http://www.bbva.es>

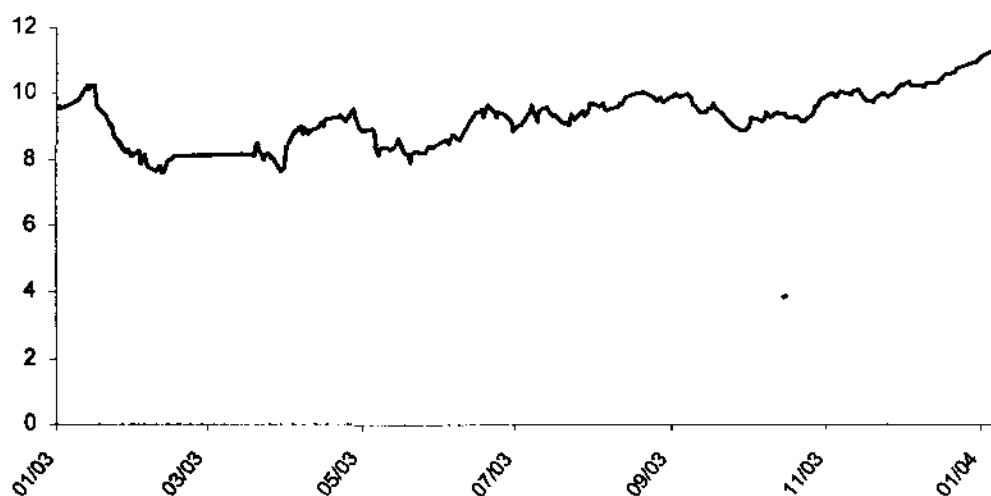
HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	14.85	11.06
2000	17.46	12.27

2001	17.20	9.50
2002	14.21	7.24
01-2003	10.25	8.07
02-2003	8.25	7.48
03-2003	8.48	6.89
04-2003	9.54	7.78
05-2003	8.92	7.94
06-2003	9.68	8.48
07-2003	9.74	8.86
08-2003	10.10	9.52
09-2003	10.00	8.86
10-2003	9.87	8.91
11-2003	10.14	9.72
12-2003	10.95	10.20

The closing level of the share BANCO BILBAO VIZCAYA ARGENTA on 09/01/04 was 11.22 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	0.729	0.7414	0.5393
Shares Outstanding (in Mio)	3 185.30	3 189.75	3 185.15
Dividends per Share (in EUR)	0.363	0.383	0.348

3. FORTIS

Code Bloomberg : FORA NA EQUITY Code ISIN : BE0003801181

GENERAL DESCRIPTION

Fortis offers banking and insurance services. The Company offers retail, private, and investment banking services, asset management, mortgages, asset management, lease financing, factoring, and investment funds, and advises on mergers and acquisitions. Fortis also offers life and non-life, disability, and medical insurance to individuals and groups.

