

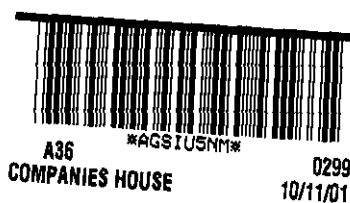
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PIONEER INTERNATIONAL OVERSEAS CORPORATION

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE 18 MONTHS ENDED

31 DECEMBER 2000



PIONEER INTERNATIONAL OVERSEAS CORPORATION

WTSB
EIS
027015

DIRECTORS' REPORT

Directors: G Dransfield
K J Ludlam
J R Read

Secretary: P D Tunnacliffe

Registered Office: 1 Grosvenor Place, London SW1X 7JH

The directors present their report and the audited accounts of the company for the 18 months ended 31 December 2000.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The profit for the period amounted to \$12,102,142 and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors shown at the head of this report are currently in office. G Dransfield, K J Ludlam and J R Read were appointed as directors on 19 December 2000. J Marlay and N Swift resigned from the board on 19 December 2000.

DIRECTORS' INTERESTS

None of the directors had any declarable interests in the share or loan capital of the company during the year under review.

The shareholding and related interest in Hanson PLC of G Dransfield is disclosed in the Hanson PLC accounts for the year ended 31 December 2000. The interests of K J Ludlam and J R Read in Hanson PLC are disclosed in the accounts of Houserate Ltd for the year ended 31 December 2000.

PIONEER INTERNATIONAL OVERSEAS CORPORATION

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

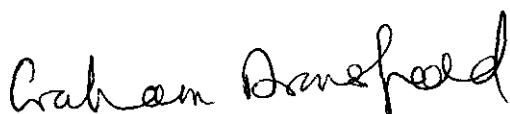
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 accounts 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.

By order of the Board



G Dransfield
Director
26 October 2001

PIONEER INTERNATIONAL OVERSEAS CORPORATION

PROFIT AND LOSS ACCOUNT

FOR THE 18 MONTHS ENDED 31 DECEMBER 2000

	<u>Note</u>	<u>(18 months)</u> <u>2000</u> <u>US\$</u>	<u>(12 months)</u> <u>1999</u> <u>US\$</u>
INVESTMENT INCOME			
Dividends and stock interest		11,982,164	9,570,000
Administrative income/(expenses)		339,426	308,765
		<u>12,321,590</u>	<u>9,878,765</u>
OTHER OPERATING INCOME			
Interest receivable		189,729	162,991
PROFIT BEFORE TAXATION	3	<u>12,511,319</u>	<u>10,041,756</u>
Tax on profit	4	<u>(409,177)</u>	<u>(111,064)</u>
PROFIT AFTER TAXATION		<u>12,102,142</u>	<u>9,930,692</u>
SURPLUS FOR THE YEAR			
TRANSFERRED TO RESERVES	9	<u><u>12,102,142</u></u>	<u><u>9,930,692</u></u>

Statement of total recognised gains and losses

There are no recognised gains and losses other than the profit for the financial period. A reconciliation of movements in shareholders' funds is set out in note 9 to the financial statements.

The accompanying notes are an integral part of this profit and loss account.

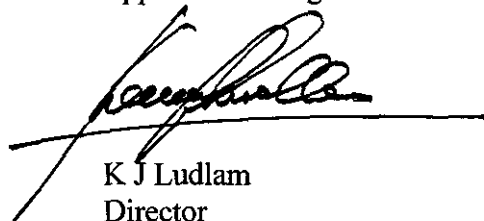
All operations relate to continuing activities.

PIONEER INTERNATIONAL OVERSEAS CORPORATION

BALANCE SHEET – 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> <u>US\$</u>	<u>30 June 1999</u> <u>US\$</u>
FIXED ASSETS			
Investment	5	160,951,143	160,951,143
CURRENT ASSETS			
Intercompany		15,621,206	945
Sundry debtors		-	1,260
Cash at bank and in hand		-	3,517,338
		<u>176,572,349</u>	<u>164,470,686</u>
Creditors (amounts falling due within one year)	6	(244,522)	(245,001)
NET ASSETS		<u>176,327,827</u>	<u>164,225,685</u>
CAPITAL AND RESERVES			
Called up equity share capital	7	1,540	1,540
Share premium account	8	143,998,560	143,998,560
Profit and loss account		<u>32,327,727</u>	<u>20,225,585</u>
EQUITY SHAREHOLDERS' FUNDS	9	<u>176,327,827</u>	<u>164,225,685</u>

Approved and signed on behalf of the Board


K J Ludlam
Director

26 October 2001

The accompanying notes are an integral part of this balance sheet.

