BPB Group Finance Limited
(formerly Precis (2539) Limited)

Report and Financial Statements

31 March 2006

Registered No. 5466943

Directors

E A M Chartier (appointed 1 March 2006)
J-P Clavel (appointed 3 August 2005)
R J Cousins (appointed 3 August 2005; resigned 7 December 2005)
J J Drown (appointed 3 August 2005; resigned 28 February 2006)
R M Heard (appointed 3 August 2005; resigned 7 December 2005)
M V Higson (appointed 3 August 2005; resigned 31 May 2006)
P R Hollingworth (appointed 3 August 2005; resigned 7 December 2005)
C R A Imauven (appointed 7 December 2005)
R Lazard (appointed 7 December 2005)
A Magson (appointed 3 August 2005; resigned 24 March 2006)
A R Oxenham (appointed 28 February 2006)
P N Withers (appointed 3 August 2005; resigned 31 January 2006)

Secretary

S D Hodges

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

Aldwych House
81 Aldwych
London
WC2B 4HQ

Directors' report

The directors present their report and audited financial statements of the company for the period from incorporation on 31 May 2005 to 31 March 2006.

RESULTS AND DIVIDENDS

The company made a loss after tax of £1,625,000 for the period ended 31 March 2006. The company paid an interim dividend during the period of £126,197,000. The directors do not recommend the payment of a final dividend for the period ended 31 March 2006.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company was incorporated on 31 May 2005 as Precis (2539) Limited. The company acts as an intra-group investment holding company. Details of its sole investment is provided in note 5 on page 13.

On 3 August 2005 the Memorandum and Articles of Association of the company were amended providing for the company to act as an investment holding company. Also, on 3 August 2005 BPB plc purchased the entire issued share capital of the company of 2 shares of £1 each, for consideration of £2, and the authorised share capital of the company was increased from £100 to £4,000,000,000 by the creation of 3,999,999,900 ordinary shares of £1 each.

On 10 August 2005 the company issued a further 2,523,905,539 ordinary shares of £1 each to BPB plc following the purchase by the company of BPB Group Operations Limited, a company incorporated in England and Wales, from BPB plc, representing the consideration of £2,523,905,539.

On 14 September 2005 the share capital of the company was, by virtue of a written resolution of the sole shareholder of the company, BPB plc, dated 10 August 2005, and with the sanction of an Order of the High Court of Justice, reduced from £4,000,000,000 divided into 4,000,000,000 ordinary shares of £1 each to £2,536,795,219 divided into 2,536,795,219 ordinary shares of £1 each by the cancellation of 1,463,204,781 ordinary shares of £1 each.

On 15 September 2005 the name of the company was changed to BPB Group Finance Limited.

On 2 December 2005 the ultimate parent undertaking, BPB plc, was acquired by Compagnie de Saint-Gobain SA, a company incorporated and registered in France.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the period ended 31 March 2006 were as listed on page 1.

None of the directors had any interest in the shares of the company during the period ended 31 March 2006.

The company is exempt from disclosing the interests (if any) of the directors and their families in the share capital of the ultimate parent company by virtue of the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985 (SI1985/802).

None of the directors had a material interest that was significant in relation to the company's business during the period ended 31 March 2006.

Directors' report

DISCLOSURE OF INFORMATION TO AUDITORS

The directors of the company at the year end confirm that:

- as far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all reasonable steps as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ELECTIVE REGIME

The company has passed elective resolutions dispensing with the laying of financial statements and reports before the company in general meeting, the obligation to appoint auditors annually and the holding of annual general meetings.

AUDITORS

In accordance with section 385A of the Companies Act 1985, Ernst & Young LLP were appointed auditors to the company on 3 August 2005.

Following the acquisition of BPB plc and its subsidiaries by Compagnie de Saint-Gobain SA it has been decided that KPMG Audit Plc, who are joint auditors to Saint-Gobain, will be appointed as auditors to BPB plc and its UK subsidiaries for the next financial year.

By order of the Board

S. Hodges

S D Hodges
Secretary

9 February 2007

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union.

The directors are required to prepare financial statements for each financial year which present fairly the financial position of the Company and the financial performance and cash flows 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state that the company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements.

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.

