

**LAFARGE ROOFING ASIA AMERICAS
LIMITED**

Report and Financial Statements

31 December 2002

**Deloitte & Touche LLP
Crawley**



REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B G F Davis
P C McAuslan
D B F Riou

SECRETARY

Redland Secretaries Limited

REGISTERED OFFICE

Sussex Manor Business Park
Crawley
West Sussex
RH10 2NG

BANKERS

Barclays Bank plc
The Gatwick Group
90/92 High Street
Crawley
West Sussex

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Crawley

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

ACTIVITIES

The principal activity of the company was to account for the salary, travel and other incidental expenses of the engineering employees who worked at Lafarge Roofing group companies throughout the world commissioning machinery and providing project and management services. On completion of the projects such costs were recharged to the respective Lafarge Roofing group companies.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

During 2001 the business activities and employees of the company were transferred to other group companies.

The company has a deficiency of net assets. The directors have received an undertaking of continued financial support from Redland International Limited, its parent undertaking. Accordingly, the financial statements have been prepared on a going concern basis.

PROFITS AND DIVIDENDS

The company's loss before taxation for the year was £42,000 (2001 - £39,000).

The directors do not recommend the payment of a dividend (2001 - £nil).

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year are as listed on page 1. According to the Register of Directors' Interests, none of the directors in office at the end of the year had any interest in the share capital of the company or any other UK group company.

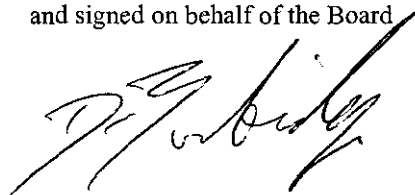
IMPORTANT EVENTS OCCURRING POST YEAR END

On 20 May 2003 the company's authorised share capital was increased from £100,000 to £1,234,000 by the creation of a further 1,134,000 Ordinary shares of £1.00 each. On the same day 1,133,280 Ordinary shares of £1 each were issued at par.

AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Redland Secretaries Limited
Secretary

24 OCTOBER 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a 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 financial statements 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LAFARGE ROOFING ASIA AMERICAS LIMITED**

We have audited the financial statements of Lafarge Roofing Asia Americas Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

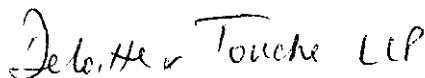
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements 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 financial statements 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 financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Crawley

28/10/2003

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2002

	Note	2002 £'000	2001 £'000
TURNOVER	2	-	45
Cost of sales		-	(45)
Gross profit		-	-
Administrative credit		-	29
OPERATING PROFIT	3	-	29
Interest payable and similar charges	4	(42)	(68)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(42)	(39)
Tax on loss on ordinary activities	5	-	(3)
RETAINED LOSS FOR THE FINANCIAL YEAR		(42)	(42)
Retained loss brought forward		(1,191)	(1,149)
Retained loss carried forward		(1,233)	(1,191)

There were no recognised gains or losses or movements in shareholders' funds for the current or preceding year other than those shown above.

All activities derive from operations that are discontinued.

BALANCE SHEET
31 December 2002

	Note	2002 £'000	2001 £'000
CURRENT ASSETS			
Debtors	6	107	522
		<u>107</u>	<u>522</u>
CREDITORS: amounts falling due within one year	7	(1,240)	(1,613)
NET CURRENT LIABILITIES		<u>(1,133)</u>	<u>(1,091)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,133)</u>	<u>(1,091)</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account (deficit)		<u>(1,233)</u>	<u>(1,191)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT		<u>(1,133)</u>	<u>(1,091)</u>

These financial statements were approved by the Board of Directors on 24 Oct. 2003

Signed on behalf of the Board of Directors

B G F Davis
Director



NOTES TO THE ACCOUNTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the year end. Differences arising on the translation of foreign currencies are dealt with in the profit and loss account.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax loss are attributable to the company's principal activity.

	2002 £'000	2001 £'000
To other group undertakings	-	45

	2002 £'000	2001 £'000
Geographical split of turnover		
Australia and Far East	-	45

3. OPERATING PROFIT

	2002 £'000	2001 £'000
Operating profit is after charging:		
Auditors' remuneration	-	3

Auditors' remuneration has been borne by a fellow subsidiary undertaking.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £'000	2001 £'000
Bank overdraft	42	68

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2002 £'000	2001 £'000
i) Current tax		
United Kingdom corporation tax at 30% (2001 - 30%) based on the loss for the year	(13)	(16)
Group relief	13	16
Foreign tax	-	(3)
	<u>-</u>	<u>(3)</u>

ii) Factors affecting current tax charge for the year

The tax assessed for the period is different than that resulting from applying the standard rate of corporation tax in the UK of 30% (2001 - 30%). The differences are explained below:

	2002 £'000	2001 £'000
Loss on ordinary activities before tax	<u>(42)</u>	<u>(39)</u>
Tax credit on loss on ordinary activities at standard rate	(13)	(12)
Effects of:		
Non taxable income	-	(5)
Overseas tax rates	-	1
Group relief not paid for	13	16
Foreign tax	-	(3)
Total actual amount of current tax	<u>-</u>	<u>(3)</u>

6. DEBTORS

	2002 £'000	2001 £'000
Amounts owed by group undertakings	<u>107</u>	<u>522</u>

Included in amounts owed by group undertakings is £100,000 of unpaid share capital (2001 - £100,000).

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
Bank overdraft	991	1,359
Amounts owed to group undertakings	244	243
Other creditors	5	11
	<u>1,240</u>	<u>1,613</u>

The bank overdraft relates to a memorandum account being the company's portion of a group bank account in the name of Redland PLC, a fellow subsidiary company in the Lafarge SA Group.

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

8. CALLED UP SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised		
100,000 ordinary shares of £1 each	100	100
Called, allotted and fully paid		
100,000 ordinary shares of £1 each	100	100

9. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent company is Redland International Limited, a company registered in England and Wales and incorporated in Great Britain. Redland International Limited does not prepare consolidated financial statements.

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

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

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Financial Reporting Standard 8 (Related Party Disclosures) not to disclose related party transactions.

11. IMPORTANT EVENTS OCCURRING POST YEAR END

On 20 May 2003 the company's authorised share capital was increased from £100,000 to £1,234,000 by the creation of a further 1,134,000 Ordinary shares of £1.00 each. On the same day 1,133,280 Ordinary shares of £1 each were issued at par.