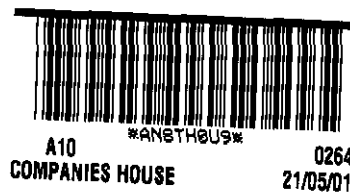


WIGGINS TEAPE PENSIONS LIMITED

Registered Number: 968654

**Directors' report and financial statements
for the year ended 31 December 2000**



Wiggins Teape Pensions Limited

Directors' report

Directors' report for the year ended 31 December 2000

The directors present their report and the unaudited financial statements for the year ended 31 December 2000.

Principal activities

The Company did not trade during the year.

Business review and outlook

The Company was the corporate trustee of The Wiggins Teape Pension Scheme up to 22 May 2000. Since that date it has been inactive. The directors expect that it will continue to remain inactive in the foreseeable future.

Directors

The directors holding office during the year were:

T.G. Arthur (resigned on 31 March 2000)	C.B. Filmer
G.W. Bennett	D.G. Hargrave (appointed 31 March 2000)
B.A. Bowtell	J.A. Jarvis
C.J. Britchford	S.D. Rennie
R.P. Curtis (appointed 31 March 2000)	T.S. Taylor (resigned 31 March 2000)
A.N. Dungate	J.F. Walker

Directors' interests in share capital and share option schemes

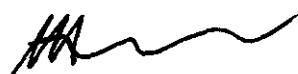
According to the Company's register, no director of the Company, nor members of his family as defined by the Companies Act 1985, had any interest in the shares of the Company.

No director, who was not also a director of the Company's parent or holding companies, held any interest in the share capital and share option schemes of Arjo Wiggins Appleton p.l.c. or its subsidiaries at 31 December 2000, as shown in the register kept by the Company, except as shown in Note 4 in the financial statements. The interests of Mr. R.P. Curtis and Mr A.N. Dungate in the share capital and share option schemes of Arjo Wiggins Appleton p.l.c. are disclosed in the accounts of Wiggins Teape Appleton Limited.

Auditors

The Company continued to be dormant within the meaning of Section 250 of the Companies Act 1985 and, accordingly, auditors have not been appointed.

By order of the board



A J Birchall
Secretary

16 May 2001

Registered office:
45 Pall Mall,
London,
SW1Y 5JG

Wiggins Teape Pensions Limited
Financial statements

Balance sheet at 31 December 2000

Note	2000	1999
	£	£
Current assets		
Amounts owed by holding company	<u>3</u>	<u>3</u>
Net assets	<u>3</u>	<u>3</u>
Capital and reserves		
2 Called-up share capital	<u>3</u>	<u>3</u>
Shareholders' funds	<u>3</u>	<u>3</u>


For the year ended 31 December 2000 the Company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the Company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 2 to 5 were approved by the board of directors on *16 May* 2000 and were signed on its behalf by:


Director
A N DWYER

The notes on page 3 to 5 form an integral part of these financial statements.

Wiggins Teape Pensions Limited
Notes to the financial statements

1. Principal accounting policies

The financial statements have been prepared in accordance with accounting standards applicable in the United Kingdom. The Company has not prepared a profit and loss account or a statement of total recognised gains and losses as there were no transactions during either the year ended 31 December 2000 or in the previous financial year. Any expenses incurred by the Company have been borne by Arjo Wiggins Appleton p.l.c., except as shown in Note 3.

2 Called-up share capital

	2000	1999
Authorised	£	£
Ordinary shares of £1 each	100	100
Allotted, called-up and fully paid		
Ordinary shares of £1 each	3	3

3 Directors' emoluments

	2000	1999
	£	£
Aggregate amount of fees	21,900	16,700

These fees were borne by The Wiggins Teape Pension Scheme.

4 Directors' interest in share capital and share option schemes

According to the Company's register, no director of the Company, nor members of his family as defined by the Companies Act 1985, had any interest in the shares of the Company.

The interests of the directors in the share capital and share option schemes of Arjo Wiggins Appleton p.l.c. at 31 December 2000, as shown in the register kept by the Company, are set out below, other than those of Mr. R.P. Curtis and Mr. A.N. Dungate which are disclosed in the accounts of Wiggins Teape Appleton Limited, the Company's immediate parent company.

Arjo Wiggins Appleton p.l.c.					
Number of shares/options					
Share Details	Outstanding at 31.12.99 / date of appointment	Bought/ granted	Cash Cancelled	Sold/ exercised	Outstanding at 31.12.00
G W Bennett					
AWA 25p Shares	1,518	-		1,518	-
B A Bowtell					
AWA 25p Shares	14,676	-		14,676	-
SAYE options	11,693	-		-	11,693
C J Britchford					
AWA 25p Shares	646	-		646	-
SAYE options	7,160	-		-	7,160
Executive options	114,210	40,000	120,000	*22,210	12,000
C B Filmer					
AWA 25p Shares	16,881	-		16,881	-
J A Jarvis					
AWA 25p Shares	98	-		98	-
SAYE options	8,067	-		-	8,067
Executive options	136,132	-	40,000	*71,132	25,000
S D Rennie					
SAYE options	12,175	-		-	12,175
J F Walker					
AWA 25p Shares	918	-		918	-
SAYE options	616	-		*222	394

*Options exercised and resulting shares sold.

Following the public offer by Worms et Cie S. A. to acquire 100% of the share capital of Arjo Wiggins Appleton p.l.c. in June 2000, the majority of the options outstanding were exercised. Option holders had the choice of exercising their options in the normal way or relinquishing their rights in exchange for a cash payment (cash cancellation).

Of the remaining options, those issued under the SAYE option scheme remain in force and may be exercised normally between either three and three and a half, or five and five and a half, years after the commencement of the contract. The senior executive options which were not exercised by 25 January 2001 have lapsed. Shares issued following exercise will be transferred to Worms et Cie S. A. under the terms of the Scheme of Arrangement and the option holder will receive the offer price of 260p per share.

5 Parent companies

The Company is a wholly-owned subsidiary of Wiggins Teape Appleton Limited, a company incorporated in Great Britain; a further parent company is Arjo Wiggins Appleton p.l.c., which is also incorporated in Great Britain. A copy of the consolidated financial statements of that company can be obtained from the Secretary, at the following address:

45 Pall Mall, London, SW1Y 5JG.

Further parent companies for which group accounts are prepared are:

Worms et Cie S.A., a company registered in France. A copy of the consolidated financial statements of Worms et Cie S.A. can be obtained from the Secretary, at the following address:

25, avenue Franklin D. Roosevelt, 75008 Paris, France.

IFIL – Finanziaria di Partecipazioni S.p.A, and IFI – Istituto Finanziario Industriale S.p.A., both companies registered in Italy. A copy of the financial statements of those companies can be obtained from the Secretary, at the following address:

Corso Matteotti, 26, 10121 Turin, Italy.

The ultimate parent company and controlling party is Giovanni Agnelli S.A.P.A., a company registered in Italy, acting for the descendants of Senator Giovanni Agnelli.