

Baden-Württemberg

L-Finance N.V.

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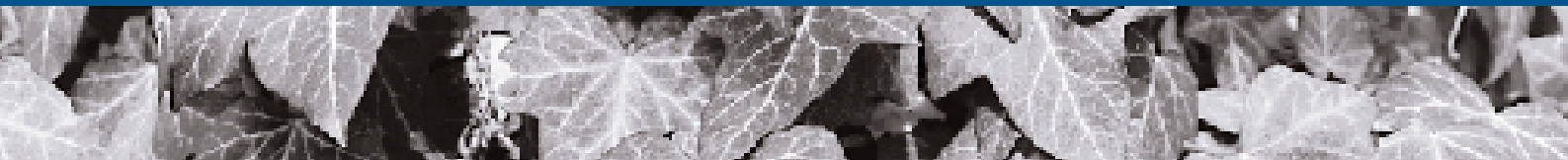
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 **Baden-Württemberg**
L-Finance N.V.

A subsidiary of Landesbank Baden-Württemberg

Annual Report 2004.



 Baden-Württemberg
L-Finance N.V.

A subsidiary of Landesbank Baden-Württemberg

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In this Annual Report, references to the »Company« or the »Lender« are to Baden-Württemberg L-Finance, Hoofddorp, and the references to »LBBW« are to Landesbank Baden-Württemberg.

Message from the Supervisory Board.

During the year ended 31 December 2004 and the current year there are a number of changes in the composition of the Supervisory Board. Mr. M. Brink stepped down with effect of April 29, 2004, Dr. A. Brendle stepped down with effect from November 30, 2004. Mr. K.H. Lichtl stepped down with effect of February 24, 2005, whilst Mr. W.D. Ihle was appointed with effect from the same date.

The Supervisory Board of Baden-Württemberg L-Finance N.V. met three times in the course of the year to review the Company's operations. It reviewed the requisite written management reports and reports from the external auditor and received verbal reports from the Company's management. These were found to be in order and the Supervisory Board is of the opinion that with the Company's performance in 2004 is sound in terms of both regulation and economics.

As reported last year, an important element of our work is ensuring that due attention is given to the increasing amount of primary and secondary regulation on both national and international (especially EU) level. However we are pleased to note that the EU financial sector legislation is coming to an end and

that there will now be time to adjust to, and refine, the regulation that has already been adopted. However, there are developments in other sectors, such as the EU Draft Third Money Laundering Directive which will require due consideration. The Supervisory Board believes the Company can only benefit from the risk-based approach inherent in modern financial legislation, be it as a customer or as a potential gatekeeper.

As ever, the protection bondholders' interest is our key concern. We can once again report with confidence that in 2004 they have been well guarded as a result of diligent efforts of company management, which are reflected in the contents of this report.

The current outlook for world financial is good and we wish our stakeholders a very successful 2005.

Finally, we thank Mr. Brink, Mr. Brendle and Mr. Lichtl for their efforts on behalf of the Company.

Yours sincerely,

J.H. Welsch W.D. Ihle

Message from the Management Board.

Our report on Baden-Württemberg L-Finance for 2004 comes with our traditional greetings to established followers as well as to those researching the Company for the first time.

The trend of reduced bonds outstanding continues with a consequent tightening of the focus on the more efficient management of outstanding issues and loans.

As well as monitoring market changes, this year we also had to deal with a business continuity issue in the form of the impact of an office move. Our prime concern was to ensure that disruption was kept to a minimum and that at no time was there a threat to normal operations. Even Company's of relative modest size such as ourselves face the same problems as very large businesses but with less resources at their disposal. However we are pleased to report that the move passed off without problem due to good planning. We take this opportunity to thank all those concerned for their support.

During the year there were four meetings of the Management Board, which itself remained unchanged in composition. The Supervisory Board was kept informed of developments both informally and in the three formal Supervisory Board Meetings.

