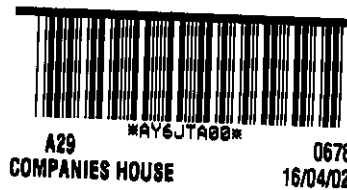


Company Registration No. 2757941 (England and Wales)

ERTISA GREAT BRITAIN LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001



ERTISA GREAT BRITAIN LIMITED

COMPANY INFORMATION

Directors

A Lopez-Diaz
J L Preckler Arias
F Molina-Felix
F Andrade Marquez
F Diaz Soares

Secretary

C Diaz

Company number

2757941

Registered office

2 Sekforde Court
217-219 St John Street
London
EC1V 4LY

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Bankers

Banco Santander Central Hispano, SA
Santander House
100 Ludgate Hill
London
EC4M 7NJ

ERTISA GREAT BRITAIN LIMITED

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| Balance sheet | 5 |
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ERTISA GREAT BRITAIN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and financial statements for the year ended 31 December 2001.

Principal activities and review of the business

The principal activity of the company continued to be that of the distribution and sale of chemical and other products.

This period of trading has again been satisfactory considering the economic conditions and the directors are hopeful of future prospects.

Results and dividends

The results for the year are set out on page 4.

Directors

The following directors have held office since 1 January 2001:

A Lopez-Diaz
J L Preckler Arias
F Molina-Felix
F Andrade Marquez
F Diaz Soares

Directors' interests

| | Ordinary shares of £ 1 each | |
|--------------------|-----------------------------|----------------|
| | 31 December 2001 | 1 January 2001 |
| A Lopez-Diaz | - | - |
| J L Preckler Arias | - | - |
| F Molina-Felix | - | - |
| F Andrade Marquez | - | - |
| F Diaz Soares | - | - |

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting.

ERTISA GREAT BRITAIN LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

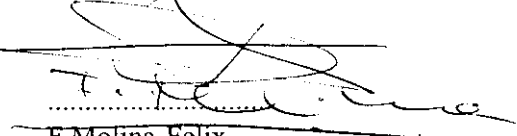
Directors' responsibilities

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;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



.....
F Molina-Felix

Director

1 March 2002

ERTISA GREAT BRITAIN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ERTISA GREAT BRITAIN LIMITED

We have audited the financial statements of Ertisa Great Britain Limited on pages 4 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 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 with the company is not disclosed.

We read the directors' 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 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.

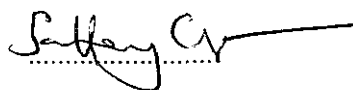
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Saffery Champness

Chartered Accountants
Registered Auditors

15 April 2002



Lion House
Red Lion Street
London
WC1R 4GB

ERTISA GREAT BRITAIN LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

| | Notes | 2001 £ | 2000 £ |
|--|-----------|--------------|--------------|
| Turnover | 2 | 13,187,898 | 13,087,038 |
| Cost of sales | | (12,691,167) | (12,299,858) |
| Gross profit | | 496,731 | 787,180 |
| Administrative expenses | | (220,514) | (396,091) |
| Operating profit | 3 | 276,217 | 391,089 |
| Other interest receivable and similar income | | 43,647 | 26,778 |
| Interest payable and similar charges | 4 | (1,672) | (1,691) |
| Profit on ordinary activities before taxation | | 318,192 | 416,176 |
| Tax on profit on ordinary activities | 5 | (101,931) | (140,174) |
| Profit on ordinary activities after taxation | 13 | 216,261 | 276,002 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

