

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED

31 DECEMBER 2000

Company Registration No: 264420



BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT OF THE DIRECTORS FOR THE 15 MONTHS ENDED 31 DECEMBER 2000

The Directors present their report and the financial statements for the period ended 31 December 2000. Preussag AG, the ultimate parent undertaking, has changed its financial year end to 31 December and accordingly the Company has changed its year end to 31 December. These financial statements therefore cover the 15 month period to 31 December 2000 while comparatives are for the year to 30 September 1999.

PRINCIPAL ACTIVITIES

The Company has operated and continues to operate as an investment holding company.

RESULTS AND DIVIDENDS

The profit for the period after taxation was £4,184,000 (1999: £2,056,000). A final dividend of £29,000,000 (1999: £2,050,000) is proposed resulting in a transfer from reserves of £24,816,000 (1999: transfer to reserves of £6,000).

DIRECTORS

The following Directors served during the period:

Mr V H Sher
Mr G C L Rowan
Mr A W N Green (retired 14 February 2001)
Mr D J Farmer

The Directors at 31 December 2000 had no interests in the shares of Group companies which are required to be shown in this report.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of its profit or loss for the 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 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.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution to re-appoint PricewaterhouseCoopers as the Company's auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



D J FARMER
SECRETARY

55 Bishopsgate
London
EC2N 3AH

16 MARCH 2001

AUDITORS' REPORT TO THE MEMBERS OF BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 the information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 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.

OPINION

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


PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

16 MARCH 2001

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

	<u>Notes</u>	<u>15 months to</u> <u>31 December 2000</u> <u>£'000</u>	<u>12 months to</u> <u>30 September 1999</u> <u>£'000</u>
Other income		7	6
Other charges		(109)	(2)
Investment income	3	4,288	2,052
Profit on ordinary activities before taxation		4,186	2,056
Tax on profit on ordinary activities	4	(2)	-
Profit on ordinary activities after taxation		4,184	2,056
Dividends paid and proposed	5	(29,000)	(2,050)
		(24,816)	6
Retained profit brought forward		25,428	25,422
Retained profit carried forward		612	25,428

There were no recognised gains or losses in the period other than the profit.

All activities of the Company are continuing.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

BALANCE SHEET

	Notes	At 31 December 2000 £'000	At 30 September 1999 £'000
<u>FIXED ASSETS</u>			
Tangible assets	6	5	6
Investments	7	48,920	46,262
		-----	-----
		48,925	46,268
		-----	-----
<u>CURRENT ASSETS</u>			
Debtors	8	7,311	5,700
Cash at bank		15	4
		-----	-----
		7,326	5,704
		-----	-----
		56,251	51,972
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called-up share capital	9	2,526	2,526
Share premium account		53	53
Profit and loss account		612	25,428
		-----	-----
Equity shareholders' funds	10	3,191	28,007
Creditors	11	53,060	23,965
		-----	-----
		56,251	51,972
		=====	=====

The financial statements on pages 4 to 11 were approved by the Board of Directors on 16 March 2001 and were signed on their behalf by:

G C L ROWAN

D J FARMER

DIRECTORS

G C L Rowan
D J Farmer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2000

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards applicable in the United Kingdom. Preussag AG, the ultimate parent undertaking, has changed its financial year end to 31 December and accordingly the Company has changed its year end to 31 December. These financial statements therefore cover the 15 month period to 31 December 2000 while comparatives are for the year to 30 September 1999. A summary of the more important policies is given below.

BASIS OF ACCOUNTING

The Company prepares its financial statements on the historical cost basis of accounting as amended by the revaluation of fixed asset investments.

Fixed asset investments are periodically valued. Each subsidiary undertaking is valued by reference to its earnings and net assets. Investments acquired subsequent to the latest valuation are included in the balance sheet at cost. At each balance sheet date, the aggregate carrying value of investments is reviewed, with provision made for any impairment.

Consolidated financial statements are not submitted as the Company is a wholly owned subsidiary of another body corporate incorporated in Great Britain.

DIVIDEND INCOME

Dividend income from overseas subsidiaries is shown inclusive of withholding taxes which are shown as overseas taxation within the taxation charge for the period.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities expressed in foreign currencies are translated into sterling at rates ruling at the balance sheet date. Any profit or loss arising on translation is included in the profit and loss account.

DEPRECIATION

Tangible fixed assets are depreciated in equal annual instalments over their estimated useful lives using an annual rate of 2% for freehold land and buildings.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2000 (CONTINUED)

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
2. <u>DIRECTORS' REMUNERATION</u>		
The Directors did not receive any remuneration for their services to the Company during the period (1999: Nil)		
3. <u>INVESTMENT INCOME</u>		
Dividend income from shares in subsidiary undertakings	4,288	2,052
	=====	=====
4. <u>TAXATION</u>		
UK Corporation Tax	2	2
Prior period adjustment	-	(2)
	-----	-----
	2	-
	=====	=====

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2000 (CONTINUED)

