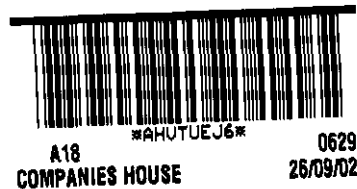


HYTHE CHEMICALS LIMITED

Directors' Report and Financial Statements

for the year ended 31 December 2001

Registered Number: 1383989



Hythe Chemicals Limited

Directors' report and financial statements

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Hythe Chemicals Limited

Directors' report

The directors present herewith their annual report and financial statements of the Company, for the year ended 31 December 2001.

Directors

The officers during the year and after the balance sheet date are as follows:

D C M Andrews	Director (appointed 19.06.01)
P R C Rodger	Director (appointed 19.06.01)
A J Savage	Director (appointed 19.06.01)
N H Smith	Director (resigned 30.09.01)
J A Brown	Director (resigned 20.06.01)
D F Toner	Company Secretary (resigned 30.03.01)
A Whalley	Company Secretary (appointed 30.03.01, resigned 01.06.01)
G A Stapleton	Company Secretary (appointed 01.06.01)

The ultimate parent company, E.ON AG, is incorporated in Germany. Therefore, pursuant to s3 of the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985, directors' interests of the ultimate parent do not have to be shown.

None of the directors had any interest in the shares of the Company at any time during the year.

Principal activities and business review

The company did not trade during the year.

Dividends

The directors recommend that no dividend be paid in respect of the year (2000: £Nil).

By order of the Board



G A STAPLETON

Secretary

25 September 2002

Nations House
103 Wigmore Street
London
W1U 1QS

Hythe Chemicals Limited

Balance sheet

at 31 December 2001

	2001 £	2000 £
Current assets		
Debtors	<u>100</u>	<u>100</u>
Capital and reserves		
Share capital		
Authorised, called up, allotted and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Company was dormant throughout the period. For the year ended 31 December 2001, the company was entitled to exemption under s249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with s249B(2).

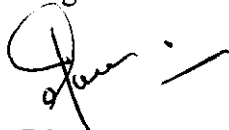
The directors acknowledge their responsibility for:

- Ensuring the company keeps accounting records which comply with s221;
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with s226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Profit and loss account

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.

The financial statements on pages 2 to 3 were approved by the Board on 25 September 2002 and signed on its behalf by:



A J Savage
Director

Hythe Chemicals Limited

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of accounting

The Company financial statements have been prepared under the historical cost convention, in accordance with applicable UK Accounting Standards.

2. Directors and employees

The Company has no employees (2000: *None*). All the directors are employees of other Group undertakings and receive no emoluments in respect of services provided to the Company (2000: *Nil*).

3. Ultimate parent company

The Company's immediate holding company is Laporte Speciality Organics Limited, a company registered and incorporated in England & Wales. The Company's ultimate holding company is E.ON AG, a company registered and incorporated in Germany. The consolidated financial statements of E.ON AG can be obtained from E.ON-Platz 1 40479 Düsseldorf.

The company is also consolidated in the accounts of Degussa AG, a company registered and incorporated in Germany. The consolidated financial statements of Degussa AG can be obtained from Bennigsenplatz 1 40474 Düsseldorf.

4. Lease of Property

The Company is the legal owner of certain long leasehold property at Fawley in Hampshire as described in two leases as follows:

(1) a lease dated 1st April, 1958 between Esso Petroleum Company Limited and Gemec Limited, and (2) a lease dated 5th June, 1968 between Esso Petroleum Company Limited and Union Carbide UK Limited.

The beneficial interest in these long leasehold properties is held by Laporte Performance Chemicals UK Limited, a fellow subsidiary of the Company's immediate parent company, Laporte Speciality Organics Limited. Accordingly, these long leasehold properties are recorded in the accounts of Laporte Performance Chemicals UK Limited for the period.