

COSTAIN ENGINEERING & CONSTRUCTION LIMITED

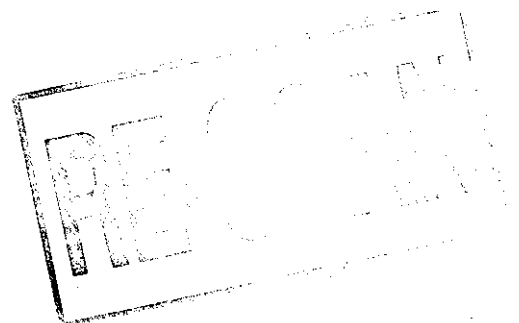
REGISTERED NUMBER 2440829

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2002

KPMG Audit Plc
Chartered Accountants
Registered Auditor
GATWICK



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COSTAIN ENGINEERING & CONSTRUCTION LIMITED
REPORT OF THE DIRECTORS
For the year ended 31 December 2002

BUSINESS REVIEW

The company is an investment company and a holding company for Costain Group's engineering and construction operations.

The results for the year are set out in the Profit and Loss Account on page 5.

DIRECTORS AND SHARE INTERESTS

Directors who held office during the year and their disclosable interests in shares, according to in the register of directors' interests were as follows:

		At 01.01.02	At 31.12.02
S Doughty*			
C J McCole*†	(appointed 26.04.02)		
P R Adams	b	-	166,915
	c	-	47,250
A J Handford	a	374	374
	b	-	135,618
	c	-	9,450
J D Bevan	(resigned 30.09.02) a	528	528§
R K J Bruce	(resigned 31.10.02) a	289	289§

- a - Costain Group PLC ordinary shares of 10p each.
- b - Options granted on 11 October 2002 to acquire Costain Group PLC ordinary shares under the 2002 Long Term Incentive Plan.
- c - Options granted on 22 October 2002 to acquire Costain Group PLC ordinary shares under the 2002 Save As You Earn Share Option Scheme.
- * - The interests of these directors in the shares of Costain Group PLC are disclosed in the accounts of that company.
- † - At subsequent date of appointment.
- § - As at a date of resignation.

EMPLOYMENT OF DISABLED PERSONS

It is the company's policy to give full and fair consideration to applications for employment made by disabled persons, to continue wherever possible the employment of and to arrange appropriate training for those who become disabled and to provide equal opportunities for the training and career development of disabled employees.

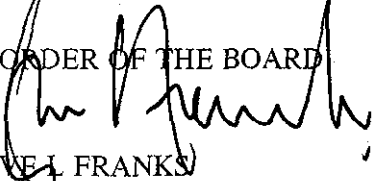
EMPLOYEE INVOLVEMENT

The Costain Group provides information to its employees both of a general company nature and to encourage awareness of financial and economic factors which affect the company in various ways. These include a house newspaper, information via our electronic mail system, circulation of press releases, management briefings on company results, a report to employees on the annual accounts of the Group and annual pension scheme reports. Participation and involvement are encouraged through regular management meetings with employees.

CREDITOR PAYMENT POLICY AND PRACTICE

As a result of the nature of the company's businesses, the contractual relationships with suppliers of goods and services and with subcontractors vary according to circumstances. It is the company's policy to enter into any appropriate form of contractual agreement on payment terms and to pay according to those terms. The company does not follow any particular code of practice for the payment of creditors. In practice, the company makes every effort to pay when it can be confirmed that the supplier has provided the goods or services in accordance with the relevant terms of the contract. There are no trade creditors shown in the balance sheet at the end of the financial year (2001: none).

BY ORDER OF THE BOARD


CLIVE L. FRANKS
SECRETARY
25 March 2003

REGISTERED OFFICE

Costain House, Nicholsons Walk,
Maidenhead, Berkshire SL6 1LN

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF
FINANCIAL STATEMENTS

For the year ended 31 December 2002

Company law requires the directors to prepare financial statements 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 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 the 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
For the year ended 31 December 2002

We have audited the financial statements on pages 5 to 17.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
.....
KPMG Audit Plc
Chartered Accountants
Registered Auditor
GATWICK

25 March 2003
.....
Date

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2002

	Notes	2002	2001
		£000's	£000's
Turnover	1	3,222	3,544
Cost of sales		(2,915)	(4,391)
Gross profit/(loss)		307	(847)
Income from shares in participating interests		226	248
Operating profit/(loss)		533	(599)
Interest receivable - external		135	135
Other finance income	5	1,900	4,490
		2,568	4,026
Interest payable - on amounts due to fellow subsidiary undertakings		(834)	(1,851)
Profit on ordinary activities before taxation	2	1,734	2,175
Taxation	6	(776)	(1,256)
Profit for the financial year	15	958	919


All operating losses are attributable to continuing operations.

THE NOTES ON PAGES 8 TO 17 FORM PART OF THESE FINANCIAL STATEMENTS

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
BALANCE SHEET
As at 31 December 2002

	Notes	2002	2001
		£000's	£000's
Fixed assets			
Investments	7	103,756	103,774
		<hr/>	<hr/>
Current assets			
Debtors	8	25,029	26,120
Creditors: amounts falling due within one year	10	(101,803)	(101,530)
		<hr/>	<hr/>
Net current liabilities		(76,774)	(75,410)
		<hr/>	<hr/>
Total assets less current liabilities		26,982	28,364
Provision for liabilities and charges	11	(1,896)	(2,696)
		<hr/>	<hr/>
Net assets excluding pension asset		25,086	25,668
Pension (liability)/asset	12	(24,094)	9,421
		<hr/>	<hr/>
Net assets including pension asset		992	35,089
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	41,204	41,204
Share premium account	14	19,804	19,804
Other reserves	14	12,425	12,425
Profit and loss account	14	(72,441)	(38,344)
		<hr/>	<hr/>
Equity shareholders' funds	15	992	35,089
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 25 March 2003 and were signed on its behalf by:


.....Director
C J McCole

THE NOTES ON PAGES 8 TO 17 FORM PART OF THESE FINANCIAL STATEMENTS

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2002

	2002	2001
	£000's	£000's
Profit for the financial year	958	919
Actuarial loss recognised in the pension scheme	(50,079)	(39,551)
Deferred tax arising thereon	15,024	11,849
Total recognised losses relating to the year	<u>(34,097)</u>	<u>(26,783)</u>

Historical cost profit is not materially different from reported profit.

