

Registered No. 1647362

SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED
(formerly Meyer International PLC)

REPORT AND ACCOUNTS

Nine months ended 31st December 2000



SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED
(formerly Meyer International PLC)
REPORT AND ACCOUNTS
Nine months ended 31st December 2000

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SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED
(formerly Meyer International PLC)
DIRECTORS' REPORT

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The Directors present their report and the audited financial statements for the nine months ended 31st December 2000.

REVIEW OF THE BUSINESS

On 26th June 2000, the company delisted and is no longer quoted on the London Stock Exchange.

On 1st December 2000 Meyer International PLC changed its name to Saint-Gobain Building Distribution PLC and subsequently on the 13th December, it re-registered as a private limited company.

Saint-Gobain Building Distribution Ltd acts as the holding company of a group of companies in the UK and overseas, the principal activities of which comprise the merchanting of building materials and timber, equipment rental and the distribution of laminates and specialist timber products.

The Directors consider that the strategy to expand the Company, both by acquisition and organically, should result in higher profits for the Company over the next year.

RESULTS AND DIVIDENDS

The detailed result for the nine months and the financial position of the Company are shown in the annexed financial statements. The Directors do not recommend a dividend (March 2000: £10,664,000).

DIRECTORS

The Directors who have served during the period are as follows:

| | |
|-------------------|--------------------------|
| M.A.W. Baggott | (resigned 6 April 2000) |
| A.J. Burton | (resigned 6 April 2000) |
| J.F. Edwards | (resigned 6 April 2000) |
| S. Latner | (resigned 6 April 2000) |
| R.M. Miles | (resigned 6 April 2000) |
| H.A. Palmer | (resigned 6 April 2000) |
| A.E. Peterson | (resigned 6 April 2000) |
| P-A de Chalendar | (appointed 6 April 2000) |
| L. Poston | (appointed 6 April 2000) |
| E. Francois | (appointed 4 July 2000) |
| E. D'Hautefeuille | (appointed 4 July 2000) |
| B. Field | (appointed 4 July 2000) |
| P. Queru | (appointed 4 July 2000) |

Due to the change in ownership of Saint-Gobain Building Distribution Limited all Scheme and Plan shares were vested in accordance with their respective rules.

The interests including the equity partnership plan and long term share incentive plan interests of L. Poston in the ordinary shares and in options granted to subscribe for ordinary shares are given below. None of the other Directors of the Company in office at the end of the year had any such interests.

Executive Share Options

| | At 31st March 2000 | Exercised | Lapsed during the period | At 31st December 2000 |
|-----------|--------------------------|-----------|--------------------------------|-----------------------------|
| L. Poston | 15,347 | (15,347) | - | - |

SAYE

| | At 31st March 2000 | Exercised | Lapsed during the period | At 31st December 2000 |
|-----------|--------------------------|----------------|--------------------------------|-----------------------------|
| L. Poston | <u>6,064</u> | <u>(3,508)</u> | <u>(2,556)</u> | <u>-</u> |

Equity Partnership Plan

The maximum number of ordinary shares held under the Equity Partnership Plan are shown below:

| | At 31st March 2000 | Shares transferred during the period | At 31st December 2000 |
|-----------|--------------------------|---|-----------------------------|
| L. Poston | <u>15,334</u> | <u>(15,334)</u> | <u>-</u> |

Long Term Share Incentive Plan

As at 31st December 2000 the maximum entitlement to shares under the Long Term Share Incentive plan is:

| | At 31st March 2000 | Shares released during the period | Entitlements cancelled during the period | At 31st December 2000 |
|-----------|--------------------------|--|---|-----------------------------|
| L. Poston | <u>36,807</u> | <u>(19,775)</u> | <u>(17,032)</u> | <u>-</u> |

None of the Directors had any interest in the ordinary shares of the company at 31st December 2000 or any interest directly or indirectly in any contract entered into by the Company.

SHARE CAPITAL

During the year, 2,117,782 ordinary shares were issued under the employee share option schemes.

