

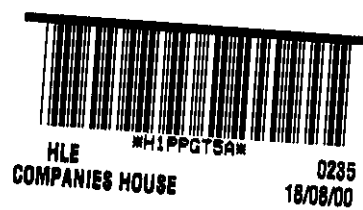
Company Registration No. 2212033

YARE PACKAGING LIMITED

Report and Financial Statements

31 December 1999

Deloitte & Touche
1 Woodborough Road
Nottingham
NG1 3FG



REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

F T Allan
G D King
C M Parsons
J Usher

SECRETARY

F T Allan

REGISTERED OFFICE

2 Franks Road
Bardon Hill
Coalville
Leicestershire
LE67 1TT

AUDITORS

Deloitte & Touche
Chartered Accountants
1 Woodborough Road
Nottingham
NG1 3FG

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 18 month period ended 31 December 1999.

ACTIVITIES

The company operates principally as a holding company.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company did not trade during the period and does not anticipate trading in the future.

DIVIDENDS AND TRANSFER TO RESERVES

Details of the results for the period are shown in the profit and loss account on page 5. A dividend of £32.35 per ordinary share (1998: £61.88) was paid on 31 December 1999.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period are listed below.

F T Allan	
G D King	(appointed 10 March 1999)
C M Parsons	
J Usher	(appointed 10 March 1999)
B F Pawley	(resigned 10 March 1999)

In accordance with the Articles of Association, the directors are not required to retire by rotation.

There are no share interests requiring disclosure in accordance with the provisions of the Companies Act.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the company's system of internal financial control and for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

YEAR 2000 COMPLIANCE

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

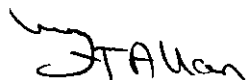
DIRECTORS' REPORT

AUDITORS

During the period, KPMG resigned as auditors and Deloitte & Touche were appointed.

Pursuant to s386 Companies Act 1985, an elective resolution was passed on 17th August 1999 dispensing with the requirement to appoint auditors annually. Therefore, Deloitte & Touche are deemed to continue as auditors.

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



F T Allan
Secretary



YARE PACKAGING LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 the company's affairs as at 31 December 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

9. 8. 2000

PROFIT AND LOSS ACCOUNT
18 months ended 31 December 1999

	Note	18 months ended 31 December 1999 £	12 months ended 30 June 1998 £
TURNOVER	2	-	698,749
Administrative expenses		(578,750)	-
OPERATING (LOSS)/PROFIT		(578,750)	698,749
Income from shares in group undertakings		920,546	-
Interest payable	3	(19,882)	(9,364)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		321,914	689,385
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	-	(77,500)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING PROFIT FOR THE FINANCIAL PERIOD		321,914	611,885
Dividends	6	(323,476)	(611,885)
RETAINED LOSS FOR THE FINANCIAL PERIOD	12	(1,562)	-

All the above results relate to the company's activities prior to the transfer of trade to Mondi Packaging Limited. Accordingly, the trading activities of Yare Packaging Limited are treated as discontinued from 31 December 1999.

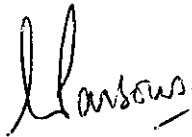
The company has no recognised gains or losses other than the loss for the financial period.

YARE PACKAGING LIMITED
BALANCE SHEET
31 December 1999

	Note	31 December 1999 £	30 June 1998 £
FIXED ASSETS			
Investment in subsidiary	7	28,800	607,550
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	8	-	301,397
CREDITORS: amounts falling due within one year	9	(18,800)	(32,314)
NET CURRENT (LIABILITIES)/ASSETS		(18,800)	269,083
TOTAL ASSETS LESS CURRENT LIABILITIES		10,000	876,633
CREDITORS: amounts falling due after more than one year	10	-	(865,071)
		10,000	11,562
CAPITAL AND RESERVES			
Called up share capital	11	10,000	10,000
Profit and loss account	12	-	1,562
EQUITY SHAREHOLDERS' FUNDS	13	10,000	11,562

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

 9/8/00
C M PARSONS
 Director

NOTES TO THE ACCOUNTS

18 months ended 31 December 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption to prepare and deliver group accounts, as the company is a subsidiary of Anglo American plc.

