

PROGRESSIVE TECHNICAL SERVICES LIMITED
REPORT AND UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003



The Company has passed elective resolutions in accordance with Section 379A of the Companies Act 1985 as amended ("the Act") to dispense with the formalities of:

- the laying of accounts before the Company in general meeting (Section 252 of the Act);
- the holding of annual general meetings (Section 366A of the Act).

Section 253(2) gives members the right to require the laying in accounts before the Company in general meeting. To exercise such right, a member must give notice in writing to that effect deposited at the registered office of the Company within 28 days of the day on which the report and financial statements are sent out in accordance with Section 238(1) of the Act.

Registered Office:
Lindon Road
Brownhills
Walsall WS8 7BB

PROGRESSIVE TECHNICAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the unaudited financial statements for the year ended 31 December 2003. The company was dormant and did not trade during the year.

The directors who held office during the year under review were:

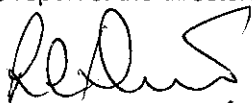
M Gourvennec (resigned 2 January 2003)

J Kutner

A de Saint-Quentin (appointed 2 January 2003)

None of the directors has any interest in the shares of the company, or the shares of any other company within the CGEA U.K. Plc Group.

The report of the directors was approved by the Board on 31 March 2004 and signed on its behalf by:



R Hunt
Secretary

UNAUDITED FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003.

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss and had no recognised gains or losses.

PROGRESSIVE TECHNICAL SERVICES LIMITED

Balance sheet at 31 December 2003

| | Notes | 2003 £'000 | 2002 £'000 |
|--|-------|---------------|---------------|
| Current assets | | | |
| Debtors: amounts falling due within one year | | | |
| Amounts owed by group undertaking | | 1,137 | 1,137 |
| Net assets | | <u>1,137</u> | <u>1,137</u> |
| Capital and reserves | | | |
| Called up share capital | 4 | 325 | 325 |
| Profit and loss account | | 812 | 812 |
| Equity shareholders' funds | 5 | <u>1,137</u> | <u>1,137</u> |

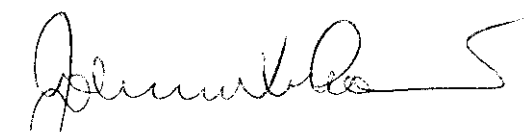
Notes:

- 1 The ultimate parent and controlling company is Veolia Environnement S.A. (incorporated in France). Copies of the parent's consolidated financial statements may be obtained from the Secretary, 36-38 avenue Kleber, 75116 Paris, France.

The company's immediate parent company is SARP UK Limited (registered in England and Wales). The company's ultimate United Kingdom holding company is Veolia UK Limited (registered in England and Wales). The directors consider Veolia Environnement S.A. to be the smallest group for which group accounts including Progressive Technical Services Limited are drawn up.

- 2 The directors acknowledge their responsibilities for ensuring the company keeps accounting records that comply with S221 of the Companies Act 1985 and preparing financial statements that give a true and fair view in accordance with S226 and otherwise comply with the provisions of the Companies Act 1985 applicable to small companies.
- 3 The directors confirm the company was entitled to exemption from our audit under subsection (1) of S249AA of that Act and that in accordance with subsection (2) of S249B members have not required the company to obtain an audit of its financial statements.
- 4 The authorised share capital consists of 325,000 ordinary shares of £1 each (2001: £325,000) of which 324,850 shares of £1 each (2001: £324,850) have been allotted, called up and fully paid.
- 5 The opening and closing shareholders' funds were £ 1,136,671.

The financial statements were approved by the Board of Directors on 31 March 2004 and were signed on its behalf by:



JM Kutner
Director