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
5. <u>DIVIDENDS PAID AND PROPOSED</u>		
Final dividend proposed	29,000 =====	2,050 =====
6. <u>TANGIBLE FIXED ASSETS</u>		
Freehold land and buildings at 31 December 2000 and 30 September 1999:		
	<u>£'000</u>	<u>£'000</u>
Cost	13	13
Depreciation	(8) -----	(7) -----
Net book amount	5 =====	6 =====
7. <u>FIXED ASSET INVESTMENTS</u>		
		Shares in Subsidiary Undertakings
		<u>£'000</u>
<u>At valuation/cost</u>		
At 1 October 1999		46,262
Acquisition of and additional investment in:		
Brookside Metal Company Ltd, Mil-Ver Metal Company Ltd, and		2,658
Solmet Alloys Ltd		-----
At 31 December 2000		48,920 =====

The carrying value of the investments has reviewed at 31 December 2000, primarily by reference to the underlying net assets in each subsidiary undertaking. On this basis, the aggregate value of the investments at 31 December 2000 is not less than £48,920,000 and no provision for impairment was necessary.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE 15 MONTHS ENDED 31 DECEMBER 2000 (CONTINUED)

The Company holds more than 10% of the equity of the following companies.

<u>Company and country of incorporation/ registration</u>	<u>Principal Place of business</u>	<u>Main activities</u>	<u>Percentage of equity shares %</u>
<u>Subsidiary Undertakings</u> (Principal Subsidiaries only)			
<u>Great Britain</u>			
BKS Surveys Ltd	Coleraine	Digital mapping and spatial data engineering	100
Keeling & Walker Ltd	Stoke-on-Trent	Tin oxide manufacturing	100
Mountstar Metal Corporation Ltd	Biggleswade	Scrap metal trading and reprocessing	100
Oakland Metal Company Ltd	London	Minerals trading	100
William Rowland Ltd	Sheffield	Metals trading and distribution	100
Amalgamated Metal Trading Ltd	London	London Metal Exchange ring dealer	100
AMT Futures Ltd	London	Commodity and financial futures brokers	100
Brookside Metal Company Ltd	Willenhall	Production of copper alloy and copper sulphate	100
Mil-Ver Metal Company Ltd	Coventry	Aluminium refining	100
Solmet Alloys Ltd 100	London	Property investment/dormant	
<u>Singapore</u>			
Amalgamet (South East Asia) Pte Ltd	Singapore	Metals, concentrates and minerals trading	100
<u>USA</u>			
Amalgamet Inc	Connecticut	Metals, concentrates and minerals trading	100
<u>Canada</u>			
Premetalco Inc	Toronto Calgary Edmonton Montreal Vancouver	Metals, concentrates and minerals trading; steel service centres; chemicals distribution; construction materials manufacture and distribution; manufacture of heat exchangers	(note)

Note:

The Company's holding in Premetalco Inc comprises 55% of the 'A' ordinary shares, together with 100% of the "B" shares. The other 45% of the "A" ordinary shares are held by The British Metal Corporation Limited, a fellow subsidiary undertaking of Amalgamated Metal Corporation PLC.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2000 (CONTINUED)

<u>Company and country of incorporation/ registration</u>	<u>Principal Place of Business</u>	<u>Main activities</u>	<u>Percentage of equity shares held %</u>
---	--	------------------------	---

Thailand

Thailand Smelting & Refining Company Limited (Thaisarco)	Phuket	Tin smelting	50 *
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* The Company holds 50% of the ordinary shares of Thaisarco, and Escoy Holdings Bhd (below) holds the other 50%, giving the Company an effective 75.25% holding.

Malaysia

Escoy Holdings Bhd	Penang	Investment holding company and property investment	50.5
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Principal subsidiary undertakings include all companies which traded in the period. Dormant companies are not included.

8. DEBTORS

Amounts falling due within one year:

Amounts owed by Group undertakings

- Parent undertaking	3,250	3,635
- Fellow subsidiary undertakings	14	13
- Dividends receivable	4,047	2,052
	-----	-----
	7,311	5,700
	=====	=====

9. CALLED-UP SHARE CAPITAL

Authorised:

10,108,000 ordinary shares of 25p each	2,527	2,527
	=====	=====

Allotted, called up and fully paid:

10,104,410 ordinary shares of 25p each	2,526	2,526
	=====	=====

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 DECEMBER 2000 (CONTINUED)

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
10. <u>EQUITY SHAREHOLDERS' FUNDS</u>		
Brought forward	28,007	28,001
Recognised gain		
Profit for the period	4,184	2,056
Dividends paid and proposed	(29,000)	(2,050)
	-----	-----
Carried forward	3,191	28,007
	=====	=====

11. CREDITORS

Amounts falling due within one year:

Amounts owed to Group undertakings

- Proposed Dividend	29,000	2,050
- Parent Undertakings	24,058	21,913
Corporate taxation	2	2
	-----	-----
	53,060	23,965
	=====	=====

12. CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of Amalgamated Metal Corporation PLC (note 13) whose financial statements include a consolidated cash flow statement. Consequently, in accordance with FRS1 (Revised) the Company is exempt from preparing a cash flow statement as part of these financial statements.

13. PARENT UNDERTAKINGS

The ultimate parent undertaking is Preussag AG (a company incorporated in Germany). Copies of the consolidated financial statements are available from:

Preussag AG
Karl-Wiechert Allee 4
30625 Hannover
Germany

The parent of the smallest group of undertakings that prepares consolidated financial statements is Amalgamated Metal Corporation PLC. Copies of the consolidated financial statements are available at the company's registered office:

55 Bishopsgate
London
EC2N 3AH

14. RELATED PARTIES

There were no material related party transactions which would require disclosure under FRS8, "Related Party Disclosures".