After a number of years of volatility the equity market showed distinct signs of improvement in 2004. However the re-weighting of portfolios towards equity flagged on our last report lagged has not had any negative impact on our issues and the company's high credit rating continues to stand it in good stead. Our prediction that portfolios will continue to contain relatively high level of bonds has proved true and trading levels of our outstanding issues remain robust.

Details of the year's activity will be found in the rest of this report.

Yours sincerely,

C.A. Rosekrans M.U. Reiser

Baden-Württemberg L-Finance.

Overview of the Activities of the Company.

Supporting LBBW's Funding

The Company's sole role is to support Landesbank Baden-Württemberg , and thus the State of Baden-Württemberg, by raising money on favourable terms in the international capital markets. The Company must also manage balances and payments resulting from issues made to ensure that they are received, paid and placed on deposit in secure and timely fashion.

This role requires the Company to be able to issue at any time in any relevant market, and obtain an adequate risk-adjusted return on deposits.

Overview of the History of Baden-Württemberg L-Finance

Locally, whilst a 100% subsidiary of a German institution, the Company is now established in the centre of Hoofddorp, in the vicinity of Schiphol Airport. The Company is member of the Foreign Bankers Association, the prime representative body of major foreign financial institutions in The Netherlands.

Summary of Bonds issues.

(As at December 31, 2004)

You can follow the performance of issues by
Baden-Württemberg L-Finance as follows:

CCY	Coupon	Nominal	Period	ISIN	Bloomberg Ticker
DEM	0	1 000 000 000	16 Jul 1992 / 12	DE0004072855	LBW 0 07/16/12
DEM	6.5	1 500 000 000	15 Sep 1993 / 08	DE0004116306	LBW 6 1/2 09/15/08
DEM	6.5	750 000 000	7 Feb 1994 / 08	DE0004116306	LBW 6 1/2 09/15/08
DEM	6.75	1 500 000 000	22 Jun 1995 / 05	DE0001287803	LBW 6 3/4 06/22/05
DEM	6	1 000 000 000	25 Jan 1996 / 06	DE0001311355	LBW 6 01/25/06
DEM	5.375	1 000 000 000	5 Feb 1998 / 10	DE0001971802	LBW 5 3/8 02/05/10
ESP	5.5	20 000 000 000	23 Oct 1997 / 07	ES0212807004	LBW 5 1/2 10/23/07
EURO	5.375	1 000 000 000	12 Feb 1998 / 08	DE0001974558	LBW 5 3/8 04/25/08
FRF	6.5	2 500 000 000	7 Mar 1996 / 06	XS0063999329	LBW 6 1/2 03/07/06
FRF	4.125	1 000 000 000	11 Dec 1996 / 07	FR0000109050	LBW 4 1/8 01/11/07
FRF	6.125	3 000 000 000	6 Feb 1997 / 09	FR0000109175	LBW 6 1/8 02/06/09
FRF	FRN	1 000 000 000	19 Nov 1997 / 07	XS0081703711	LBW 0 11/19/07
FRF	5.375	3 000 000 000	5 Feb 1998 / 10	XS0083633072	LBW 5 3/8 02/05/10
USD	6.5	500 000 000	10 Aug 1995 / 05	XS0059065713	LBW 6 1/2 08/10/05
USD	5.75	1 000 000 000	25 Feb 1998 / 08	US056508AB06	LBW 5 3/4 02/25/08

Developments in 2004.

Issuing Activity.

Also in 2004 the Company has focused on the management of its outstanding issues and the administration of loans previously granted.

Overall, the Company repaid six issues on final maturity during the course of the year.

This includes one DEM Issue of DEM 0,75 bn (EUR 383 mn), one NLG Issue of NLG 0,3 bn (EUR 136 mn), three ITL issues of ITL 900 bn (EUR 465 mn), one FRF 2 bn (EUR 305 mn), one EUR Issue of EUR 500 mn, one ESP issue of ESP 15 bn (EUR 90 mn) and one JPY Issue of JPY 40 bn (EUR 299 mn).

Developments associated with Monetary Union.

