

Directors' Report

The directors present their report and the accounts of the Company for the year ended 31 December 2000.

Activities

The principal activity of the Company is that of an investment holding company.

Results and Dividends

The profit for the year amounted to £3,034,000. An interim dividend of £3,034,000 has been declared which leaves a profit of nil to be retained. The directors do not recommend payment of a final dividend.

Directors

The following persons held office during the year:

C K J Bowmer
S A Bull
D W Gibson (appointed on 4 January 2000)

Directors' Interests

The directors who held office at the end of the year were interested (as defined in the Companies Act 1985 and according to the Register maintained thereunder) in shares in Rexam PLC as follows:

	Ordinary Shares of 64 ² p each		Share Options** Executive 1984		Share Options** Executive 1997		Share Options** SAYE		Share Options** Long Term Incentive (Maximum Shares)	
	1.1.00*	31.12.00	1.1.00*	31.12.00	1.1.00*	31.12.00	1.1.00*	31.12.00	1.1.00*	31.12.00
C K J Bowmer	7,092	7,092	72,393	72,393	224,534	262,411	8,161	9,424	26,500	18,700
S A Bull	22,289	22,289	53,511	53,511	227,391	266,274	4,383	4,383	26,500	18,700
D W Gibson	22,118	29,918	18,852	18,852	256,492	317,712	10,714	10,714	78,700	145,800

* or date of appointment if later

** full details of the share option schemes can be found in the report and accounts of Rexam PLC.



Preparation of Accounts

This statement, which should be read together with the auditors report overleaf, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that it is appropriate to use the going concern basis in preparing the accounts on pages 4 to 8. Appropriate accounting policies have been used, consistently applied and supported by reasonable and prudent judgements and estimates and all accounting standards which they consider to be applicable have been followed.

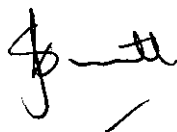
The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enables them to ensure that the accounts comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By order of the Board



B-R Secretariat Limited
Secretary

Date 22 August 2001

Rexam Holdings Limited

Report of the auditors to the members of Rexam Holdings Limited

We have audited the accounts on pages 4 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP.

Ernst & Young LLP

Registered Auditor

London

Date *12 September 2001.*

Rexam Holdings Limited

Profit and Loss Account for the year ended 31 December 2000

	Notes	2000 £000	1999 £000
Income from shares in subsidiary undertakings		<u>3,034</u>	<u>-</u>
Profit on ordinary activities before taxation		3,034	-
Tax on ordinary activities	(2)	<u>-</u>	<u>(3)</u>
Profit/(loss) for the financial year		3,034	(3)
Equity dividends		<u>(3,034)</u>	<u>-</u>
Profit/(loss) retained for the financial year	(8)	<u>-</u>	<u>(3)</u>

There are no recognised gains or losses other than the profit attributable to the shareholders of the Company of £3,034,000 in the year ended 31 December 2000, and the loss attributable to the shareholders of the Company of £3,000 in the year ended 31 December 1999.

Details of reserve movements are shown in Note 8.

Rexam Holdings Limited

Balance Sheet as at 31 December 2000

	Notes	2000 £000	1999 £000
Fixed assets			
Investments	(3)	<u>26,800</u>	<u>26,800</u>
Current assets			
Debtors: receivable within one year	(4)	<u>3,034</u>	<u>-</u>
Creditors: amounts falling due within one year	(5)	<u>(3,716)</u>	<u>(682)</u>
Net current liabilities		<u>(682)</u>	<u>(682)</u>
Total assets less current liabilities		<u>26,118</u>	<u>26,118</u>
Capital and reserves			
Equity:			
Called up share capital	(7)	26,000	26,000
Profit and loss account	(8)	<u>118</u>	<u>118</u>
		<u>26,118</u>	<u>26,118</u>

Approved by a board resolution dated 22 August 2001

S Bull

Director

Rexam Holdings Limited

Notes to the accounts

1. Accounting policies

Accounting convention

These accounts are prepared under the historical cost convention, modified to include revaluation of the fixed asset investments based on the directors' valuation and in accordance with applicable Accounting Standards.

Fixed asset investments

Fixed asset investments are shown at cost or directors' valuation.

2. Tax on ordinary activities	2000	1999
	£000	£000
Prior year adjustment	<u>—</u>	<u>3</u>
3. Investments		2000
		£000
Shares in subsidiary undertakings		
Cost		
At 1 January and 31 December		<u>26,800</u>

The subsidiary undertaking is Rexam Custom Limited, a company incorporated in Great Britain and registered in England and Wales. The Company owns 100% of the share capital consisting of 30,000 ordinary shares of £1 each and 30,000 3% non-cumulative preference shares of £1 each. The principal activity of the subsidiary undertaking is the manufacture of coated films and papers. The directors are of the opinion that the investment in the subsidiary undertaking is worth not less than the amount stated in the balance sheet.

Group accounts have not been prepared as the Company is a wholly owned subsidiary undertaking of Rexam PLC, a company established under the law of a member state of the European Union. Group accounts have been prepared by the ultimate parent undertaking, Rexam PLC.

Rexam Holdings Limited

Notes to the accounts

4. Debtors: receivable within one year	2000 £000	1999 £000
Dividend receivable	<u>3,034</u>	<u>—</u>
5. Creditors: amounts falling due within one year	2000 £000	1999 £000
Dividend payable	3,034	—
Due to a parent undertaking	<u>682</u>	<u>682</u>
	<u>3,716</u>	<u>682</u>
6. Movement in shareholders' funds	2000 £000	1999 £000
At 1 January	26,118	26,121
Profit/(loss) for the financial year	<u>—</u>	<u>(3)</u>
At 31 December	<u>26,118</u>	<u>26,118</u>
7. Share capital	2000 £000	1999 £000
Equity:		
Authorised, allotted, called up and fully paid		
26,000,000 Ordinary shares of £1 each	<u>26,000</u>	<u>26,000</u>
8. Profit and loss account		2000 £000
At 1 January and 31 December		<u>118</u>
9. The Company is a wholly owned subsidiary undertaking of Rexam PLC and therefore has not prepared a cash flow statement and is exempt from making additional disclosure of related party transactions.		

Rexam Holdings Limited

Notes to the accounts

10. As a member of the Rexam PLC Group for VAT purposes, the Company has joint and several liability for all amounts due to H M Customs and Excise under this arrangement. The Group continues to trade profitably and the directors do not foresee the crystallisation of any liability under this arrangement.
11. The Company's ultimate parent undertaking is Rexam PLC, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group accounts can be obtained from Rexam PLC, 4 Millbank, London, SW1P 3XR.