
Company Registration No 514387

**LAFARGE INTERNATIONAL HOLDINGS
LIMITED**

Report and Financial Statements

31 December 2011

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LAFARGE INTERNATIONAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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LAFARGE INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415A of the Companies Act 2006

PRINCIPAL ACTIVITIES

The Company is a holding company for investment in domestic and overseas subsidiaries and associated companies, and will continue to act as such for the foreseeable future

SIGNIFICANT EVENTS

On the 18 February 2011 Lafarge SA signed a binding agreement (subject to regulatory approval) with Anglo-American Finance (UK) Limited, owners of Tarmac, to combine the UK operations of Lafarge in cement, aggregates, ready-mixed concrete and asphalt & contracting into a new Joint Venture company. The proposed Joint Venture has been referred by the Office of Fair Trading to the Competition Commission. The Competition Commission is due to report its findings in May 2012. Pending regulatory approval the two companies continue to operate independently.

As part of the above arrangements it was agreed that the Company would become a holding vehicle for various UK and overseas companies, which were not to be contributed towards the proposed Joint Venture. The Company and its subsidiaries undertook various acquisitions and disposals as set out below in order to achieve this structure.

On 22 March 2011, the Company purchased 100% of the issued share capital of Redland International Management Services Limited from Redland Limited for the consideration of £2.

On 31 March the Company received a dividend of £23,856,000 from its subsidiary, Redland Limited. The Company also received in cash a return of share capital from Redland Limited amounting to £710,312,661.

During the year the Company sold its shareholding in the following subsidiaries to Lafarge Aggregates Limited as they were to be contributed towards the proposed Joint Venture:

On 17 May 2011, the Company sold its shareholding in Cannock Recycling Limited, Ennemix Plc, Plasterboard Direct Limited, Steetley Construction Materials Limited and Steetley Properties Limited to Lafarge Aggregates Limited for the consideration of £2,284,368. On 23 June 2011, the Company sold its shareholding in Cement Direct Limited, Redland Limited, Steetley Engineering Limited and Steetley Quarry Products Limited to Lafarge Aggregates Limited for the consideration of £4,603,889. The sale of Redland Limited resulted in a loss on disposal of £9,767,000.

On 3 November 2011, the Company purchased 100% of the share capital of Blue Circle International Holdings B V ("BCIHBV") from Lafarge Cement UK Limited for the consideration of £1,200,000,000.00. Prior to this acquisition, BCIHBV's subsidiary, Associated International Cement Limited, had acquired shares in a number of overseas companies which were not to be contributed to the proposed Joint Venture from Lafarge Cement UK Limited.

DIVIDENDS

During the year the directors paid interim dividends of £6,760,000 (2010: £9,388,000).

The directors do not recommend payment of a final dividend for the year ended 31 December 2011 (2010: £nil).

GOING CONCERN

The directors have considered going concern in preparing these financial statements. The Company operates as part of the Lafarge SA Group cash pooling arrangement. Each company participating in the cash pooling arrangement has a memorandum balance, with the true balance at bank being the sum of all of the memorandum balances. While the overall balance at bank in the cash pool is usually maintained as a positive cash balance, there are points in time during which the overall balance may temporarily fall into an overdraft position. The nature of the cash pooling arrangement increases the risk to the Company of withdrawing cash balances in full on demand, in the event of other Lafarge SA Group companies having overdraft positions. The directors do not consider that this presents a material risk to the Company regarding the availability of cash balances to continue operations under the normal course of business.

LAFARGE INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT

GOING CONCERN (CONTINUED)

After making enquiries, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The directors who held office throughout the year and to the date of this report, except where otherwise stated, are as follows:

Lafarge Directors (UK) Limited

S Fennell (resigned 05 January 2011)

P T E Lanyon

R J Powell (appointed 05 January 2011, resigned 01 September 2011)

M C Collignon (appointed 01 September 2011, resigned 31 December 2011)

D Grimason (appointed 01 January 2012)

J S Lovell (appointed 19 October 2011)

The Articles of Association of the Company contain an indemnity in favour of all of the directors of the Company that, subject to law, indemnifies the directors from the assets of the Company against any liability incurred by them in defending any proceedings in which judgement is given in their favour (or otherwise disposed of without any finding or admission of any material breach of duty on their part).

AUDITOR

Each person who is a director at the date of approval of this report confirms that:

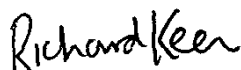
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed.