Following the offer by Orchardflint PLC on 23 March 2000 to acquire the whole of the issued share capital, Orchardflint PLC has acquired all the remaining shares during the period.

EMPLOYEES

There is extensive communication of Company policies, objectives, announcements and news through local team briefings, videos and a house journal in tabloid form, which is published six times a year.

The Company remains committed to management development and training of employees.

Company policy is to ensure all managers are aware of their obligations to provide safe working conditions for their employees, and that employees are aware of and meet their own responsibilities in this area.

The Company also recognises its obligations towards the disabled, and its policy is to employ and train disabled persons wherever their aptitudes and abilities allow and suitable vacancies are available. Should employees become disabled, every reasonable effort is made to ensure that their employment within the Company continues and appropriate re-training or transfer is arranged. If the disability is so severe that employment cannot be continued, the Company applies ill-health pensions through the Group Pension Schemes. The Company has been a member of the Employers' Forum on Disability since June 1998.

SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED
(formerly Meyer International PLC)
DIRECTORS' REPORT

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EMPLOYEES (continued)

UK Pension Scheme members have the opportunity to be appointed as the employee directors or the pensioner directors of the Trustee Boards responsible for the UK Pension Schemes. These appointment procedures were approved by eligible members during consultation exercised in accordance with the Pensions Act 1995. The benefits of the Pension Schemes are communicated to existing and new employees, through specially prepared publications, including a video and local meetings.

POLICY ON THE PAYMENT OF SUPPLIERS

For the financial period to 31st December 2000 the Company settled outstanding invoices on average within one month. The Company has no trade creditors outstanding at the period end.

DONATIONS

During the period, the Company made charitable donations totalling £5,000 (March 2000: £45,000). There were no political donations.


AUDITORS

Ernst & Young resigned as auditors during the period and PricewaterhouseCoopers were appointed to fill the casual vacancy.

The Auditors, PricewaterhouseCoopers, are willing to continue in office. A resolution will be put to the Annual General Meeting to re-appoint them as Auditors and to authorize the Board to fix their remuneration.

Registered office:
Aldwych House
81 Aldwych
London WC2B 4HQ

18th Oct 2001


A.R. Oxenham
Secretary

SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED
(formerly Meyer International PLC)
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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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 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, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which 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 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.

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 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 affairs of the company at 31st December 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Nottingham

18/10/2001

SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED
(formerly Meyer International PLC)
PROFIT AND LOSS ACCOUNT
Nine months ended 31st December 2000

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| | Notes | 9 Months Ended 31 December 2000 £'000 | Year Ended 31 March 2000 £'000 |
|---|-------|---|--|
| Administrative expenses | | (6,491) | (8,820) |
| Other operating income | | <u>6,704</u> | <u>7,051</u> |
| Operating profit/(loss) | | 213 | (1,769) |
| Exceptional items | 2 | 959 | (14,050) |
| Income from interests in Group undertakings | | 23,714 | 22,179 |
| Amounts written off investments | | <u>(15,683)</u> | <u>(200)</u> |
| Profit on ordinary activities before interest and taxation | | 9,203 | 6,160 |
| Net interest payable | 3 | <u>(24,268)</u> | <u>(25,345)</u> |
| Loss on ordinary activities before taxation | 3 | (15,065) | (19,185) |
| Tax on loss on ordinary activities | 5 | <u>7,040</u> | <u>9,661</u> |
| Loss on ordinary activities after taxation | | (8,025) | (9,524) |
| Dividends | 6 | <u>0</u> | <u>(10,664)</u> |
| Loss retained and transferred to reserves | 16 | <u>(8,025)</u> | <u>(20,188)</u> |

There are no recognised gains and losses other than the loss for the financial period.

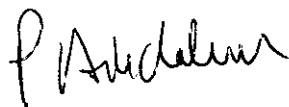
All activities relate to continuing operations.

SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED
(formerly Meyer International PLC)
BALANCE SHEET
31st December 2000

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| | Notes | 31 December 2000 | 31 March 2000 |
|--|-------|---------------------|------------------|
| | | £'000 | £'000 |
| Fixed assets | | | |
| Tangible fixed assets | 7 | 264 | 133 |
| Investments | 8 | <u>342,792</u> | <u>351,522</u> |
| | | 343,056 | 351,655 |
| Current assets | | | |
| Debtors due within one year | 9 | 414,210 | 96,790 |
| Debtors due after more than one year | 9 | - | 280,287 |
| Cash at bank and in hand | | <u>4,613</u> | <u>7,162</u> |
| | | 418,823 | 384,239 |
| Creditors: amounts falling due within one year | | | |
| Bank overdrafts | | (183) | - |
| Loans | 10 | (6,956) | (320,545) |
| Other creditors | 11 | <u>(95,108)</u> | <u>(51,980)</u> |
| | | (102,247) | (372,525) |
| Net current assets | | <u>316,576</u> | <u>11,714</u> |
| Total assets less current liabilities | | 659,632 | 363,369 |
| Creditors: amounts falling due after more than one year | | | |
| Amounts owed to Group companies | 12 | (297,612) | - |
| Provisions for liabilities and charges | | | |
| Deferred taxation | 13 | (673) | (853) |
| Other provisions | 14 | <u>(100)</u> | <u>(100)</u> |
| | | (773) | (953) |
| Net assets | | <u>361,247</u> | <u>362,416</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 51,022 | 50,493 |
| Share premium account | 16 | 191,087 | 184,760 |
| Other reserves | 16 | 1,652 | 1,652 |
| Profit and loss account | 16 | <u>117,486</u> | <u>125,511</u> |
| Equity shareholders' funds | | <u>361,247</u> | <u>362,416</u> |

Approved by the Board on 18th Oct 2001



P-A de Chalendar – Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 9 Months Ended 31 December 2000 £'000 | Year Ended 31 March 2000 £'000 |
|--|--|---|
| Loss for the financial period | (8,025) | (9,524) |
| Dividends | - | (10,664) |
| | <u>(8,025)</u> | <u>(20,188)</u> |
| Shares issued for cash | 6,856 | 1,333 |
| Shares issued for non-cash consideration | - | 10,165 |
| | <u>6,856</u> | <u>11,498</u> |
| Net reduction in shareholders' funds | (1,169) | (8,690) |
| Opening equity shareholders' funds | <u>362,416</u> | <u>371,106</u> |
| Closing equity shareholders' funds | <u>361,247</u> | <u>362,416</u> |

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable UK accounting standards. The principal accounting policies applied in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements are prepared under the historical cost convention.

The Company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare Group accounts. These financial statements present the information about the Company as an individual undertaking and not about its Group.

As permitted by Financial Reporting Standard 1 (revised 1996) – “Cash Flow Statements”, the financial statements do not include a cash flow statement on the grounds that the Company is a wholly owned subsidiary and the ultimate holding company includes the Company in its own published consolidated financial statements.

As permitted by Financial Reporting Standard 8 – “Related Party Disclosures”, the financial statements do not disclose transactions with companies that are part of the ultimate holding company’s Group, on the grounds that the Company is a wholly owned subsidiary and the ultimate holding company includes the Company in its own published consolidated financial statements.

(b) Tangible fixed assets

Depreciation of tangible fixed assets is based on cost, to write off the cost in equal annual amounts over the expected useful lives of the assets at the following rates:

| | |
|---------------------------------------|----------------------------|
| Leases under 50 years | over the life of the lease |
| Plant and machinery, office furniture | 20% |
| Motor vehicles | 25% |
| Computer equipment | 20-50% |

(c) Deferred taxation

Provision is made for deferred taxation at the anticipated rates of taxation to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

(d) Foreign currencies

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the period end.