Since middle of the year of reporting the Euro raised markedly against currencies in which the Company has issued and made loans.

However, due to the Company's policy of fully hedging both assets and liability sides of the balance sheet, the Company remained prospected against both primary (FX) and secondary (interest rate) effects of the Euro against such currencies.

Management Report.

Legal Form

Baden-Württemberg L-Finance N.V. was established on 12 April 1988. On 1 January 1999 it became a full subsidiary of Landesbank Baden-Württemberg. The authorised capital of the Company is EUR 100 000. Of the authorised capital EUR 50 000 is issued and fully paid up. The share premium is EUR 50 000.

Activities

Since its incorporation the Company has been active as a finance company. In accordance with the Dutch regulations for finance companies, at least 95% of the proceeds of its bond issues are on-lent to the parent company. As a finance Company it has issued mainly larger volume bonds in a range of currencies which are listed and traded on various stock exchanges.

Overview

In the year under review the Company undertook no new transactions. All outstanding issues are guaranteed by the parent company and rated AA+/Aaa/AAA by Standard & Poor's, Moody's and Fitch/IBCA respectively.

During 2004 the Company repaid nine issues, with original nominal value of DEM 0.75 bn, NLG 0.3 bn, ITL 900 bn, FRF 2 bn, EUR 0.5 bn, ESP 15 bn and JPY 40 bn on maturity. At year-end the Company managed 15 bonds.

Total Assets

The balance sheet of the Company declined by approximately EUR 1,2 bn to EUR 7.8 bn. (2003: decrease EUR 2.1 bn to EUR 10.2 bn respectively). The rate of decline was 24%, compared to 17% decline in the

previous year. Long-term claims on the parent company declined by EUR 1.2 bn (2003: decrease of EUR 2.4 bn). The decline is attributable solely to the fact that nine loans in the portfolio of liabilities matured during the course of 2004.

Earnings

Due to the repayment of bond issues, and in line with the volume outstanding, interest earnings declined EUR 5.4 mn or 28% (2003: decrease of 22%). Amortisation of the deferred bond issue charges and annual bond issue expenses decreased for the same reason. The Company's general and administrative expenses increased by EUR 0.01 mn or 3%.

Capital

During this financial year the shareholder decided to distribute a dividend of EUR 8.6 mn out of the profit of the year 2003. The capital position of the Company raised in 2004 to EUR 1.2 mn (2003: EUR 0.7 mn). In order to cover all liabilities the parent company has issued in 2001 a Letter of Comfort in favour of the Company.

Future Outlook

The Company will continue to look for windows of opportunity in the capital markets.

Hoofddorp, 15 February 2005

C.A. Rosekrans M.U. Reiser

Balance Sheet.

Before appropriation of the profit.

(Expressed in EUR)

	Notes	December, 31 2004	December, 31 2003
Fixed assets			
Tangible fixed assets			
Office equipment	2	2 199	3 644
Financial fixed assets			
Long-term loans to group Company	3	6 140 331 434	7 372 233 308
Net deferred bond issue charges	4	15 448 012	20 980 582
		6 155 779 446	7 393 213 890
Total		6 155 781 645	7 393 217 534
Current assets			
Short-term loans to group Company	3	1 134 503 800	2 178 730 831
Interest receivable from group Company	5	241 365 442	343 617 458
Discounted interest on zero-bonds	6	217 595 597	238 403 626
Interest receivable from third parties	7	9 372	24 293
Prepaid expenses		11 983	7 638
Cash at bank	8	9 423 519	9 765 539
Other assets	9	535 678	519 184
		1 603 445 391	2 771 068 569
Current liabilities			
Bonds payable within one year	13	1 134 503 800	2 178 730 831
Interest payable on bonds	10	243 100 311	332 944 066
Discounted interest on loans to group Company	11	225 672 773	246 887 688
Accounts payable	12	2 690 320	3 560 269
		1 596 967 204	2 762 122 854
Net current assets		6 478 187	8 945 715
Total assets and net current assets		6 162 259 832	7 402 163 249
Less long-term debt			
Bonds payable	13	6 140 331 434	7 372 233 308
Deferred discounts on loans granted to group Company	14	14 634 670	20 093 716
		6 154 966 104	7 392 327 024
Total		7 293 728	9 836 225
Capital and reserves	15		
Share capital		50 000	50 000
Share premium		50 000	50 000
Retained earnings		1 136 225	601 122
Undistributed profit		0	0
Result after taxation		6 057 503	9 135 103
Total		7 293 728	9 836 225

Profit and Loss Account.