No notice in accordance with section 488 of the Companies Act 2006 (which would operate to prevent the deemed reappointment of auditors under s487(2) of that Act) has been or is expected to be received and accordingly the necessary conditions are in place for the deemed reappointment of the auditors to take place in absence of an Annual General Meeting.

By Order of the Board



R Keen

For and behalf of

Lafarge Secretaries (UK) Limited

Secretary

27 April 2012

LAFARGE INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAFARGE INTERNATIONAL HOLDINGS LIMITED

We have audited the financial statements of Lafarge International Holdings Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report.



Peter Gallimore FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

27 April 2012

LAFARGE INTERNATIONAL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2011

	Note	2011 £000	2010 £000
Administrative expenses (net) (including impairment of investments of £7,398,000 (2010 - £197,000))	7	(10,904)	(684)
OPERATING LOSS	2	(10,904)	(684)
(Loss) / Profit arising on disposal of investments	7	(21,754)	44,412
Income from shares in group undertakings		81,335	21,390
Interest receivable and similar income	3	25,177	25,457
Interest payable and similar charges	4	(33)	(41)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		73,821	90,534
Tax charge on profit on ordinary activities	5	(6,611)	-
PROFIT FOR THE YEAR	13,14	67,210	90,534

All activities derive from continuing operations.


There are no recognised gains or losses, other than the profit for the current and preceding financial year. Accordingly, no statement of total recognised gains and losses is presented.

LAFARGE INTERNATIONAL HOLDINGS LIMITED

BALANCE SHEET As at 31 December 2011

	Note	2011 £000	2010 £000
FIXED ASSETS			
Investments	7	<u>1,209,451</u>	<u>755,544</u>
CURRENT ASSETS			
Debtors falling due within one year	8	965	308,375
Debtors falling due after one year	8	293,758	-
Cash at bank and in hand	9	<u>370,720</u>	<u>766,993</u>
		<u>665,443</u>	<u>1,075,368</u>
CREDITORS amounts falling due within one year	10	<u>(10,001)</u>	<u>(25,120)</u>
NET CURRENT ASSETS		<u>655,442</u>	<u>1,050,248</u>
TOTAL ASSETS LESS LIABILITIES		<u>1,864,893</u>	<u>1,805,792</u>
Provision for liabilities	11	<u>(2,767)</u>	<u>(4,116)</u>
NET ASSETS BEING TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,862,126</u></u>	<u><u>1,801,676</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	<u>1,680,000</u>	<u>1,680,000</u>
Profit and loss account	13	<u>182,126</u>	<u>121,676</u>
SHAREHOLDERS' FUNDS	14	<u><u>1,862,126</u></u>	<u><u>1,801,676</u></u>

The financial statements of Lafarge International Holdings Limited, registered number 514387, were approved by the board of directors and authorised for issue on 27 April 2012



P T E Lanyon
Director

LAFARGE INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 31 December 2011**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with United Kingdom applicable accounting standards

The particular accounting policies adopted are described below and have been applied consistently in the current and previous financial year

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and have been prepared on a going concern basis which is discussed in the Directors' Report on page 1

Group accounts

The Company is included in the consolidated accounts of Lafarge S A , a company registered in France Accordingly the Company has taken advantage of the exemption given in s400 of the Companies Act 2006 from preparing and delivering group accounts

Cash flow statement

The Company is a wholly owned subsidiary of Lafarge SA and the cash flows of the Company are included in the consolidated cash flow statement of Lafarge SA Consequently, the Company has taken advantage of the exemption under Financial Reporting Standard No 1 (Revised) from preparing a cash flow statement

Related party transactions

The Company has taken advantage of the exemption granted in paragraph 3(c) of Financial reporting Standard 8 'Related Party Disclosures' not to disclose transactions with wholly owned group undertakings

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Foreign currencies

Transactions denominated in foreign currencies are translated into pound sterling at the rate ruling at the date of the transaction Monetary assets and liabilities in foreign currencies are translated into pound sterling at the exchange rates ruling at the year end Exchange differences arising on the translation of foreign investments net of exchange differences arising on related currency borrowings are taken to reserves Other exchange gains and losses are reflected in the Profit and Loss Account

Dividends

Dividends from investments are credited to the Profit and Loss Account as and when they become a binding liability on the subsidiary company

Investments

Investments in group companies and participating interests are stated at cost, less amounts provided in respect of any impairment in their value

LAFARGE INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2011

2. OPERATING LOSS

The Company had no employees during the year (2010 – nil)

No director received any remuneration from the Company (2010 – nil) They are regarded as group employees and paid by a fellow group undertaking

