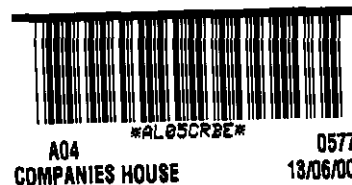


SOVEREIGN HARBOUR LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

(Registered in England, Number 2217605)



SOVEREIGN HARBOUR LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 1999.

Business review

The company has not traded, or made profits or losses, during the year ended 31 December 1999.

On 29 July 1999 Tarmac Construction Services was demerged from Tarmac plc. This resulted in the listing of Carillion plc on the London Stock Exchange on 30 July 1999.

Directors and directors' interests

The directors serving during the year were :

S P Eastwood (appointed 2 August 1999)
D O FitzHugh (appointed 4 October 1999)
B Pellard
G A Cooper
B J Sharples

None of the directors had any interest in the shares of the company.

The directors who held office at the end of the financial year and their families, other than those whose interests are disclosed in the financial statements of the ultimate holding company, had the following interests in, and options to subscribe for, ordinary shares at 50p each in Carillion plc, and Tarmac plc up to the date of demerger :

Number of Shares

	At 31 December 1999		At 1 January 1999, or date of appointment if later		Share option movements in year		
	Shares number	Share options number	Shares number	Share options number	Granted Number	Exercised Number	Lapsed Number
G A Cooper							
Carillion plc	6,943	-	n/a	n/a	-	-	-
Tarmac plc	n/a	n/a	24,766	117,684	-	52,758	19,051
S P Eastwood							
Carillion plc	17,104	55,835	3,634(1)	-(1)	55,835	-	-
Tarmac plc	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D O FitzHugh							
Carillion plc	32,483	77,619	10,470(2)	-(2)	77,619	-	-
Tarmac plc	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B Pellard							
Carillion plc	29,673	-	n/a	n/a	-	-	-
Tarmac plc	n/a	n/a	40,132	585,809	-	384,424	51,365

(1) At date of appointment on 2 August 1999.

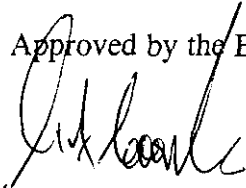
(2) At date of appointment on 4 October 1999

SOVEREIGN HARBOUR LIMITED

DIRECTORS' REPORT

No director had any beneficial interest in the share or loan capital of any subsidiary of Carillion plc.

Approved by the Board on 14 March 2000 and signed on its behalf by :

A handwritten signature in black ink, appearing to read 'G A Cooper', is written over the text 'Approved by the Board on 14 March 2000 and signed on its behalf by :'. The signature is fluid and cursive.

G A Cooper
Secretary

**Birch Street
Wolverhampton
WV1 4HY**

SOVEREIGN HARBOUR LIMITED**BALANCE SHEET****AT 31 DECEMBER 1999**

	Note	1999 £	1998 £
Fixed assets			
Investments	3	<u>100,000</u>	<u>100,000</u>
Capital and reserves			
Share capital:			
Authorised:			
1,000,000 ordinary shares of £1 each		<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid:			
100,000 ordinary shares of £1 each		<u>100,000</u>	<u>100,000</u>

The company was dormant within the meaning of section 250 of the Companies Act 1985 throughout the year ended 31 December 1999.

These financial statements were approved by the board of directors on 14 March 2000 and signed on its behalf by:


B J Sharples
Director

SOVEREIGN HARBOUR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

1. Profit and loss account

The company has not traded, made profits or losses, nor incurred any liabilities during the financial year. Therefore, no profit and loss account is attached.

2. Directors' emoluments

The directors have neither received nor waived any remuneration.

3. Investment

The investment consists of 100% of the ordinary share capital of Eastbourne Harbour Company Limited, a company registered in England and Wales.

4. Parent companies

The company's immediate parent company is Carillion Construction Limited, whilst the company's ultimate parent company is Carillion plc, both of which are registered in England and Wales.

Copies of both the financial statements of Carillion Construction Limited and the group financial statements of Carillion PLC are available from 24 Birch Street, Wolverhampton, WV1 4HY.