(Expressed in Euro)

	January 1 to December 31, 2004	January 1 to December 31, 2003
Financial income and (-) expenses		
Interest income from group Company	456 789 322	630 158 344
Interest expense on bonds issued	- 443 099 900	- 611 222 542
Interest income on bonds third parties	0	150 315
Interest income from banks	199 708	181 882
	13 889 130	19 267 999
Other income and (-) expenses		
Deferred income on discounts on loans granted to group Company	5 459 045	7 165 945
Amortization of deferred bonds issue charges (net)	- 5 532 570	- 7 163 726
Sundry bond issue expenses	- 403 899	- 56 609
Realized gains (approcoation net of losses and depreciation) of investments in bonds	0	132 731
Guarantee commission	- 3 854 596	- 5 351 023
Exchange differences	- 67 131	185 310
	- 4 399 151	- 5 087 372
General and administrative expenses	- 243 788	- 235 509
Profit before taxation	9 246 191	13 945 118
Taxation	- 3 188 688	- 4 810 015
Result after taxation	6 057 503	9 135 103

Notes to the Financial Statements.

1. General principles

General

The Company is a public limited company established in 1988 in Amsterdam, The Netherlands. During the reporting year the office moved to Hoofddorp in the vicinity of Schiphol Airport. The principal activity of the Company is to act as a finance company.

The Company's authorised share capital, consisting of 20 ordinary shares with a nominal value of EUR 5,000 each, amounts to EUR 100,000. The nominal issued and paid up capital amounts to EUR 50,000. There is a share premium of EUR 50,000.

With effect from 1 January 1999 the Company became a 100% subsidiary of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe and Mannheim. The parent company has consolidated the financial statements of the Company in the consolidated financial statements for the Landesbank Baden-Württemberg Group.

All issues made by the Company are individually guaranteed as to payment of principal and interest by the parent company.

The assets and liabilities in currencies which have joined the European Monetary Union are translated at their parity.

Accounting policies

The accompanying accounts have been prepared in accordance with the provisions of the Dutch legislation enacting the Fourth Directive of the European Community as implemented in Part 9, Book 2 of the Dutch Civil Code. The Company makes sufficient provisions for risks and current liabilities.

Foreign currency transactions

Assets and liabilities denominated in foreign currencies are translated into EUR at the spot exchange rate prevailing at balance sheet date, in line with the rates of exchange used by the parent company:

(USD 1.3603 = EUR 1, DEM 1.95583 = EUR 1, ESP 166.386 = EUR 1, FRF 6.55957 = EUR 1).

Results denominated in foreign currencies are translated into EUR at the spot rates of exchange prevailing on the transaction date, in line with the rates of exchanges used by the parent company. Foreign exchange rate differences are taken to the profit and loss account under "Exchange differences".

Tangible fixed assets

The Company's capital expenditure is stated at cost price less straight-line depreciation over the estimated economic life. Purchases of small capital items are charged to depreciation at once.

Loans receivable

Loans and zero coupon loans are stated at nominal value.

In 1998 some loans in European currencies were granted as parallel loans with rights to be redenominated in EUR and, in addition, to be consolidated. The Lender has the right to redenominate these loans into EUR and to consolidate them. The accrued interest on the zero coupon loans is calculated on basis of the net present value of the loans at balance sheet date and brought to the profit and loss account.