The auditor's remuneration for both 2011 and 2010 of £4,100 is borne by a fellow group undertaking

A foreign exchange loss of £567,000 (2010 £499,000) has been recognised during the year

Administrative expenses for the current year includes impairment of investment on Fitzjohn Estates of £7,137,632, impairment on Redland Brow of £260,000 and a provision on intercompany receivable from Middleborough Reclamation Opportunity Corporation of £941,000

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £000	2010 £000
Interest receivable and similar income from group undertakings	22,088	19,961
Other interest receivable and similar receipts	3,089	5,496
	<u>25,177</u>	<u>25,457</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £000	2010 £000
Other interest payable and similar charges	33	41
	<u>33</u>	<u>41</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax on profit on ordinary activities

	2011 £000	2010 £000
Current tax		
United Kingdom corporation tax at 26.5% (2010 – 28%) based on the profit for the period	6,611	6,980
Group relief not paid for	-	(6,980)
Total current tax charge	<u>6,611</u>	<u>-</u>

(b) Factors affecting current tax charge for the year

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK 26.5% (2010 – 28%) The differences are explained below

	2011 £000	2010 £000
Profit on ordinary activities before taxation	73,821	90,534
Tax charge on profit on ordinary activities at standard rate	19,563	25,350
Effects of		
Disallowed expenses and non-taxable income	(18,716)	(5,748)
Loss / (Profit) on disposal of investments	5,764	(12,622)
Group relief claimed for nil payment	-	(6,980)
Total tax charge	<u>6,611</u>	<u>-</u>

LAFARGE INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2011

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

For all years up to and including 31 December 2010, it has been Lafarge UK Group's policy not to charge for any loss surrenders/claims for group relief between group companies. However, for the year ended 31 December 2011 and subsequent years, group relief is to be surrendered for an amount equal to tax otherwise paid to HM Revenue & Customs. Therefore, in 2011 all losses surrendered as group relief are charged at a rate of 26.5%.

(c) Factors that may affect future tax charge

A deferred tax asset of £153,546,793 (2010 - £165,471,046) has not been recognised in respect of timing differences relating to capital losses as there is insufficient evidence that the asset will be recovered.

The 2011 Budget introduced a reduction in the main rate of corporation tax from 27% to 26% effective 1 April 2011, and a further reduction from 26% to 25% effective 1 April 2012. The changes were substantively enacted on 29 March 2011 and 5 July 2011 respectively. Since the reduction to 26% was effective 1 April 2011, a hybrid rate of current tax of 26.5% applies during the year ended 31 December 2011.

Subsequently, the 2012 Budget introduced a further reduction in the main rate of corporation tax from 26% to 24% effective 1 April 2012. The change was substantively enacted on 29 March 2012 and supersedes the reduction to 25% announced previously in the 2011 Budget.

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. Accordingly the reduction to 25% has been taken into account when measuring the deferred tax assets not recognised at 31 December 2011.

Further changes have been proposed to reduce the tax rate by one per cent per annum from 24% to 22% by 1 April 2014. As these future rate reductions were not substantively enacted at the balance sheet date (nor have they yet been substantively enacted) they have not been included in the deferred tax figures at 31 December 2011.

6. DIVIDENDS PAID

	2011 £000	2010 £000
Preference shares		
Dividend paid on 19 June 3.38% (2010 - 5.5%)	3,380	5,550
Dividend paid on 27 July 3.38% (2010 - 5.5%)	-	1,172
Dividend paid on 19 December 3.38% (2010 - 3.38%)	3,380	2,666
	<u>6,760</u>	<u>9,388</u>

Dividends on the non-cumulative non-redeemable preference shares are paid semi-annually in arrears on 19 June and 19 December. On 27 July 2010 the dividend payment rate on the non-cumulative, non-redeemable preference shares changed from 5.55% to 3.38% with effect from 27 July 2010.

The directors do not propose a final dividend for the year ended 31 December 2011 (2010: £nil).

