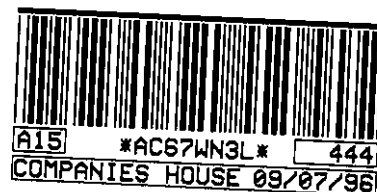


Company No: 209091



STATUTORY ACCOUNTS
YEAR ENDING 31st MARCH 1996



Registered Office : East Leake, Loughborough, Leicestershire LE12 6HX

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BRITISH GYPSUM LIMITED
(Registered No. 209091)

DIRECTORS' REPORT

The directors present herewith the accounts of the company for the year ended 31 March 1996.

ACTIVITIES

The company acts solely as agent for and on behalf of BPB United Kingdom Limited (the company's immediate holding company) in the manufacture and supply of materials and services to the building and associated industries.

DIRECTORS

The directors of the company during the year were:

Mr A Clark	
Mr J G Colley	
Mr J-P Cuny	Resigned 7.11.95.
Mr P A R Ellis	
Mr J Hannah	Resigned 31.8.95.
Mr P L Herring	
Mr D C Leonard	(Chairman)
Mr T Nordstrom	Appointed 1.3.96.
Mr D Pougher	
Mr P N Withers	

DIRECTORS' INTERESTS

No director serving on 31 March 1996 had beneficial interests in the share capital of the company. The interests of those of the directors who were directors of the company at the year end in shares of BPB Industries plc (the company's ultimate holding company) were as shown below; the figures in brackets indicate shares for which options at various prices were held under that company's share option schemes, exercisable at various times in accordance with the rules thereof.

BRITISH GYPSUM LIMITED

DIRECTORS' REPORT (continued)

BPB Industries plc Ordinary Shares of 50p each

	<u>At 31 March 1996</u>		<u>Movement of Options</u>	<u>At 31 March 1995#</u>	
Mr A Clark	--	(95,000)	(3,765)+	--	(98,765)
Mr J G Colley	639	(76,891)	(29,700)* (70,300)+	639	(117,491)
Mr P A R Ellis	4,000	(154,018)	(41,500)* (18,400)+	4,000	(130,918)
Mr T Nordstrom	--	(268,900)	(38,800)*	--	(230,100)
Mr D Pougher	--	(96,733)	(27,918)* (28,113)+	--	(96,928)
Mr P N Withers	17,407	(112,284)	(20,390)* (8,069)+	9,338	(99,963)

or date of appointment if later.

* Aggregate options over ordinary shares granted during the year ended 31 March 1996.

+ Aggregate options over ordinary shares exercised during year ended 31 March 1996.

Mr D C Leonard and Mr P L Herring are directors of BPB Industries plc and are therefore not required to disclose their interests to this company.

BRITISH GYPSUM LIMITED

DIRECTORS' REPORT (continued)

ELECTIVE REGIME

The company has taken advantage of Sections 252, 366A and 386 of the Companies Act 1985 and passed Elective Resolutions dispensing with the laying of accounts and reports before the company in general meeting, the obligation to appoint auditors annually and the holding of annual general meetings.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'J G Colley', written over a horizontal line.

J G COLLEY

Secretary

11 June 1996

BRITISH GYPSUM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITISH GYPSUM LIMITED

AUDITORS' REPORT

REPORT OF THE AUDITORS to the members of British Gypsum Limited

We have audited the accounts on pages 6 and 7, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

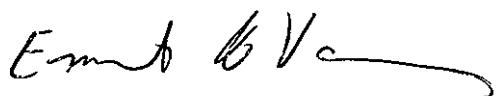
Basis of opinion

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

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1996 and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG

Chartered Accountants
Registered Auditor
Nottingham

11 June 1996


BRITISH GYPSUM LIMITED

BALANCE SHEET AS AT 31 March 1996

	<u>1996</u>	<u>1995</u>
	£ 000	£ 000
<u>CURRENT ASSETS</u>		
Amounts due by group companies	4,144	4,144
	<u> </u>	<u> </u>
<u>CAPITAL AND RESERVES</u>		
Share capital	1,000	1,000
Share premium account	3,144	3,144
	<u> </u>	<u> </u>
	4,144	4,144
	<u> </u>	<u> </u>

ON BEHALF OF THE BOARD

D C LEONARD


..... Director

11 June 1996

BRITISH GYPSUM LIMITED

BALANCE SHEET AS AT 31 March 1996 (continued)

Accounting Policies

1. The accounts have been prepared in accordance with applicable accounting standards.
2. The accounts have been prepared under the historic cost convention.

Notes to the Accounts

1. The company has not traded for its own account during the year ended 31 March 1996.
2. The company is a wholly-owned subsidiary of BPB United Kingdom Ltd whose ultimate holding company is BPB Industries plc, a company incorporated in Great Britain and registered in England. The accounts of BPB Industries plc are available from the Secretary, Langley Park House, Uxbridge Road, Slough SL3 6DU.

3.	<u>Authorised share capital</u>	<u>1996</u> £ 000	<u>1995</u> £ 000
	1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>Called up share capital: allotted and fully paid</u>		
	1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>