(e) Pensions

The expected costs of pensions are provided on systematic and rational bases over the estimated average service lives of members of the schemes. Variations arising from actuarial surpluses are spread over the average remaining service lives of members to the extent that the resulting credit does not exceed the regular cost.

(f) Operating leases

Rental costs under operating leases are taken to the profit and loss account as the charges are incurred over the lease periods.

1. ACCOUNTING POLICIES (continued)

(g) Investments

Investments held as fixed assets are stated at cost or are written down to their recoverable amount where this is below cost.

2. EXCEPTIONAL ITEMS

| | 9 Months Ended 31 December 2000 £'000 | Year Ended 31 March 2000 £'000 |
|--|---|--|
| Costs (charged)/credited arising on the takeover of the Group by Saint-Gobain | 959 | (14,050) |
| Tax credit | (162) | 1,745 |
| | <u>797</u> | <u>(12,305)</u> |

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 9 Months Ended 31 December 2000 £'000 | Year Ended 31 March 2000 £'000 |
|-------------------------------------|---|--|
| Depreciation | 90 | 114 |
| Operating leases | | |
| Plant, machinery and motor vehicles | 104 | 48 |
| Audit fees | 57 | 49 |
| Other fees to the auditors | 15 | 108 |

In addition, other fees to the Company's auditors of £260,000 are included in the cost of acquisitions for the year ended 31st March 2000.

| | 9 Months Ended 31 December 2000 £'000 | Year Ended 31 March 2000 £'000 |
|---|---|--|
| Interest payable on bank and other borrowings | | |
| Loans from Group companies | 139,547 | 76,391 |
| Bank | 6,007 | 17,598 |
| Other | 470 | 7,016 |
| Interest receivable | | |
| Loans to Group companies | (121,454) | (74,022) |
| Bank | (302) | (1,228) |
| Other | - | (410) |
| Net interest payable | <u>24,268</u> | <u>25,345</u> |
| Staff Costs: | | |
| Wages and salaries | 2,131 | 3,301 |
| Social security costs | 209 | 358 |
| Other pension costs | 59 | 526 |
| | <u>2,399</u> | <u>4,185</u> |

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

The average number of employees (including part-time employees) during the period was as follows:

| | Number | Number |
|----------------|-----------|-----------|
| United Kingdom | <u>63</u> | <u>58</u> |

4. INFORMATION RELATING TO DIRECTORS

| | 9 Months Ended 31 December 2000 £'000 | Year Ended 31 March 2000 £'000 |
|---|---|--|
| Directors' emoluments (including salaries, fees, bonuses and taxable benefits) | 646 | 2,462 |
| Receipts from share options and cash cancellations | 1,615 | - |
| Compensation for loss of office | <u>2,588</u> | <u>-</u> |
| | <u>4,849</u> | <u>2,462</u> |
| Payments to former Directors | <u>289</u> | <u>104</u> |

The emoluments of the highest paid director were £1,087,000 (year ended 31st March 2000: £1,224,000).

As at 31st December 2000 scheme one (31st March 2000 : 3) Director was a member of a defined benefit. As at 31st December 2000, the highest paid director had accrued a pension of £25,000 per annum having commuted £5,000 per annum in return for a lump sum of £66,000 (at 31st March 2000: £29,000 per annum).

During the period 4 (year ended 31 March 2000: 0) Directors exercised options over shares in the Company.

Details of Directors' interests in shares are given in the Directors' Report.

5. TAXATION

| | 9 Months Ended 31 December 2000 £'000 | Year Ended 31 March 2000 £'000 |
|---|---|--|
| UK Corporation tax | | |
| Current tax @ 30% (year ended 31st March 2000: 30%) | 6,860 | 9,929 |
| Adjustments in respect of prior periods | <u>-</u> | <u>(21)</u> |
| | 6,860 | 9,908 |
| Deferred taxation | | |
| UK | 169 | (248) |
| Prior years | <u>11</u> | <u>1</u> |
| | <u>180</u> | <u>(247)</u> |
| Tax on loss on ordinary activities | <u>7,040</u> | <u>9,661</u> |