COMPANY ADDRESS

Rue Royale 20
1000 Brussels
Belgium

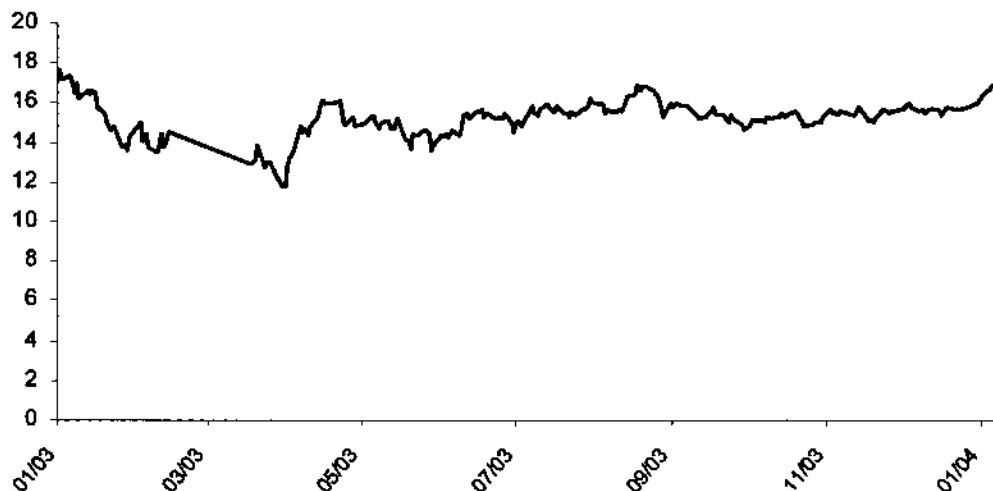
Website : <http://www.fortis.com>

HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	39.20	26.80
2000	36.75	24.88
2001	35.75	22.11
2002	28.45	13.56
01-2003	17.62	13.56
02-2003	15.34	12.30
03-2003	13.95	9.26
04-2003	16.15	11.83
05-2003	15.40	13.60
06-2003	15.69	14.20
07-2003	16.21	14.49
08-2003	16.84	15.32
09-2003	15.98	14.59
10-2003	15.53	14.72
11-2003	15.71	15.02
12-2003	15.97	15.40

The closing level of the share FORTIS on 09/01/04 was 16.99 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	2.28	2.01	0.41
Shares Outstanding (in Mio)	1 290.35	1 293.57	1 295.38
Dividends per Share (in EUR)	0.88	0.88	0.88

4. ING GROEP NV-CVA

Code Bloomberg : INGA NA EQUITY Code ISIN : NL0000303600

GENERAL DESCRIPTION

ING Groep N.V. offers financial services to individuals, corporations, and other institutions. The Company offers corporate, investment, and private banking services, asset and portfolio management, treasury services, and insurance. ING Groep has offices throughout the world.

COMPANY ADDRESS

Strawinskylaan 2631
1077 ZZ Amsterdam
The Netherlands

Website : <http://www.ing.com>

HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	30.59	22.18
2000	42.76	24.26
2001	43.97	22.80
2002	31.20	13.29
01-2003	17.30	13.24
02-2003	14.80	11.58
03-2003	12.70	8.70
04-2003	15.10	10.75
05-2003	15.19	12.61
06-2003	16.21	14.14
07-2003	17.99	14.65
08-2003	18.63	17.06
09-2003	19.00	15.73
10-2003	17.86	16.20
11-2003	19.06	17.52
12-2003	18.49	17.47

The closing level of the share ING GROEP NV-CVA on 09/01/04 was 19.02 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	6.27	2.37	2.32
Shares Outstanding (in Mio)	1 970.51	1 992.67	1 992.68
Dividends per Share (in EUR)	1.125	0.97	0.97

5. L'OREAL

Code Bloomberg : OR FP EQUITY Code ISIN : FR0000120321

GENERAL DESCRIPTION

L'Oreal SA manufactures, markets, and distributes health and beauty aids. The Company produces colorants, styling, and hair care products for professional hairdressers, hair care, cosmetics, and skin care products and perfumes for consumers, luxury cosmetics and perfumes sold through department stores, perfumeries and travel stores, and dermatological and pharmaceutical products.