Cash flow statement

The company is exempt from preparing a cash flow statement on the basis that a consolidated cash flow statement which includes the company is presented in the financial statements of the ultimate parent undertaking, Anglo American plc.

Turnover

Turnover is the total amount receivable by the company for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

Investments

Investments are included at cost less provision for any impairment.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are attributable to the company's principal activity, that of a holding company and are carried out in the United Kingdom. The auditors' remuneration is borne by the parent company.

3. INTEREST PAYABLE

	18 months ended 31 December 1999 £	12 months ended 30 June 1998 £
On bank loans	19,882	9,364

NOTES TO THE ACCOUNTS

18 months ended 31 December 1999

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The average number of employees of the company (including directors) during the period was nil (1998: 3) all of whom were involved in the manufacture of cardboard boxes and allied products.

No staff costs were paid by the company during the period (1998: £91,914).

	18 months ended 31 December 1999	12 months ended 30 June 1998
	£	£
Emoluments	-	91,914

During the period nil directors (1998: 2) participated in money purchase pension schemes.

The executive directors are remunerated by way of management fees. These fees are paid by Mondi Packaging (UK) Limited (formerly Amcor Packaging (UK) Limited) and are disclosed accordingly in their accounts.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	18 months ended 31 December 1999	12 months ended 30 June 1998
	£	£
Tax attributable to franked investment income	-	77,500

Unrelieved charges of £Nil (1998: £9,364) will be group relieved for no consideration.

6. DIVIDENDS

	18 months ended 31 December 1999	12 months ended 30 June 1998
	£	£
Ordinary dividend on equity shares paid £32.35 per ordinary share (1998: £61.88)	323,476	611,885

NOTES TO THE ACCOUNTS
18 months ended 31 December 1999

7. INVESTMENTS IN SUBSIDIARY

At 31 December 1999 the company held 27,550 ordinary shares of £1 each and 1000 3½% preference shares of £1 each in Great Yarmouth Cardboard Box Company Limited, a company registered in England and Wales, whose business is the manufacture of cardboard boxes and allied products. This represents 100% of the share capital of the company.

	£
Cost	
At 1 July 1998 and 31 December 1999	607,550
Amounts written off	
At 1 July 1998	-
Provided in the period	578,750
At 31 December 1999	578,750
Net book value	
At 31 December 1999	28,800
At 30 June 1998	607,550

8. DEBTORS

	31 December 1999 £	30 June 1998 £
Amounts owed by group undertakings	-	301,397

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 1999 £	30 June 1998 £
Amounts owed to group undertakings	18,800	-
Bank loan	-	32,314
	18,800	32,314

NOTES TO THE ACCOUNTS
18 months ended 31 December 1999

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

	31 December 1999 £	30 June 1998 £
Amounts owed to group undertakings	-	702,813
Bank loan	-	162,258
	<u>-</u>	<u>865,071</u>
Bank loan		
In one year or less	-	32,314
Between one year and two years	-	35,520
Between two years and five years	-	126,738
	<u>-</u>	<u>194,572</u>

11. CALLED UP SHARE CAPITAL

	31 December 1999 £	30 June 1998 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

12. PROFIT AND LOSS ACCOUNT

	£
At 1 July 1998	1,562
Loss for the period	(1,562)
	<u>-</u>
At 31 December 1999	<u>-</u>

NOTES TO THE ACCOUNTS
18 months ended 31 December 1999

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	18 months ended 31 December 1999 £	12 months ended 30 June 1998 £
Profit for the financial period	321,914	611,885
Dividends	(323,476)	(611,885)
Net movement in shareholders' funds	(1,562)	-
Opening shareholders' funds	11,562	11,562
Closing shareholders' funds	10,000	11,562

14. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Flametone Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Anglo American plc.

15. CONTROLLING PARTIES

The company's ultimate parent company and controlling party is Anglo American plc, a company which is incorporated in the UK. Copies of the group financial statements of Anglo American plc are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

Anglo American plc is the only company producing group accounts.

The company's immediate parent company is Flametone Limited.