

HANSON (MR) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

31 DECEMBER 2001



DIRECTORS' REPORT

Directors: G Dransfield
 K J Ludlam
 J R Read

Secretary: P D Tunncliffe

Registered office: 1 Grosvenor Place, London SW1X 7JH

The directors present their report and the audited accounts of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a group investment company.

RESULTS AND DIVIDENDS

The company did not trade during the year. The directors do not recommend the payment of a dividend for the year.

SHARE CAPITAL

On 23 March 2001, the company increased the authorised share capital from £10,000 to £250,000,000 by the creation of 249,990,000 ordinary shares of £1 each.

DIRECTORS

The directors shown at the head of this report are currently in office. C D Collins resigned as a director on 7 August 2001, and K J Ludlam and J R Read were appointed on that date. G Dransfield served throughout the year.

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 are disclosed in the Hanson PLC accounts for the year ended 31 December 2001. 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 2001.

ANNUAL GENERAL MEETING

Pursuant to the Elective Resolution of the company passed on 19 July 1991, the company has dispensed with the need to hold Annual General Meetings. Any member of the company is entitled to require the laying of the accounts before a general meeting on giving due notice to that effect in accordance with S253 of the Companies Act 1985.

DIRECTORS' REPORT

AUDITORS

On 28 June 2001, Ernst & Young, the company's auditors, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company in accordance with S386 of the Companies Act 1985.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

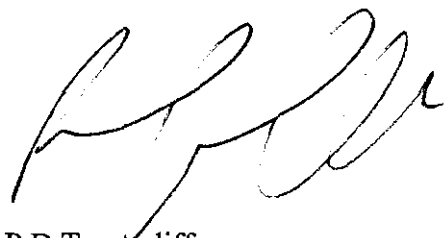
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those accounts, the directors are required to:

- 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



P D Tunnacliffe
Secretary
3 October 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANSON (MR) LIMITED

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the balance sheet and the related notes 1 to 4. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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 United Kingdom 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 as at 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP.

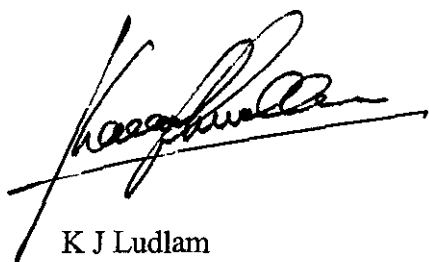
Ernst & Young LLP
Registered Auditor
London
3 October 2002

HANSON (MR) LIMITED

BALANCE SHEET AT 31 DECEMBER 2001

	<u>Notes</u>	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
CURRENT ASSETS			
Amount due from fellow subsidiary undertaking		<u>108,701,915</u>	<u>-</u>
CAPITAL AND RESERVES			
Called-up share capital	2	108,701,957	42
Profit and loss account		(42)	(42)
		<u> </u>	<u> </u>
Shareholders' funds attributable to equity interests	3	<u>108,701,915</u>	<u>-</u>

Approved by the Board of Directors
3 October 2002



K J Ludlam
Director

NOTES TO THE ACCOUNTS - 31 DECEMBER 2001**1 ACCOUNTING POLICIES****Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The company has taken advantage of the exemption available to it under FRS1 "Cash Flow Statements" not to prepare a statement of cash flows.

2 SHARE CAPITAL

At 31 December 2000 and 2001 the share capital of the company was as follows:

	<u>Authorised</u> £	<u>Allotted, called-up and full paid</u> £
At 31 December 2000:		
Ordinary shares of £1 each	10,000	42
Authorised, issued and fully paid in the year	249,990,000	108,701,915
At 31 December 2001	<u>250,000,000</u>	<u>108,701,957</u>

On 23 March 2001, the company increased the authorised share capital from £10,000 to £250,000,000 by the creation of 249,990,000 ordinary shares of £1 each.

3 MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2001</u> £	<u>2000</u> £
Opening shareholders' funds	-	-
Shares issued in year	<u>108,701,915</u>	-
	<u>108,701,915</u>	-

4 GROUP ACCOUNTS

The immediate parent undertaking of Hanson (MR) Limited is St Yvette Sarl, a company registered in Luxembourg and the ultimate parent undertaking is Hanson PLC, a company registered in England and Wales. The largest group preparing consolidated group accounts which include Hanson (MR) Limited is Hanson PLC and the smallest group preparing consolidated group accounts is Houserate Limited, a company registered in England and Wales.

Copies of the accounts of Hanson PLC and Houserate Limited can be obtained from 1 Grosvenor Place, London, SW1X 7JH.

The company has taken advantage of the exemption available to it in FRS 8 "Related Party Disclosures" from disclosing transactions with related parties that are part of the Hanson PLC group.