COMPANY ADDRESS

14 rue Royale
75008 Paris
France

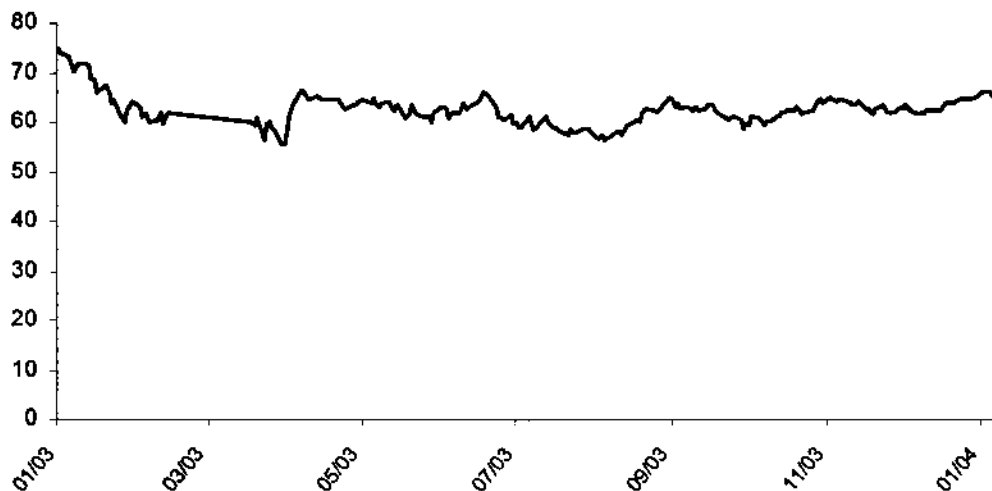
Website : <http://www.loreal.com>

HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	79.65	54.70
2000	93.50	60.70
2001	88.80	66.85
2002	87.35	64.55
01-2003	74.85	59.95
02-2003	64.95	58.90
03-2003	61.80	50.75
04-2003	66.40	55.40
05-2003	65.00	60.15
06-2003	65.90	60.55
07-2003	61.10	57.45
08-2003	63.30	56.20
09-2003	64.80	58.65
10-2003	64.50	59.10
11-2003	64.80	61.65
12-2003	65.00	61.55

The closing level of the share L'OREAL on 09/01/04 was 64.50 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	1.465	1.964	1.9554
Shares Outstanding (in Mio)	658.97	655.43	651.08
Dividends per Share (in EUR)	0.506	0.81	0.96

6. NOKIA OYJ

Code Bloomberg : NOKIV FH EQUITY Code ISIN : FI0009000681

GENERAL DESCRIPTION

Nokia Oyj a telecommunications company that designs and produces mobile phones. The Company also develops, makes, and markets remote controls, digital TV receivers, and digital music players, as well as indoor and outdoor antennas and other accessories. Nokia is a supplier of mobile, fixed broadband, and IP (Internet protocol) networks. The Company markets its products worldwide.

COMPANY ADDRESS

Keilalahdentie 4
PO Box 226
00045 Nokia Group
Finland

Website : <http://www.nokia.com>

HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	45.00	13.74
2000	64.88	35.81
2001	46.50	14.35
2002	29.45	11.10
01-2003	16.16	12.90
02-2003	13.59	12.02
03-2003	14.79	11.44
04-2003	15.41	13.07
05-2003	15.40	13.94
06-2003	15.57	14.34
07-2003	15.93	12.70
08-2003	14.92	12.43
09-2003	15.44	13.21
10-2003	14.87	13.45
11-2003	15.43	14.65
12-2003	15.28	13.61

The closing level of the share NOKIA OYJ on 09/01/04 was 16.15 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	0.843	0.468	0.712

Shares Outstanding (in Mio)	4 692.13	4 736.30	4 786.76
Dividends per Share (in EUR)	0.28	0.27	0.28

7. PHILIPS ELECTRONICS NV

Code Bloomberg : PHIA NA EQUITY Code ISIN : NL0000009538

GENERAL DESCRIPTION

Koninklijke (Royal) Philips Electronics N.V. manufactures lighting, consumer electronics, multimedia devices, domestic appliances and personal care items, semiconductors, medical devices, communications systems, and industrial electronics. The Company sells its products worldwide.