6. DIVIDENDS

| | 9 Months Ended 31 December 2000 £'000 | Year Ended 31 March 2000 £'000 |
|--|---|--|
| Interim of 5.3p per share paid 1st February 2000 | - | 10,664 |

7. TANGIBLE FIXED ASSETS

| | Leasehold properties under 50 years £'000 | Furniture equipment and motor vehicles £'000 | Total £'000 |
|---------------------------------|---|--|----------------|
| Cost: | | | |
| At 1st April 2000 | - | 1,986 | 1,986 |
| Additions | 181 | 66 | 247 |
| Disposals | - | (1,635) | (1,635) |
| At 31st December 2000 | 181 | 417 | 598 |
| Accumulated depreciation | | | |
| At 1st April 2000 | - | (1,853) | (1,853) |
| Provided in the period | (45) | (45) | (90) |
| Disposals | - | 1,609 | 1,609 |
| At 31st December 2000 | (45) | (289) | (334) |
| Net book value | | | |
| At 31st December 2000 | 136 | 128 | 264 |
| At 31st March 2000 | - | 133 | 133 |

8. INVESTMENTS

| | Loan to a subsidiary undertaking £'000 | Shares in subsidiary undertakings £'000 | Total £'000 |
|--|---|--|----------------|
| 1st April 2000 at cost less provisions | 113,020 | 238,502 | 351,522 |
| Additions | 6,968 | - | 6,968 |
| Other movements | - | (15) | (15) |
| Provision for the year | - | (15,683) | (15,683) |
| 31st December 2000 at cost less provisions | 119,988 | 222,804 | 342,792 |

All investments are included at cost less provision for diminution in value.

The loan represents an investment in a convertible bond of a subsidiary undertaking.

The shares in subsidiary undertakings at 31st December 2000 are stated net of provisions of £46,497,000 (at 31st March £30,814,000).

8. INVESTMENTS (continued)

The following companies represent the principal subsidiaries of the Company operating in the United Kingdom, all of which are incorporated in England and Wales. Saint-Gobain Building Distribution Limited is either directly or indirectly the beneficial owner of all the equity share capital of each company listed. Shareholdings in companies marked with an asterisk are held directly by Saint-Gobain Building Distribution Limited.

| | |
|--|---|
| Jewson Ltd.* | Timber and building materials merchants. |
| Saint-Gobain Specialist Products Ltd.* | Importers and distributors of timber, panel products, decorative surfaces and other related products. |

The following companies are registered at Aldwych House:

Graham Group plc*
Tudor plc*
Jewson Property Holdings Ltd.
Maidstone Builders Supplies Ltd.
Eveready Equipment Hire Ltd.
Meyer International Finance and Property PLC*
Meyer International Group Pension Trust Ltd.
Meyer International Overseas Investments Ltd.*
Castle Timber & Building Materials Ltd.
World's End Tiles Ltd.
Midland Toilet Hire Ltd.

The following is a list of the principal wholly-owned subsidiaries as at 31st December 2000, registered according to their country of operation. Saint-Gobain Building Distribution Limited is, through its subsidiaries, the beneficial owner of all the equity share capital of each company.

| | |
|----------------------------|--|
| PDM Ltd. | Fencing manufacturers and fabricators of transmission poles in Eire. |
| Meyer Laminates, Inc. | Distributors of laminates and related products in the USA. |
| Meyer Laminates (MA), Inc. | Distributors of laminates and related products in the USA. |
| Meyer Laminates (NE), Inc. | Distributors of laminates and related products in the USA. |
| Meyer Laminates (NY), Inc. | Distributors of laminates and related products in the USA. |
| Meyer Laminates (SE), Inc. | Distributors of laminates and related products in the USA. |
| RentX Industries, Inc. | Equipment rental in the USA. |