PIONEER INTERNATIONAL OVERSEAS CORPORATION

NOTES TO THE ACCOUNTS – 18 MONTHS ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, and the preceding year, is set out below.

- a) **Basis of Accounting**
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

- b) **Income**
Dividends are accounted for on a pay-date basis and are shown net of any withholding taxes and collection charges.

Interest income on fixed interest securities is accrued for on a day to day basis.

Bank interest receivable is accounted for on an accruals basis.

- c) **Foreign currency translation**
Assets and liabilities denominated in currencies other than United States dollars have been translated into dollars at the rate of exchange ruling at the balance sheet date. Transactions during the period have been translated at the rates of exchange ruling at the date of the transaction.

- d) **Cashflow statement**
In accordance with the exemptions allowed in Financial Reporting Standard 1 (revised), a cashflow statement has not been included in the accounts as the company is a wholly owned subsidiary of Pioneer International Limited. A consolidated cashflow is included in the accounts of Pioneer International Limited (see note 10).

- e) **Investments**
Fixed asset investments are shown at cost less provision for impairment.

2 DIRECTORS' EMOLUMENTS AND STAFF COSTS

None of the directors received any emoluments for their services as directors of the company (1999 – US\$ Nil). The company did not employ any staff during the year (1999 – US\$ Nil).

Administration fees include fees charged by a fellow UK subsidiary, Pioneer International Group Holdings Limited, for services provided by employees of that company to Pioneer International Overseas Corporation.

PIONEER INTERNATIONAL OVERSEAS CORPORATION

NOTES TO THE ACCOUNTS – 18 MONTHS ENDED 31 DECEMBER 2000

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2000</u> <u>US\$</u>	<u>1999</u> <u>US\$</u>
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	1,512	10,812

4 TAXATION

	<u>2000</u> <u>US\$</u>	<u>1999</u> <u>US\$</u>
UK corporation tax at 30% (1999 – 30%)	409,177	111,064

5 INVESTMENTS

The investment is stated at cost and represents 150,000,000 'C' redeemable preference shares of US\$1 each in Pioneer International Group Holdings Limited, and 6,709,455 'B' redeemable preference shares of £1 each (based on a spot rate at date of purchase) in Pioneer International Group Holdings Limited.

6 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>2000</u> <u>US\$</u>	<u>1999</u> <u>US\$</u>
Amounts owed to group undertakings	-	155,603
Corporation tax payable	243,028	79,007
Other creditors	1,494	10,391
	<u>244,522</u>	<u>245,001</u>

7 CALLED-UP SHARE CAPITAL

	<u>2000</u> <u>US\$</u>	<u>1999</u> <u>US\$</u>
Authorised		
10,000 ordinary shares of US\$1 each	10,000	10,000
Issued and Allotted		
1,540 ordinary shares of US\$1 each	1,540	1,540

PIONEER INTERNATIONAL OVERSEAS CORPORATION

NOTES TO THE ACCOUNTS – 18 MONTHS ENDED 31 DECEMBER 2000

8 SHARE PREMIUM ACCOUNT

	<u>2000</u> <u>US\$</u>	<u>2000</u> <u>US\$</u>
Share premium account	<u>143,998,560</u>	<u>143,998,560</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u> <u>US\$</u>	<u>1999</u> <u>US\$</u>
Profit for the financial period	<u>12,102,142</u>	<u>9,930,692</u>
Net increase in shareholders' funds	<u>12,102,142</u>	<u>9,930,692</u>
Opening shareholders' funds	<u>164,225,685</u>	<u>154,294,993</u>
Closing shareholders' funds	<u>176,327,827</u>	<u>164,225,685</u>

10 GROUP ACCOUNTS

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Hanson PLC, registered in England and Wales. Hanson PLC is also the ultimate parent undertaking. Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH.

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Hanson PLC group.