COMPANY ADDRESS

PO Box 77900
1070 MX Amsterdam
The Netherlands

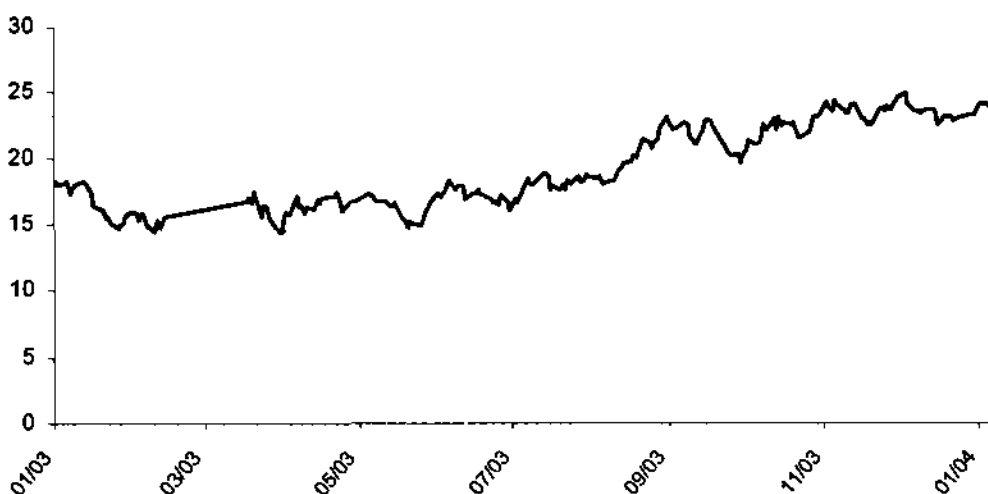
Website : <http://www.philips.com>

HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	33.90	15.25
2000	57.25	31.35
2001	44.20	18.03
2002	35.40	13.25
01-2003	18.25	14.67
02-2003	16.30	14.46
03-2003	17.43	12.65
04-2003	17.45	14.50
05-2003	17.25	14.75
06-2003	18.21	16.40
07-2003	18.83	16.06
08-2003	22.20	17.93
09-2003	23.10	19.46
10-2003	23.19	20.06
11-2003	24.27	22.43
12-2003	24.86	22.47

The closing level of the share PHILIPS ELECTRONICS NV on 09/01/04 was 24.52 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	7.31	-2.04	-2.51
Shares Outstanding (in Mio)	1 283.89	1 274.17	1 275.98
Dividends per Share (in EUR)	0.36	0.36	0.36

8. SANOFI-SYNTHELABO SA

Code Bloomberg : SAN FP EQUITY Code ISIN : FR0000120578

GENERAL DESCRIPTION

Sanofi-Synthelabo SA manufactures prescription pharmaceuticals. The Company produces cardiovascular, central nervous system, internal medicine, and oncology medications. Sanofi-Synthelabo manufactures Aprovel for hypertension, Corotrope for congestive heart failure, Stilnox for sleep disorders, Depakine for epilepsy, Xatral for benign prostatic hypertrophy, and other drugs.

COMPANY ADDRESS

174, Avenue de France
75013 Paris
France

Website : www.sanofi-synthelabo.fr

HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	46.35	34.72
2000	71.00	34.85

2001	85.80	53.40
2002	82.85	52.25
01-2003	59.25	45.23
02-2003	49.62	41.75
03-2003	52.50	42.69
04-2003	54.80	47.50
05-2003	55.40	50.95
06-2003	57.05	51.00
07-2003	53.65	50.10
08-2003	51.20	47.90
09-2003	56.55	52.20
10-2003	54.50	51.80
11-2003	57.10	53.75
12-2003	59.70	55.40

The closing level of the share SANOFI-SYNTHELABO SA on 09/01/04 was 57.35 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	1.364	2.197	2.473
Shares Outstanding (in Mio)	722.50	720.59	701.99
Dividends per Share (in EUR)	0.66	0.99	1.26

9. TELECOM ITALIA SPA

Code Bloomberg : TIT IM EQUITY Code ISIN : IT0003497168

GENERAL DESCRIPTION

Telecom Italia S.p.A., through subsidiaries, offers fixed line and mobile telephone and data transmission services in Italy and abroad. The Company offers local and long-distance telephone, satellite communications, Internet access, and teleconferencing services.