Independent auditors' report

to the members of BPB Group Finance Limited

We have audited the Company's financial statements for the period from 31 May 2005 to 31 March 2006 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparation of the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Independent auditors' report

to the members of BPB Group Finance Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 March 2006 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

9 February 2007

Income statement

for the period from 31 May 2005 to 31 March 2006

	Notes	*31 May 2005 to 31 March 2006 £000*
Finance income	3	1,747
Finance costs	3	(4,069)
Loss before tax		(2,322)
Income tax credit	4	697
Loss for the period		(1,625)

The accompanying notes form an integral part of these financial statements.

Balance sheet

as at 31 March 2006

	Notes	*2006* *£000*
Assets		
Non-current assets		
Investments in subsidiaries	5	2,523,906
Current assets		
Trade and other receivables	6	92,464
Total assets		2,616,370
Equity and liabilities		
Current liabilities		
Amounts owed to fellow subsidiary undertakings		220,285
Bank overdrafts		1
		220,286
Equity attributable to equity holders of the parent		
Issued capital	7	1,060,701
Other reserves		1,463,205
Retained earnings		(127,822)
Total equity		2,396,084
Total equity and liabilities		2,616,370

The accompanying notes form an integral part of these financial statements.

Approved by the Board
and signed on its behalf by:

R Lazard
Director

9 February 2006

Statement of changes in equity

for the period from 31 May 2005 to 31 March 2006

	Issued Capital £000	*Other reserves £000*	*Retained earnings £000*	*Total £000*
At incorporation	-	-	-	-
Issue of shares during the period	2,523,906	-	-	2,523,906
Loss for the period	-	-	(1,625)	(1,625)
Court approved reduction of share capital	(1,463,205)	1,463,205	-	-
Dividends paid	-	-	(126,197)	(126,197)
At 31 March 2006	1,060,701	1,463,205	(127,822)	2,396,084

The accompanying notes form an integral part of these financial statements.

Cash flow statement

for the period from 31 May 2005 to 31 March 2006

	31 May 2005 to 31 March 2006 *£000*
Operating activities	
Loss before tax from continuing operations	(2,322)
Adjustment to reconcile loss before tax to net cash flows	
Non-cash:	
Finance income	(1,747)
Finance costs	4,069
Income tax received	269
Net cash used in operating activities	269
Investing activities	
Interest received	617
Disbursement of loans	(376,869)
Proceeds from repayment of loans	288,986
Net cash used in investing activities	(87,266)
Financing activities	
Dividends paid to equity holders of the company	(126,197)
Interest paid	(2,648)
Proceeds from borrowings	733,994
Repayment of borrowings	(518,153)
Net cash used in financing activities	86,996
Net decrease in cash and cash equivalents	(1)
Cash and cash equivalents at incorporation	-
Cash and cash equivalents at the end of the period	
Overdrafts	(1)

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

at 31 March 2006

1. Authorisation of financial statements and statement of compliance with IFRSs

The company financial statements of BPB Group Finance Limited (the "Company") for the period ended 31 March 2006 were authorised for issue by the Board of directors on 9 February 2007 and the balance sheet was signed on the Board's behalf by R Lazard. BPB Group Finance Limited is a private limited company incorporated and domiciled in England and Wales.

The company financial statements have been prepared in accordance with IFRSs as adopted for use in the European Union and as applied in accordance with the provisions of the Companies Act 1985. The principal accounting policies adopted by the company are set out in note 2.

2. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared on a historical cost basis.

The financial statements have also been prepared on a going concern basis. BPB Group Finance Limited (the "Group") is dependent on continuing finance being made available by its shareholders to enable it to continue trading and meet its liabilities as they fall due. The shareholders have agreed to provide sufficient funds for the Group for these purposes. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand (£000) except when otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Current/non-current distinction

Current assets are assets expected to be realised or consumed in the normal course of the Company's operating cycle. Cash and cash equivalents are recognised within current assets unless they are restricted from being used to settle a liability for at least 12 months after the balance sheet date, in which case they are recognised within non-current assets. All other assets are classified as non-current assets.

Current liabilities are liabilities expected to be settled by use of cash generated in the normal course of the Company's operating cycle or liabilities due to be settled within 12 months after the balance sheet date. All other liabilities are classified as non-current liabilities.

Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value, less costs to sell, and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Notes to the financial statements

at 31 March 2006

2. Summary of significant accounting policies (continued)

Loans and investments

All investments have been categorised as non-current assets and are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, equity instruments whose fair value cannot be reliably measured are held at cost, less provision for permanent diminution in value, where applicable. If there is objective evidence that an impairment loss has been incurred on an equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

Foreign currency transactions and balances

The functional and presentation currency of the Company is pounds sterling (£). Transactions in foreign currencies are initially recorded using the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the functional currency rate of exchange ruling at that date. Foreign exchange differences arising on retranslation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated using the foreign exchange rate as at the date of the initial transaction.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and include cash in hand and at bank, cash in transit, balances receivable on demand and deposits with an original maturity of three months or less. Bank overdrafts, where applicable, are included within current liabilities.

Notes to the financial statements

at 31 March 2006

3. Finance income and costs

	31 May 2005 to 31 March 2006 £000
Finance income	
Interest receivable on intercompany deposits	1,727
Exchange gains arising on loans	20
	1,747
Finance costs	
Interest payable on intercompany loans	1,896
Bank loan interest	262
Bank loan facility fees	1,911
	4,069

4. Income tax credit

The total credit for the period can be reconciled to the accounting loss as follows:

	31 May 2005 to 31 March 2006 £000
Accounting loss before tax	(2,322)
At United Kingdom statutory income tax rate of 30%	697
Total current tax credit for the period	697

5. Investments in subsidiaries

	£000
At incorporation	-
Acquired in the period	2,523,906
At 31 March 2006	2,523,906

On 10 August 2005 the company purchased the entire issued share capital of BPB Group Operations Limited from BPB plc for consideration of £2,523,905,539 which was satisfied by the allotment to BPB plc of 2,523,905,539 ordinary shares of £1 each in the company.

The company's sole investment is in BPB Group Operations Limited, a wholly owned subsidiary incorporated in England and Wales.

Notes to the financial statements

at 31 March 2006

6. Trade and other receivables

	2006
	£000
Amounts owed by parent	2,285
Amounts due from fellow subsidiary undertakings	89,751
Corporation tax receivable	428
	92,464

7. Share capital

	2006
	No.
Authorised	
Ordinary shares of £1 each	2,536,795,219

Allotted, called up and fully paid	*£*
At incorporation	2
Issued during the period	2,523,905,539
Capital reduction	(1,463,204,781)
At 31 March 2006	1,060,700,760

On 3 August 2005 the authorised share capital of the company was increased from £100 to £4,000,000,000 by the creation of 3,999,999,900 ordinary shares of £1 each.

On 10 August 2005 the company issued a further 2,523,905,539 ordinary shares of £1 each to BPB plc following the purchase by the company of BPB Group Operations Limited, a company incorporated in England and Wales, from BPB plc, representing the consideration of £2,523,905,539.

On 14 September 2005 the share capital of the company was, by virtue of a written resolution of the sole shareholder of the company, BPB plc, dated 10 August 2005, and with the sanction of an Order of the High Court of Justice, reduced from £4,000,000,000 divided into 4,000,000,000 ordinary shares of £1 each to £2,536,795,219 divided into 2,536,795,219 ordinary shares of £1 each by the cancellation of 1,463,204,781 ordinary shares of £1 each.

Notes to the financial statements

at 31 March 2006

8. Related party disclosures

During the year, the Company entered into the following transactions, in the ordinary course of business, with related parties:

Related Party	*Interest payable to related parties £000*	*Interest receivable from related parties £000*	*Amounts owed to related parties £000*	*Amounts owed from related parties £000*
Parent Undertaking – BPB plc	-	-	(105,110)	-
Fellow subsidiaries	(1,905)	1,736	(115,175)	92,036

9. Parent and ultimate parent

At 31 March 2006 the company was a wholly owned subsidiary of BPB plc, a company incorporated in England and Wales.

The ultimate parent undertaking is Compagnie de Saint-Gobain SA, a company incorporated and registered in France. The only group financial statements to include the company are those of Compagnie de Saint-Gobain SA and these are available from the Company Secretary, Compagnie de Saint-Gobain SA, Les Miroirs, 18 Avenue d'Alsace, 92096 La Defense Cedex, Paris, France.

There were no transactions between the company and Compagnie de Saint-Gobain SA during the year.