Bond issue charges

Expenses relating to the issues (management, underwriting and selling commission) as well as premiums and discounts are amortized and shown together. They are calculated on a straight-line basis over the period to maturity. Incidental expenses are charged to the profit and loss account in the year of issue.

Bonds payable

Bonds and zero coupon bonds are stated at nominal value.

In 1998 some of the new bonds issued in European currencies were parallel Bonds. The issuer has the right to redenominate the bonds into EUR and to consolidate them as well.

The accrued interest on the zero coupon bonds is calculated on basis of the net present value of the bonds at balance sheet date and brought to the profit and loss account.

Other assets and liabilities

Unless otherwise mentioned assets and liabilities are stated at face value.

2. Office equipment

Office equipment relates to equipment at the Company's office at Marktlaan 1-3 in Hoofddorp, near Schiphol Airport

	2004	2003
Position as at January 1	3 644	4 110
Investments	-	1 027
Depreciation	(1 445)	(1 493)
Office equipment at balance sheet date	2 199	3 664

3. Loans to group Company

In accordance with regulations of the Dutch Central Bank, more than 95% of the proceeds of bonds issued are used for investment in group companies.

Loans have been made to Landesbank Baden-Württemberg in the total amount of EUR 7 274 835 234 (2003: EUR 9 550 964 139). The loans were granted at a discount or at a premium.

They are stated in the balance sheet at their nominal value.

The deferred income from these discounts or premiums is amortized over the lifetime of the loans.

	2004		2003	
	CCY	EUR	CCY	EUR
DEM	6 750 000 000	3 451 220 198	7 500 000 000	3 834 689 109
NLG	-	-	300 000 000	136 134 065
ITL	-	-	900 000 000 000	464 811 209
FRF	10 500 000 000	1 600 714 681	12 500 000 000	1 905 612 715
EUR	1 000 000 000	1 000 000 000	1 500 000 000	1 500 000 000
ESP	20 000 000 000	120 202 421	35 000 000 000	210 354 237
USD	1 500 000 000	1 102 697 934	1 500 000 000	1 200 096 008
JPY	-	-	40 000 000 000	299 266 796
Total as at balance sheet date		7 274 835 234		9 550 964 139

Of this total EUR 1,134,503,800 will mature in 2005 (2004: EUR 2,178,730,831). In 2004 loans were repaid in the amount of EUR 2,178,730,831 (2003: EUR 1,735,228,770).

In 2004 the Company did not grant new loans. The exchange difference for 2004 is EUR 100,609,812 (2003: EUR 301,540,941).

One loan, in the amount of DEM 1 Billion is subordinated. This loan, issued in 1992, has a zero coupon and will mature in 2012.

4. Net deferred bond issue charges

The bonds included in Note 13 to the accounts have been issued at a premium or a discount and have been subject to issue costs at the date of issue.

The net amounts of these premiums (or discounts) and issuance costs have been capitalized and are recognized in the profit and loss account on a straight-line basis over the period to maturity.

The deferred charges are translated into Dutch Guilders at the spot exchange rate prevailing at the respective date of issue, and as per January 1, 1999 translated from Dutch Guilders into EUR.

	2004	2003
Bond issue charges as at January 1	20 980 582	28 144 308
Less capitalized charges relating to bonds matured	(6 240 829)	(15 323 276)
Amortizations as at January 1	(5 532 570)	(7 163 726)
Less amortized charges relating to bonds matured	6 240 829	15 323 276
Bond issue charges as at balance sheet date	15 448 012	20 980 582

5. Interest receivable from group Company

This represents the interest receivable from Landesbank Baden-Württemberg on the loans as stated in Note 3 to these accounts.

All loans, except for loans mentioned below, have a fixed interest rate and the interest is payable annually in arrear.

A fixed-to-floating interest rate loan was granted in 1996 for FRF 1,000,000,000 with a fixed rate until 11 January 1999; thereafter interest is calculated based on CNO TEC-10 minus a margin, payable every three months in arrear.

In 1997 a loan for FRF 1,000,000,000 was granted bearing interest based on CNO TEC-10 minus a margin payable every three months in arrear.