LAFARGE INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2011

7. INVESTMENTS HELD AS FIXED ASSETS

	Shares in group undertakings £000	Shares in participating interests £000	Total £000
Cost			
At 1 January 2011	1,047,620	296	1,047,916
Additions	1,200,260	-	1,200,260
Disposals	(1,027,902)	(296)	(1,028,198)
At 31 December 2011	<u>1,219,978</u>	<u>-</u>	<u>1,219,978</u>
Provisions			
At 1 January 2011	(292,076)	(296)	(292,372)
Provided in the year	(7,398)	-	(7,398)
Disposals	288,947	296	289,243
At 31 December 2011	<u>(10,527)</u>	<u>-</u>	<u>(10,527)</u>
Net book value			
At 31 December 2011	<u>1,209,451</u>	<u>-</u>	<u>1,209,451</u>
At 31 December 2010	<u>755,544</u>	<u>-</u>	<u>755,544</u>

Details of principal group undertakings are given in note 15

On 22 March 2011, the Company purchased 100% of the issued share capital of Redland International Management Services Limited from Redland Limited for the consideration of £2. On 31 March 2011 the Company also received in cash a return of share capital from Redland Limited amounting to £710,312,661.

On 17 May 2011, the Company sold its shareholding in Cannock Recycling Limited, Ennemix Plc, Plasterboard Direct Limited, Steetley Construction Materials Limited and Steetley Properties Limited to Lafarge Aggregates Limited for the consideration of £2,284,368. There was no gain or loss on disposal.

On 23 June 2011, the Company sold its shareholding in Cement Direct Limited for a loss of £5,140,000, Redland Limited for a loss of £9,767,000, Steetley Engineering Limited for a loss of £27,000 and Steetley Quarry Products Limited for a loss of £6,820,000, all to Lafarge Aggregates Limited for the consideration of £4,603,889.

On 3 November 2011, the Company purchased 100% of the share capital of Blue Circle International Holdings B V from Lafarge Cement UK Limited (formerly Lafarge Cement UK PLC) for the consideration of £1,200,000,000. During the year the investment in Redland Brow Landfill Inc was increased by £260,000.

LAFARGE INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2011

8. DEBTORS

AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £000	2010 £000
Amounts owed by parent undertaking	-	306,722
Amounts owed by fellow group undertakings	882	1,548
Other debtors	83	105
	<u>965</u>	<u>308,375</u>
	965	308,375
 AMOUNTS FALLING DUE AFTER ONE YEAR		
Amounts owed by fellow group undertakings (interest rate of 5.55% due 15 December 2016)	293,758	-
	<u>293,758</u>	<u>-</u>
 TOTAL DEBTORS	<u>294,723</u>	<u>308,375</u>

9. CASH AT BANK AND IN HAND

The balance shown in the accounts related to a memorandum account being the Company's portion of a group bank account in the name of Lafarge Minerals Limited, a fellow subsidiary

10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £000	2010 £000
Loans from group undertaking	3,383	25,114
Other creditors	7	6
Amounts owed to group companies (group relief)	6,611	-
	<u>10,001</u>	<u>25,120</u>

11. PROVISION FOR LIABILITIES

	2011 £000	2010 £000
At 1 January	4,116	-
Provided in the year	1,807	4,116
Utilised in year	(3,156)	-
At 31 December	<u>2,767</u>	<u>4,116</u>

The provision set up in the year is in respect of US litigation costs which are expected to be utilised over the next three years. No provision has been included in respect of compensation from this litigation as following legal advice the Company anticipated a favourable outcome.

LAFARGE INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2011

12. CALLED UP SHARE CAPITAL

	2011 £000	2010 £000
Allotted and fully paid:		
1,480,000,000 (2010 – 1,480,000,000) Ordinary shares of £1 each	1,480,000	1,480,000
200,000,000 (2010 – 200,000,000) non-cumulative non-redeemable fixed rate Preference shares of £1 each	200,000	200,000
	<u>1,680,000</u>	<u>1,680,000</u>

Dividends on the non-cumulative non-redeemable preference shares are paid semi-annually in arrears on 19 June and 19 December. On 27 July 2010 the dividend payment rate on the non cumulative, non redeemable preference shares changed from 5.55% to 3.38% with effect from 27 July 2010.

The preference shares confer on the holders, priority on a return of assets and the right to attend and vote at general meetings.