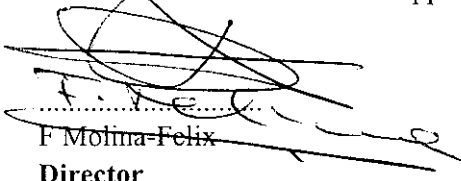
ERTISA GREAT BRITAIN LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2001**

| | Notes | 2001 £ | £ | 2000 £ | £ |
|--|-------|--------------------|----------------|--------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | | 367,868 | | 380,878 |
| Current assets | | | | | |
| Stocks | 7 | 603,831 | | 1,148,940 | |
| Debtors | 8 | 1,911,168 | | 2,595,097 | |
| Cash at bank and in hand | | 1,131,059 | | 692,651 | |
| | | <u>3,646,058</u> | | <u>4,436,688</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(3,195,409)</u> | | <u>(4,210,204)</u> | |
| Net current assets | | | <u>450,649</u> | | <u>226,484</u> |
| Total assets less current liabilities | | | 818,517 | | 607,362 |
| Creditors: amounts falling due after more than one year | 10 | | <u>(2,000)</u> | | <u>(7,106)</u> |
| | | | <u>816,517</u> | | <u>600,256</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 50,000 | | 50,000 |
| Profit and loss account | 13 | | 766,517 | | 550,256 |
| Shareholders' funds - equity interests | 14 | | <u>816,517</u> | | <u>600,256</u> |

The notes on pages 6 to 11 form part of these financial statements.

The financial statements were approved by the Board on 1-03-2002


F Molina-Felix
Director

ERTISA GREAT BRITAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable from the provision of goods during the year net of VAT.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|------------------------|-------------|
| Freehold property | 2% of cost |
| Furniture and fittings | 10% of cost |
| Motor vehicles | 25% of cost |

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company contributes to individual defined contribution money purchase schemes. These contributions are charged annually against income when paid.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction when the exchange rate for those transactions has not been secured. All differences are taken to profit and loss account.

ERTISA GREAT BRITAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001****2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

| 3 Operating profit | 2001 | 2000 |
|---|-------------|-------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 18,773 | 21,090 |
| Operating lease rentals | - | 3,774 |
| Auditors' remuneration | 4,750 | 4,750 |
| Remuneration of auditors for non-audit work | 9,419 | 8,535 |

| 4 Interest payable | 2001 | 2000 |
|------------------------------|-------------|-------------|
| | £ | £ |
| On bank loans and overdrafts | 460 | 247 |
| Hire purchase interest | 1,212 | 1,444 |
| | 1,672 | 1,691 |

| 5 Taxation | 2001 | 2000 |
|--|-------------|-------------|
| | £ | £ |
| U.K. current year taxation | | |
| U.K. corporation tax at 30% (2000 - 30%) | 101,531 | 138,297 |
| Prior years | | |
| U.K. corporation tax | 400 | 1,877 |
| | 101,931 | 140,174 |

ERTISA GREAT BRITAIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001**

6 Tangible fixed assets

| | Freehold property £ | Furniture and fittings £ | Motor vehicles £ | Total £ |
|-----------------------|------------------------------------|---|---------------------------------|--------------------|
| Cost | | | | |
| At 1 January 2001 | 366,264 | 38,769 | 19,902 | 424,935 |
| Additions | 4,165 | 1,599 | - | 5,764 |
| Disposals | - | (2,754) | - | (2,754) |
| At 31 December 2001 | <u>370,429</u> | <u>37,614</u> | <u>19,902</u> | <u>427,945</u> |
| Depreciation | | | | |
| At 1 January 2001 | 17,703 | 22,619 | 3,736 | 44,058 |
| On disposals | - | (2,754) | - | (2,754) |
| Charge for the year | <u>7,325</u> | <u>6,473</u> | <u>4,975</u> | <u>18,773</u> |
| At 31 December 2001 | <u>25,028</u> | <u>26,338</u> | <u>8,711</u> | <u>60,077</u> |
| Net book value | | | | |
| At 31 December 2001 | <u>345,401</u> | <u>11,276</u> | <u>11,191</u> | <u>367,868</u> |
| At 31 December 2000 | <u>348,561</u> | <u>16,151</u> | <u>16,166</u> | <u>380,878</u> |