	2004	2003
Accrued interest on loans to LBBW	241 365 442	343 617 458

6. Discounted interest on zero coupon bonds

In 1992 the Company made one zero coupon bond issue. The bond is stated at the nominal value and discounted interest thereon is stated separately. Discounted interest is added to the profit and loss account.

	2004	2003
Net discounted interest as at January 1	238 403 626	257 737 432
Charged to profit and loss account	20 808 029	(19 333 806)
Net discounted interest as at balance sheet date	217 595 597	238 403 626

7. Interest receivable from third parties

The interest receivable refers to interest receivable as mentioned in Note 7 to these accounts.

8. Cash at bank

In addition to the balances of current accounts, this item includes the following short-term deposit of EUR 9 240 000 (2003: EUR 8 495 000).

9. Other assets

This refers to a receivable from the tax authorities in respect to Corporation Tax 2003 and 2004.

10. Interest payable on bonds

All issues, except for those mentioned below, have a fixed interest rate and the interest is payable annually in arrear. A fixed-to-floating interest rate bond was issued in 1996 for FRF 1 000 000 000 with a fixed rate until January 11, 1999; thereafter interest is calculated based of CNO TEC-10 minus a margin, payable every 3 months in arrear.

In 1997 a bond for FRF 1 000 000 000 bearing interest based on CNO TEC-10 minus a margin, payable every 3 months, was issued.

	2004	2003
Accrued interest on bonds	234 100 311	332 944 066

11. Discounted interest on loans to group Company

	2004	2003
Net discounted interest as at January 1	246 887 688	266 526 824
Released to profit and loss account	(21 214 915)	(19 639 136)
Net discounted interest as at balance sheet date	225 672 773	246 887 688

12. Accounts payable

This item represents mainly guarantee commissions and paying agency commissions.

13. Bonds payable

The Company has outstanding bond issues in several currencies aggregating EUR 7 274 835 234 (2003: EUR 9 550 964 139).

	2004		2003	
	CCY	EUR	CCY	EUR
DEM	6750000000	3 451 220 198	7 500 000 000	3 834 689 109
NLG	-	-	300 000 000	136 134 065
ITL	-	-	900 000 000 000	464 811 209
FRF	10500000000	1 600 714 681	12 500 000 000	1 905 612 715
EUR	10000000000	1 000 000 000	1 500 000 000	1 500 000 000
ESP	20000000000	120 202 421	35 000 000 000	210 354 237
USD	15000000000	1 102 697 934	1 500 000 000	1 200 096 008
JPY	-	-	40 000 000 000	299 266 796
Total as at balance sheet date		7 274 835 234		9 550 964 139

Of this total EUR 1,134,503,800 will mature in 2005 (2004 EUR 2,178,730,831). In 2004 loans were repaid in the amount of EUR 2,178,730,831 (2003 EUR 1,735,228,770).

In 2004 the Company did not grant new loans.

The exchange difference for 2004 is EUR 100,609,812 (2003: EUR 301,540,941).

One issue for DEM 1 Billion (issued 1992) is subordinated and benefits from a subordinated guarantee. This issue has a zero coupon and will mature in 2012.

14. Deferred discounts on loans granted to group Company

	2004	2003
Balance as at January 1	20 093 716	27 259 661
Amortization	(5 459 046)	(7 165 945)
Deferred discounts on loans as at balance sheet date	14 634 670	20 093 716

15. Capital and reserves

The authorized capital, consisting of 20 ordinary shares with a nominal value of EUR 5 000 each, amounts to EUR 100 000. The nominal issued and paid up capital amounts to EUR 50 000. There is a share premium of EUR 50 000.

The movements during the financial year are as follows:

	Position 31. 12. 2003 EUR	Dividend distribution EUR	Movement EUR	Position 31. 12. 2004 EUR
Share capital	50 000	0	0	50 000
Share premium	50 000	0	0	50 000
Retained earnings	601 122	0	535 103	1 136 225
Profit for the year	9 135 103	(11 400 000)	8 322 400	6 057 503
	9 836 225	(11 400 000)	8 857 503	7 293 728

According to article 26 of the Articles of Association the profit shall be at the disposal of the General Meeting of Shareholders. It is the intention that the profit will be distributed to the Shareholder.