8. INVESTMENTS (continued)

The following companies are also registered according to country of operation:

| | |
|---|------------------|
| Meyer Europe BV | Haarlem, Holland |
| Meyer Overseas Holdings (Luxembourg) SA | Luxembourg |
| Meyer USA, Inc. | Florida, USA |
| Meyer International Inc. | Delaware, USA |
| Meyer Inc. | Delaware, USA |
| Meyer International Insurance Ltd. | Guernsey, C.I. |
| Meyer (Jersey) Ltd. | Jersey, C.I. |
| Meyer Finance Ltd. | Ireland |

9. DEBTORS

| | 31 December 2000 £'000 | 31 March 2000 £'000 |
|--------------------------------------|------------------------------|---------------------------|
| Due within one year | | |
| Amounts owed by subsidiary companies | 403,202 | 79,797 |
| Tax recoverable | 10,760 | 16,129 |
| Other debtors | 148 | 348 |
| Prepayments and accrued income | 100 | 516 |
| | <u>414,210</u> | <u>96,790</u> |
| Due after more than one year | | |
| Amounts owed by subsidiary companies | - | 280,287 |

10. LOANS

| | 31 December 2000 £'000 | 31 March 2000 £'000 |
|------------------------------------|------------------------------|---------------------------|
| Loans falling due within one year: | | |
| Bank | 6,956 | 300,129 |
| Other | - | 20,416 |
| Total loans | <u>6,956</u> | <u>320,545</u> |

11. OTHER CREDITORS

| | 31 December 2000 £'000 | 31 March 2000 £'000 |
|---|------------------------------|---------------------------|
| Amounts owed to Group companies: | | |
| Holding company and fellow subsidiaries | 58,383 | - |
| Subsidiary undertakings | 33,571 | 33,012 |
| Other taxation and social security | 254 | 1,354 |
| Other creditors | 1,973 | 10,734 |
| Accruals and deferred income | 927 | 6,880 |
| | <u>95,108</u> | <u>51,980</u> |

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 31 December 2000 £'000 | 31 March 2000 £'000 |
|---|------------------------------|---------------------------|
| Amounts owed to Group companies: Holding company and fellow subsidiaries repayable between 2-5 years | <u>297,612</u> | <u>-</u> |

13. DEFERRED TAXATION

| | 1st April 2000 £'000 | Profit and loss account £'000 | Total £'000 |
|--------------------------------|----------------------------|--|----------------|
| Accelerated capital allowances | (113) | 18 | (95) |
| Other timing differences | <u>966</u> | <u>(198)</u> | <u>768</u> |
| | <u>853</u> | <u>(180)</u> | <u>673</u> |

14. OTHER PROVISIONS

| | 1st April 2000 £'000 | Profit and loss account £'000 | Utilised £'000 | Total £'000 |
|------------------------|----------------------------|--|-------------------|----------------|
| Reorganisation related | - | 100 | - | 100 |
| Pensions | <u>100</u> | <u>-</u> | <u>(100)</u> | <u>-</u> |
| | <u>100</u> | <u>100</u> | <u>(100)</u> | <u>100</u> |

As at 31st December 2000, the reorganisation related provision will be utilised within the next year.

15. SHARE CAPITAL

| | 31 December 2000 £'000 | 31 March 2000 £'000 |
|---|------------------------------|---------------------------|
| Ordinary shares of 25p each Authorised 300,000,000 (March 2000: 300,000,000) | <u>75,000</u> | <u>75,000</u> |
| Issued and fully paid 204,092,604 (March 2000: 201,974,822) | <u>51,022</u> | <u>50,493</u> |
| | Number of shares | |
| | 31 December 2000 £'000 | 31 March 2000 £'000 |
| The movement in share capital comprises: | | |
| At beginning of period | 201,974,822 | 40,225 |
| Shares issued for cash | 2,117,782 | 103 |
| Shares issued for non-cash consideration | - | 10,165 |
| At end of period | <u>204,092,604</u> | <u>50,493</u> |

15. SHARE CAPITAL (continued)

In the period ended 31st December 2000, shares were issued for cash to employee participants in the Executive and Savings Related Share Option Schemes under the Rules of the Schemes. Net proceeds from these issues in respect of both share capital and share premium amounted to £6,856 thousand (year ended 31st March 2000: £1,333 thousand). Movements in the share premium account are shown in Note 16.