13. PROFIT AND LOSS ACCOUNT

	£000
At 1 January 2011	121,676
Profit for the financial year	67,210
Dividends paid (note 6)	(6,760)
At 31 December 2011	<u>182,126</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011 £'000	2010 £'000
Opening shareholders' funds at 1 January	1,801,676	1,720,530
Profit for the financial year	67,210	90,534
Dividends paid (note 6)	(6,760)	(9,388)
Closing shareholders' funds at 31 December	<u>1,862,126</u>	<u>1,801,676</u>

LAFARGE INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2011

15. PRINCIPAL SUBSIDIARY UNDERTAKINGS

Name	Nature of business	Country of incorporation and operation	Share of equity held beneficially by the Company
Blue Circle International Holdings BV	Holding company	Netherlands	100%
Middleborough Reclamation Opportunity Corporation	Parent company	USA	100%
Redland Brow Landfill Inc	Non-trading company	Canada	100%
Redland International Management Services Limited	Dormant company	UK	100%
Lafarge Redland Readymix Limited	Holding company	UK	100%
Changeissues Limited	Dormant company	UK	100%
Redland Minerals Limited	Remedial operations	UK	100%
Fitzjohn Estates Limited	Holding company	UK	100%
Tunnel Buildings Products Limited	Non-trading company	UK	100%
Hereford Recycling Limited	Dormant company	UK	100%
JSF Waste Limited	Members Voluntary Liquidation	UK	100%
Roadstone Direct Limited	Member Voluntary Liquidation	UK	100%
Associated International Cement Limited	Holding company	UK	100%*
Blue Circle Home Products International Limited	Non-trading company	UK	100%*
Lafarge Nigeria (UK) Limited	Holding company	UK	100%**
Lafarge Malayan Cement Berhad	Cement	Malaysia	8 44%**
Lafarge Cement Zimbabwe Limited	Cement	Zimbabwe	76 4%**
Lafarge Cement WAPCO Nigeria PLC	Cement	Nigeria	36 5%**
Ashakacem PLC	Cement	Nigeria	58 6%**

*denotes companies held indirectly

**denotes companies held indirectly by Associated International Cement Limited and its subsidiaries

16. GUARANTEES

During the year the Company provided a guarantee for up to £175 million in relation to supporting the Lafarge UK defined benefit pension scheme

17. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

Lafarge S A , a company registered in France, is the largest and smallest parent undertaking to consolidate the accounts of the Company. Lafarge S A is regarded by the directors as being the Company's ultimate parent company and controlling entity.

The immediate parent undertakings in the UK are Lafarge Building Materials Limited and Lafarge Finance Limited.

Copies of the Group accounts of Lafarge S A may be obtained from the Stockholder Relations Department, 61, rue des Belles Feuilles, 75116 Paris, France.

LAFARGE INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2011

18. POST BALANCE SHEET EVENTS

Lafarge UK Pension Plan

On 26 January 2012 the Company entered into a Deed of Amendment, Participation and Apportionment (the 'Deed of Amendment') with Lafarge S A and Lafarge UK Pension Trustees Limited (the 'Trustee') in respect of the following

- (i) The admission of the Company as a new participating employer to the Lafarge UK Pension Plan (the 'Plan') with effect from 31 October 2011, and
- (ii) The apportionment of the liabilities under the Plan of exiting employers (Lafarge Cement UK Ltd, Lafarge Aggregates Ltd, Lafarge UK Services Ltd, Scotash Ltd, Sapphire Ltd and Redland International Management Services Ltd) of the Plan to the Company by way of a Scheme Apportionment Arrangement, effective 26 January 2012

On entering into the Scheme Apportionment Arrangement the Company is liable to meet the employer contributions due to the Plan under the Schedule of Contributions including any Recovery Plan and any other employer obligations under the Plan's Trust Deed and Rules

A separate agreement between the Trustee and Lafarge S A was entered into on 26 January 2012 which imposes legally binding contractual commitments on Lafarge S A to make payments to the Plan where the Company has failed to do so in accordance with the Schedule of Contributions, Plan rules or pension legislation

On the same date the Company entered into a Deed of Termination and Release with the Trustee enabling the release of the Guarantee for £150m dated 6 December 2010 entered into by the Company with the Trustee. This Deed also noted that the Deed of Guarantee dated 21 June 2007 had previously been released.

The principal obligation of the Company is to meet the Plan's funding deficit (if any) and expenses from time to time.

Lafarge Malayan Cement Berhad

On 26 January 2012 Associated International Cement Limited, a subsidiary of the Company, acquired 361,624,440 Ordinary shares of RM1.00 each (representing 42.56% of the issued share capital) in Lafarge Malayan Cement Berhad, a company incorporated in Malaysia, from Lafarge Cement UK Limited, a fellow group company. Associated International Cement Limited now holds 433,344,693 Ordinary shares of RM1.00 each (representing 51% of the issued share capital) of Lafarge Malayan Cement Berhad.

Redland International Management Services Limited

On 13 March 2012 the Company subscribed for a further 1,000 Ordinary shares of £1 each in the share capital of Redland International Management Services Limited for total consideration of £1,000.