In order to cover all liabilities the parent company has issued a Letter of Comfort in favour of the Company.

16. Taxation

a) Corporation tax

The Company is governed by the tax regulations of the Dutch Tax authorities.

b) Dividend withholding tax

The Company takes the position that, based on the Directive of the European Community, no withholding tax is due on dividends paid by the Company. As of 1994, this position has been reflected in the tax returns concerned.

17. Staff numbers and costs

The Company has, other than its directors, no employees (2003: none).

18. Directors

The Company has two directors and two Supervisory Board members.

The directors and the Supervisory Board received a remuneration of EUR 85 607 (2003: EUR 91 422).

Hoofddorp, February 15, 2005

C. A. Rosekrans M. U. Reiser

Auditor's Report.

Introduction.

We have audited the 2004 financial statements of Baden-Württemberg L-Finance N.V. at Hoofddorp.

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope.

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion.

In our opinion, these financial statements (with a Total of Fixed Assets and Net Current Assets of EUR 6 162 259 833,07 and a Net Profit after Taxation of EUR 6 057 503,14) give a true and fair view of the financial position of the company as of 31 December 2004 and the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands, and comply with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code.

PwC Deutsche Revision
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Frankfurt am Main, February 16, 2005

Dr. H. Gehl
Registeraccountant

Supplementary Information.

Supplementary Information to the Accounts at December 31, 2004.

Article 26(2) of the Articles of Association provides that profits may be disposed of at the General Meeting of Shareholders, who may apply it in whole or in part to the creation of, and/or allocation to, one or more special reserve funds, and/or for payment of dividends.

Proposed appropriation of profit.

The management proposes to distribute an amount of EUR 8 600 000 from the profit of the year 2004.

Post-balance sheet events.

No other major post-balance sheet events have occurred to date.

Five Years in Figures.

Balance Sheet

	2004	2003	2002	2001	2000
Assets					
Loans	7 274 835	9 550 964	11 587 734	15 111 076	17 089 291
Bonds: third party	-	-	3 951	4 849	9 385
Cash at bank	9 424	9 765	7 768	10 575	27 822
Interest receivable	241 375	343 642	397 627	468 155	516 814
Discounted interest zero bonds	217 596	238 404	257 737	280 878	334 027
Deferred bond issue charges	15 448	20 981	28 144	36 899	47 314
Other assets	550	530	14	219	226
Total	7 759 227	10 164 286	12 282 975	15 912 651	18 024 879
Liabilities					
Bonds	7 274 835	9 550 964	11 587 734	15 111 076	17 089 291
Interest payable	234 100	332 944	385 295	453 590	500 526
Discounted interest group Company	225 673	246 888	266 526	290 189	345 532
Corporation tax	-	-	165	298	-
Deferred discounts on loans to group Company	14 635	20 094	27 259	36 015	46 592
Other liabilities	2 690	3 560	3 895	5 490	6 119
Total	7 751 933	10 154 450	12 270 874	15 896 658	17 988 060
Capital and reserves	7 294	9 836	12 101	15 993	36 819
Total	7 759 227	10 164 286	12 282 975	15 912 651	18 024 879

Profit and Loss

	2004	2003	2002	2001	2000
Financial income	1 3889	19 268	24 560	32 794	36 174
Other income	-4 399	-5 087	-6 171	-8 094	-9 877
Operational income	9 490	14 181	18 389	24 700	26 297
General and administrative expenses	-244	-236	-211	-251	-268
Profit before taxation	9 246	13 945	18 178	24 449	26 029
Taxation	-3 189	-4 810	-6 270	-8 556	-9 109
Net profit	6 057	9 135	11 908	15 893	16 920

Publisher's Information.

Editor:

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