16. RESERVES

| | Share premium account £'000 | Other reserves £'000 | Profit and loss account £'000 | Total £'000 |
|------------------------|--------------------------------------|----------------------------|--|----------------|
| At 1 April 2000 | 184,760 | 1,652 | 125,511 | 311,923 |
| Shares issued for cash | 6,327 | - | - | 6,327 |
| Loss for the period | - | - | (8,025) | (8,025) |
| At 31 December 2000 | <u>191,087</u> | <u>1,652</u> | <u>117,486</u> | <u>310,225</u> |

17. OPERATING LEASES

| | 31 December 2000 £'000 | 31 March 2000 £'000 |
|---|------------------------------|---------------------------|
| Annual commitments under operating leases | | |
| Within one year | 3 | - |
| In the second to fifth years inclusive | 127 | 75 |
| Over five years | - | - |
| | <u>130</u> | <u>75</u> |

18. CONTINGENT LIABILITIES

| | 31 December 2000 £'000 | 31 March 2000 £'000 |
|----------------------------|------------------------------|---------------------------|
| Guarantees and indemnities | <u>22,055</u> | <u>12,728</u> |

Guarantees and indemnities are in respect of financial liabilities of subsidiary companies.

19. PENSIONS

The majority of the Company's employees during the period were members of the Meyer International Group Pension Scheme. This is a defined benefit scheme, the assets of which are held in funds administered by the Scheme's Trustee wholly independently of the Group's finances.

This scheme is valued triennially by independent qualified actuaries using the projected unit method. At 5th April 2000, the latest valuation date, the actuarial value of the Scheme's assets was 130% of the value of the benefits accrued to members after allowing for expected future increases in earnings. The market value of the Scheme's assets at the valuation date was £591.8 million.

In arriving at the actuarial valuation, it was assumed that in the long term annual rates of investment return would be 6.0% per annum, employee pay increases would be 4.5% per annum and future pension increases would be 3.5% per annum.

19. PENSIONS (continued)

Employees' contributions are 5% of pensionable salary. In accordance with actuarial advice the Group is making no further payments into the Scheme until the next valuation at the earliest. The Scheme surplus is being amortised over 11 years, being the average remaining service lives of employees. Taking account of interest earned thereon, the resultant credit exceeds the regular cost of the Scheme. However, no charge or credit has been taken to the profit and loss account and no asset recognised in the balance sheet arising from this Scheme.

The total pension cost to the Company of other schemes was £59,000 (year ended 31st March 2000: £526,000).

20. IMMEDIATE AND ULTIMATE HOLDING COMPANY & POST BALANCE SHEET EVENTS

On 31 January 2001 and as part of a re-organisation of certain parts of the Saint-Gobain UK operations, the following post balance sheet events occurred:

- a. Following the sale of the Company by Orchardflint PLC to Saint-Gobain PLC, the Company's immediate holding company became Saint-Gobain PLC.
- b. The Company made an interest-free loan of £170 million to Orchardflint PLC. The loan is repayable on demand. The obligations of Orchardflint PLC under the loan agreement are guaranteed by Saint-Gobain PLC.
- c. The Company received an interest-bearing loan of £170 million from Saint-Gobain PLC. The interest rate is variable and linked to LIBOR.

On 2nd July 2001 RentX Industries Inc. was sold for a consideration of \$50.2 million.

The company accounts for Saint-Gobain PLC are available to the public and may be obtained from the Registrar of Companies.

The ultimate holding and controlling company is Compagnie de Saint-Gobain, incorporated in France. The consolidated accounts for this company may be obtained from Compagnie de Saint-Gobain, Les Miroirs, 18 Avenue d'Alsace, 92096 La Défense Cédex, Paris, France.