Included above are assets held under finance leases or hire purchase contracts as follows:

| | Motor vehicles £ |
|---|---------------------------------|
| Net book values | |
| At 31 December 2001 | <u>11,191</u> |
| At 31 December 2000 | <u>16,166</u> |
| Depreciation charge for the year | |
| 31 December 2001 | <u>4,975</u> |
| 31 December 2000 | <u>7,198</u> |

| 7 Stocks | 2001 £ | 2000 £ |
|-------------------------------|-------------------|-------------------|
| Raw materials and consumables | <u>603,831</u> | <u>1,148,940</u> |

ERTISA GREAT BRITAIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001**

| 8 Debtors | 2001 | 2000 |
|---|------------------|------------------|
| | £ | £ |
| Trade debtors | 1,909,011 | 2,576,096 |
| Other debtors | 2,157 | 19,001 |
| | <u>1,911,168</u> | <u>2,595,097</u> |
| 9 Creditors: amounts falling due within one year | 2001 | 2000 |
| | £ | £ |
| Bank loans and overdrafts | 443,800 | - |
| Net obligations under hire purchase contracts | 5,475 | 5,168 |
| Trade creditors | 97,403 | 185,528 |
| Amounts owed to parent and fellow subsidiary undertakings | 2,240,097 | 3,303,184 |
| Corporation tax | 55,876 | 117,297 |
| Other taxes and social security costs | 322,457 | 586,177 |
| Other creditors | 7,796 | - |
| Accruals and deferred income | 22,505 | 12,850 |
| | <u>3,195,409</u> | <u>4,210,204</u> |
| 10 Creditors: amounts falling due after more than one year | 2001 | 2000 |
| | £ | £ |
| Net obligations under hire purchase contracts | <u>2,000</u> | <u>7,106</u> |
| Net obligations under finance leases and hire purchase contracts | | |
| Repayable within one year | 5,475 | 5,168 |
| Repayable between one and five years | 2,000 | 7,106 |
| | <u>7,475</u> | <u>12,274</u> |
| Included in liabilities falling due within one year | <u>(5,475)</u> | <u>(5,168)</u> |
| | <u>2,000</u> | <u>7,106</u> |

11 Pension costs

The pension cost charge represents contributions payable by the company and amounted to £7,145 (2000 - £4,826).

ERTISA GREAT BRITAIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001**

| | | |
|--|----------------|--|
| 12 Share capital | 2001 | 2000 |
| | £ | £ |
| Authorised | | |
| 50,000 Ordinary shares of £ 1 each | <u>50,000</u> | <u>50,000</u> |
| Allotted, called up and fully paid | | |
| 50,000 Ordinary shares of £ 1 each | <u>50,000</u> | <u>50,000</u> |
| 13 Statement of movements on profit and loss account | | |
| | | Profit and loss account £ |
| Balance at 1 January 2001 | | 550,256 |
| Retained profit for the year | | <u>216,261</u> |
| Balance at 31 December 2001 | | <u>766,517</u> |
| 14 Reconciliation of movements in shareholders' funds | 2001 | 2000 |
| | £ | £ |
| Profit for the financial year | 216,261 | 276,002 |
| Opening shareholders' funds | <u>600,256</u> | <u>324,254</u> |
| Closing shareholders' funds | <u>816,517</u> | <u>600,256</u> |

15 Financial commitments

At 31 December 2001 the company had no annual commitments under non-cancellable operating leases.

ERTISA GREAT BRITAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

16 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2001 Number | 2000 Number |
|----------------|----------------|----------------|
| Selling | 2 | 2 |
| Administrative | 2 | 3 |
| | <u>4</u> | <u>5</u> |

Employment costs

| | £ | £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 142,038 | 149,909 |
| Social security costs | 16,372 | 17,955 |
| Other pension costs | 7,145 | 4,826 |
| | <u>165,555</u> | <u>172,690</u> |

All the directors discharged their duties wholly or mainly outside the United Kingdom and received no remuneration from the company.

17 Control

The immediate parent company is Ertisa SA, a company registered in Spain, and the ultimate parent company is Compania Espanola de Petroleos SA, a company registered in Spain.

The ultimate parent prepares group financial statements and copies can be obtained from Campo de las Naciones, Avda del Partenon, 12, 28042 Madrid, Spain.

18 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.