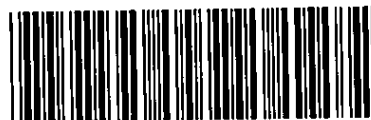


ELEMENTIS FINANCE (AUSTRALIA) LIMITED
Registered Number. 05659320

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

THURSDAY



A0327SQS

A54

06/09/2007

703

COMPANIES HOUSE

ELEMENTIS FINANCE (AUSTRALIA) LIMITED

Directors' report for the period ended 31 December 2006

The directors submit their report and the audited financial statements for the period from incorporation on 20 December 2005 to 31 December 2006

Directors

The directors of the Company who served during the period were as follows

SC Kilpatrick – appointed on 20 December 2005

BG Taylorson – appointed on 20 December 2005

Statement of 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 at the end of the financial year 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
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for ensuring that the Company keeps proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and which 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
- taking reasonable steps for the prevention and detection of fraud and other irregularities

Principal activities and business review

The Company was incorporated on 20 December 2005 and its principal activities are that of an investment holding company.

The result for the period ended 31 December 2006 and state of affairs of the Company as at that date are set out in the annexed accounts.

ELEMENTIS FINANCE (AUSTRALIA) LIMITED

Directors' report for the period ended 31 December 2006 (continued)

Dividends

No ordinary share dividend was paid or proposed during the year

Auditors

KPMG Audit Plc was appointed as auditor during the year

A resolution to re-appoint KPMG Audit Plc as auditor of the Company will be proposed at the forthcoming meeting at which these accounts are adopted

By order of the Board



W Wong
Secretary
28 August 2007

Registered office
10 Albemarle Street
London
W1S 4BL

ELEMENTIS FINANCE (AUSTRALIA) LIMITED

Auditors' report to the members of Elementis Finance (Australia)

We have audited the financial statements of Elementis Finance (Australia) for the period ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. 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 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 described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Directors report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants

28 August 2007
Registered Auditor

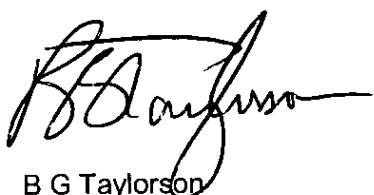
ELEMENTIS FINANCE (AUSTRALIA) LIMITED

PROFIT AND LOSS ACCOUNT for the period ended 31 December 2006

During the period from 20 December 2005 to 31 December 2006, the Company did not trade and received no income and incurred no expenditure. Consequently the Company made neither a profit nor loss in the current or prior period.

BALANCE SHEET at 31 December 2006

	2006 £'000
Debtors	
Amounts owed by group undertakings	5,032
	<hr/>
Net assets	5,032
	<hr/>
Capital and reserves	
Called up share capital	1
Share premium	5,031
Profit and loss account	-
	<hr/>
Shareholders' funds - equity	5,032
	<hr/>



B G Taylorson
Director

Approved by the Board on 28 August 2007

ELEMENTIS FINANCE (AUSTRALIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2006

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles and applicable accounting standards applied consistently

2 Administrative expenses

Auditors' remuneration and expenses are borne by Elementis Holdings Limited, an intermediate parent undertaking

The emoluments of all the directors are borne by the Company's parent undertaking, Elementis plc, being the company for which they performed substantially all of their executive duties

There were no employees in the period

3 Called up share capital

	Authorised 2006 £	Issued and fully paid 2006 £
1000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

4 Reserves

	Share premium £'000	Profit & loss account £'000
At 20 December 2005	-	-
Shares issued in the period	<u>5,031</u>	<u>-</u>
At 31 December 2006	<u>5,031</u>	<u>-</u>

ELEMENTIS FINANCE (AUSTRALIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the period ended 31 December 2006 (continued)**

5 Reconciliation of movements in shareholders' funds

	2006 £'000
Shares issued in the period	5,032
Profit for the financial period	-
Net increase in shareholders' funds	5,032
Opening shareholders' funds	-
Closing shareholders' funds	5,032

6 Parent and ultimate parent undertakings

The Company's ultimate parent undertaking is Elementis plc. The Company's immediate parent undertaking is Elementis Australia Pty Limited.

Elementis plc was the smallest and largest group to consolidate the financial statements of the Company. Copies of the consolidated financial statements of Elementis plc may be obtained from 10 Albemarle Street, London, W1S 4BL.

7 Related party transactions

As the Company is a wholly owned subsidiary, advantage has been taken of the exemption afforded by FRS8 not to disclose any related party transactions with other members of the Group or its associates and joint ventures.

8 Cash flow statement

The ultimate parent undertaking has presented in its consolidated financial statements a group cash flow statement. Accordingly the Company has taken advantage of the exemption available under FRS1 to dispense with presenting its own cash flow statement.