COMPANY ADDRESS

Corso d'Italia, 41
00198 Rome
Italy

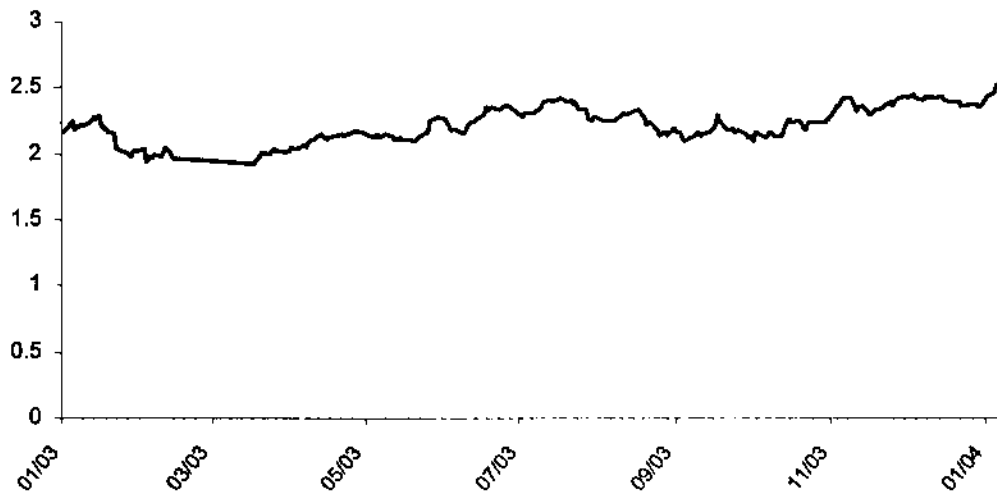
Website : <http://www.telecomitalia.it>

HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	6.03	3.37
2000	9.29	4.54
2001	5.68	1.79
2002	3.15	1.77
01-2003	2.30	1.98
02-2003	2.05	1.86
03-2003	2.03	1.80
04-2003	2.18	2.03
05-2003	2.28	2.09
06-2003	2.36	2.16
07-2003	2.42	2.25
08-2003	2.34	2.14
09-2003	2.29	2.10
10-2003	2.27	2.10
11-2003	2.42	2.30
12-2003	2.45	2.35

The closing level of the share TELECOM ITALIA SPA on 09/01/04 was 2.54 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	-0.3807	-0.9458	-0.1909
Shares Outstanding (in Mio)	2 444.62	4 040.77	4 069.79
Dividends per Share (in EUR)	0.0673	0	0

10. TELEFONICA S.A.

Code Bloomberg : TEF SM EQUITY Code ISIN : ES0178430E18

GENERAL DESCRIPTION

Telefonica S.A. provides telecommunications services mainly to countries in Europe and Latin America. The Company offers fixed-line and mobile telephone, Internet, and data transmission services to residential and corporate customers. Telefonica also holds stakes in television stations, radio stations and production companies, and publishes directories.

COMPANY ADDRESS

Calle Gran Via 28
28013 Madrid
Spain

Website : <http://www.telefonica.es>

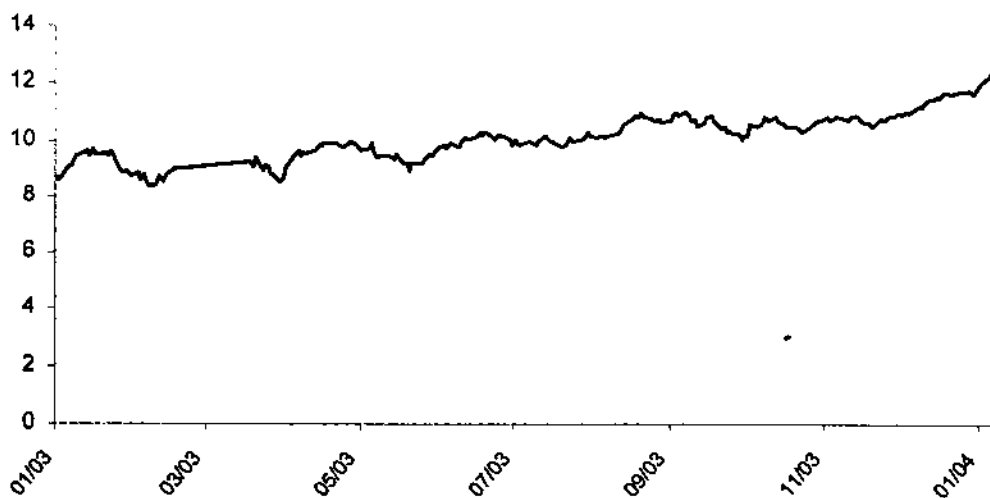
HISTORICAL CLOSING PRICE (Source : Bloomberg)

Year	Highest closing price	Lowest closing price
1999	21.88	10.47
2000	28.70	15.41

2001	18.95	9.26
2002	14.42	7.10
01-2003	9.70	8.59
02-2003	9.12	8.37
03-2003	9.37	7.75
04-2003	9.94	8.62
05-2003	9.93	8.92
06-2003	10.31	9.74
07-2003	10.30	9.75
08-2003	10.93	10.08
09-2003	11.01	10.05
10-2003	10.85	10.14
11-2003	10.89	10.49
12-2003	11.78	10.88

The closing level of the share TELEFONICA S.A. on 09/01/04 was 12.50 EUR

CLOSING PRICE (in EUR) OF THE SHARE SINCE JANUARY 2003 (Source : Bloomberg)



SHARE DATA

	2000	2001	2002
Earnings Per Share (in EUR)	0.5861	0.4176	-1.1188
Shares Outstanding (in Mio)	4 875.97	5 007.84	4 961.70
Dividends per Share (in EUR)	0	0	0

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