

**Report of the Directors and  
Financial Statements for the year ended 31 December 2010  
for  
BPB Group Finance Limited**

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**for the year ended 31 December 2010**

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**Company Information**  
for the year ended 31 December 2010

**DIRECTORS.**

E Chartier  
T Lambert  
A R Oxenham  
C Tardy

**SECRETARY**

A R Oxenham

**REGISTERED OFFICE**

Saint-Gobain House  
Binley Business Park  
Coventry  
CV3 2TT

**REGISTERED NUMBER**

5466943 (England and Wales)

**AUDITORS**

KPMG Audit Plc  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

**Report of the Directors  
for the year ended 31 December 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

**PRINCIPAL ACTIVITY**

The company acts as an investment holding company. Details of its principal investment are provided in note 6

**REVIEW OF BUSINESS**

The company made a profit after tax of £73,864,000 for the year ended 31 December 2010 (year ended 31 December 2009 profit £88,303,000)

**DIVIDENDS**

The company paid interim dividends of £73,114,000 on 20 May 2010. The directors do not recommend the payment of a final dividend for the year ended 31 December 2010 (2009 - nil)

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

E Chartier  
T Lambert  
A R Oxenham  
C Tardy

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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 they have been prepared in accordance with IFRSs as adopted by the EU 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

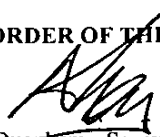
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

**BY ORDER OF THE BOARD**

  
A R Oxenham - Secretary

Date 27/09/2011

## **Report of the Independent Auditors to the Shareholders of BPB Group Finance Limited**

We have audited the financial statements of BPB Group Finance Limited for the year ended 31 December 2010 on pages four to twelve. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Wayne Cox*

Wayne Cox (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

Date

*27 September 2011*

**BPB Group Finance Limited (Registered number: 5466943)**

**Income Statement**  
**for the year ended 31 December 2010**

	Notes	2010 £'000	2009 £'000
<b>CONTINUING OPERATIONS</b>			
Revenue	2	-	-
Finance income	4	<u>73,864</u>	<u>88,303</u>
<b>PROFIT BEFORE INCOME TAX</b>		73 864	88,303
Income tax	5	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE YEAR</b>		<u><u>73 864</u></u>	<u><u>88 303</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

**BPB Group Finance Limited (Registered number: 5466943)**

**Statement of Comprehensive Income**  
for the year ended 31 December 2010

	2010 £'000	2009 £'000
PROFIT FOR THE YEAR	73,864	88,303
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>73,864</u>	<u>88,303</u>

The notes form part of these financial statements

**BPB Group Finance Limited (Registered number: 5466943)**

**Balance Sheet**

**31 December 2010**

	Notes	2010 £'000	2009 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments	7	<u>2,523,906</u>	<u>2,523,906</u>
<b>TOTAL ASSETS</b>		<u><b>2,523,906</b></u>	<u><b>2,523,906</b></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	8	1,060,701	1,060,701
Other reserves	9	367,659	440,773
Retained earnings	9	<u>789,411</u>	<u>715,547</u>
<b>TOTAL EQUITY</b>		<u><b>2,217,771</b></u>	<u><b>2,217,021</b></u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	10	<u>306,135</u>	<u>306,885</u>
<b>TOTAL LIABILITIES</b>		<u><b>306,135</b></u>	<u><b>306,885</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,523,906</b></u>	<u><b>2,523,906</b></u>

The financial statements were approved by the Board of Directors on

27/09/2011

and were signed on its behalf by



T Lambert - Director

The notes form part of these financial statements



**BPB Group Finance Limited (Registered number: 5466943)**

**Statement of Changes in Equity**  
for the year ended 31 December 2010

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Other reserves £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2009</b>	1,060,701	627,244	529,826	2,217,771
<b>Changes in equity</b>				
Dividends	-	-	(89,053)	(89,053)
Total comprehensive income	-	88,303	-	88,303
<b>Balance at 31 December 2009</b>	<u>1,060,701</u>	<u>715,547</u>	<u>440,773</u>	<u>2,217,021</u>
<b>Changes in equity</b>				
Dividends	-	-	(73,114)	(73,114)
Total comprehensive income	-	73,864	-	73,864
<b>Balance at 31 December 2010</b>	<u>1,060,701</u>	<u>789,411</u>	<u>367,659</u>	<u>2,217,771</u>

The notes form part of these financial statements

**BPB Group Finance Limited (Registered number: 5466943)**

**Cash Flow Statement**  
for the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	13	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Dividends received		<u>73,864</u>	<u>88,303</u>
Net cash from investing activities		<u>73,864</u>	<u>88,303</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	750
Loan repayments in year		(750)	-
Equity dividends paid		<u>(73,114)</u>	<u>(89,053)</u>
Net cash from financing activities		<u>(73,864)</u>	<u>(88,303)</u>
		<u>-</u>	<u>-</u>
<b>Increase in cash and cash equivalents</b>		-	-
<b>Cash and cash equivalents at beginning of year</b>		<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>		<u>-</u>	<u>-</u>

The notes form part of these financial statements

**Notes to the Financial Statements**  
**for the year ended 31 December 2010**

**1 ACCOUNTING POLICIES**

**Basis of preparation**

The company is incorporated in England and Wales

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14

The financial statements have also been prepared on a going concern basis. BPB Group Finance Limited (the company) 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 to the company 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.

**Measurement convention**

The financial statements are prepared on the historical cost basis.

**Exemption from preparing consolidated financial statements**

The financial statements contain information about BPB Group Finance Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Compagnie de Saint-Gobain, a company registered in France.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting or taxable profit except in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

**Foreign currency**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

**Finance income and expense**

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

**Adopted IFRSs not yet applied**

There were no Adopted IFRSs issued but not applied in these financial statements that are expected to have a material effect.

**Notes to the Financial Statements - continued**  
for the year ended 31 December 2010

**2 AUDITOR'S REMUNERATION**

Auditor's remuneration has been recorded within the financial statements of BPB Limited, an intermediate parent company

**3 EMPLOYEES AND DIRECTORS**

There were no employees of BPB Group Finance Limited in the year (2009 - nil)

None of the directors received any remuneration from the company. They are regarded as group employees and are each paid by one of the company's intermediate parent undertakings

**4 NET FINANCE INCOME**

	2010 £'000	2009 £'000
Finance income		
Dividend income from subsidiaries	<u>73,864</u>	<u>88,303</u>

**5 INCOME TAX**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	<u>73,864</u>	<u>88,303</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	20,682	24,725
Effects of Non-taxable dividend income	<u>(20,682)</u>	<u>(24,725)</u>
Total income tax	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted on 20 July 2010, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted on 29 March 2011 and 5 July 2011 respectively. This will reduce the company's future current tax charge accordingly.

**6 DIVIDENDS**

	2010 £'000	2009 £'000
Interim	<u>73,114</u>	<u>89,053</u>

An interim dividend of 6.893p per share was declared and paid on 20 May 2010 (8.396p per share declared and paid on 20 May 2009)

**Notes to the Financial Statements - continued**  
for the year ended 31 December 2010

**7 INVESTMENTS**

	Shares in group undertakings £'000
<b>COST</b>	
At 1 January 2010	
and 31 December 2010	<u>2 523 906</u>
<b>NET BOOK VALUE</b>	
At 31 December 2010	<u>2,523 906</u>
At 31 December 2009	<u>2,523,906</u>

The company's investments at the balance sheet date in the share capital of companies include the following

**BPB Group Operations Limited**  
Nature of business investment holding

Class of shares	%
Ordinary	holding 100.00

**8 CALLED UP SHARE CAPITAL**

Allotted Number	issued and fully paid Class	Nominal value £1	2010 £'000	2009 £'000
1,060,700	760 Ordinary		<u>1,060,701</u>	<u>1 060,701</u>

**9 RESERVES**

	Retained earnings £'000	Other reserves £'000	Totals £'000
At 1 January 2010	715,547	440,773	1,156,320
Profit for the year	73,864	-	73,864
Dividends	(73,114)	-	(73,114)
Transfer dividend	<u>73,114</u>	<u>(73,114)</u>	<u>-</u>
At 31 December 2010	<u>789,411</u>	<u>367,659</u>	<u>1,157,070</u>

**10 TRADE AND OTHER PAYABLES**

	2010 £'000	2009 £'000
Non-current		
Amounts owed to group undertakings	<u>306,135</u>	<u>306,885</u>

**11 FINANCIAL INSTRUMENTS**

The company's exposure to credit risk is explained in note 12

For future periods, it is expected that the company will continue to hold loans that are not interest-bearing and which are denominated in sterling, so there is no other risk relating to financial instruments

**Notes to the Financial Statements - continued**  
for the year ended 31 December 2010

**12 RELATED PARTY DISCLOSURES**

The immediate parent and ultimate controlling party respectively of the company are BPB Limited (incorporated in England and Wales) and Compagnie de Saint-Gobain (incorporated in France). Details of transactions between the company and related parties are disclosed below.

	Amounts owed to related parties	
	2010	2009
	£'000	£'000
Subsidiaries of Compagnie de Saint-Gobain		
Immediate parent company	190,831	190,831
Subsidiary companies	<u>115,304</u>	<u>116,054</u>
	<u><u>306,135</u></u>	<u><u>306,885</u></u>

All amounts owed to group companies are interest free, unsecured and repayable on demand. The company has not provided or benefited from any guarantees for any related party receivables or payables.

On 20 May 2010, the company received a dividend of £73,864,000 from BPB Group Operations Limited. On the same day, the company paid a dividend of £73,114,000 to BPB Limited, the company's sole shareholder.

**13 RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2010	2009
	£'000	£'000
Profit before income tax	73,864	88,303
Finance income	<u>(73,864)</u>	<u>(88,303)</u>
Cash generated from operations	<u><u>-</u></u>	<u><u>-</u></u>

**14 ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP**

The ultimate and controlling party parent company is Compagnie de Saint-Gobain, which is incorporated in France and listed on the Paris, London, Frankfurt and other major European stock exchanges.

The largest group in which the results of the company are consolidated is that headed by Compagnie de Saint-Gobain. No other group financial statements include the results of the company.

Copies of the Compagnie de Saint-Gobain Group financial statements may be obtained from the Company Secretary, Les Miroirs, 18 Avenue d'Alsace, 92096 Paris La Defense, France.

**15 ACCOUNTING ESTIMATES AND JUDGEMENTS**

The carrying amount of the company's investments is reviewed at each balance sheet date. In testing for impairment, management have considered the net assets and future prospects of the subsidiaries.