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards under the historical cost convention.

The financial statements present information about the company as an individual undertaking and not about its Group. The company is exempt from preparing group accounts (under section 228 of the Companies Act 1985) as it is included in the consolidated accounts of its ultimate parent company.

CASH FLOW STATEMENT

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent company includes the company in its own published consolidated financial statements.

TURNOVER

Turnover represents the amounts (excluding value added tax) receivable for rental income and services provided.

INTEREST PAYABLE

Interest is normally written off to the profit and loss account as it is incurred.

FOREIGN CURRENCY TRANSACTIONS

Exchange differences on transactions completed in the ordinary course of business are dealt with in profit on ordinary activities.

LEASED ASSETS

The annual rentals in respect of operating leases are charged to the profit and loss account.

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2002

1. Accounting policies - continued

PENSIONS

The Company operates a pension scheme providing benefits based on final pensionable salary for employees of Costain Group PLC and its subsidiaries. The assets of the scheme are held separately from those of the Company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the Costain Group defined benefit pension scheme expected to arise from employee service in the period is charged to the operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the schemes liabilities arising from the passage of time are included in the other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

2. Profit on ordinary activities before taxation

	2002	2001
	£000's	£000's
Profit on ordinary activities is stated after charging		
Car leasing costs	2,639	2,674
Staff costs (note 3)	55,821	48,919

The auditor's remuneration was borne by another group company.

3. Staff costs

	2002	2001
	£000's	£000's
Wages and salaries	47,845	41,058
Social security costs	3,828	3,448
Pension costs	4,148	4,413
Total payroll costs	<u>55,821</u>	<u>48,919</u>

The average number of persons employed by the company during the year in the United Kingdom was 1,175 (Administrative: 287 Operational: 888) (2001: 1,239). All staff were seconded to fellow subsidiaries and their costs charged.

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2002

4. Remuneration of directors

No emoluments were paid to the directors of the company during the year (2001: £nil)

5. Other finance income

	2002 £000's	2001 £000's
Expected return on pension scheme assets	20,600	22,616
Interest on pension scheme liabilities	(18,700)	(18,126)
	<hr/>	<hr/>
Net return	1,900	4,490
	<hr/>	<hr/>

6. Taxation

	2002 £000's	2001 £000's
UK corporation tax at 30%	(116)	(189)
UK deferred tax	(660)	(1,067)
	<hr/>	<hr/>
	(776)	(1,256)
	<hr/>	<hr/>
Tax reconciliation:	2002 £000's	2001 £000's
Profit on ordinary activities before taxation	1,734	2,175
	<hr/>	<hr/>
Tax at 30%	(520)	(653)
Group income	68	77
Sundry disallowed expenditure	(98)	(61)
Deferred tax not recognised	67	448
Group relief claimed free of charge	367	-
	<hr/>	<hr/>
Total current tax	(116)	(189)
	<hr/>	<hr/>
The elements of deferred taxation are as follow:	2002 £000's	2001 £000's
Deferred tax asset/(liability) on pension (liability)/asset	10,326	(4,038)
	<hr/>	<hr/>

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2002

6. Taxation - continued

The movements in the deferred taxation balance were as follow:

	£000's
Provision at the beginning of the year	(4,038)
Amount charged to the profit and loss account	(660)
Amount credited to the statement of recognised gains and losses	15,024
	<hr/>
Asset at the end of the year	10,326
	<hr/>

There are other deferred tax assets that have not been recognised on the basis that their future economic benefit is not assured as at the balance sheet date.

7. Investments

	Subsidiary undertakings	Other investments	Investments in joint ventures	Loans to joint ventures	Other loans	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost						
At 1 January 2002	137,376	350	50	2,331	1,033	141,140
Additions	-	-	-	447	-	447
Disposals	-	-	-	-	(18)	(18)
At 31 December 2002	<hr/> 137,376 <hr/>	<hr/> 350 <hr/>	<hr/> 50 <hr/>	<hr/> 2,778 <hr/>	<hr/> 1,015 <hr/>	<hr/> 141,569 <hr/>
Provisions						
At 1 January 2002	36,340	300	-	726	-	37,366
Provided in year	-	-	-	447	-	447
At 31 December 2002	<hr/> 36,340 <hr/>	<hr/> 300 <hr/>	<hr/> - <hr/>	<hr/> 1,173 <hr/>	<hr/> - <hr/>	<hr/> 37,813 <hr/>
Net Book Value						
At 31 December 2002	<hr/> 101,036 <hr/>	<hr/> 50 <hr/>	<hr/> 50 <hr/>	<hr/> 1,605 <hr/>	<hr/> 1,015 <hr/>	<hr/> 103,756 <hr/>
At 31 December 2001	<hr/> 101,036 <hr/>	<hr/> 50 <hr/>	<hr/> 50 <hr/>	<hr/> 1,605 <hr/>	<hr/> 1,033 <hr/>	<hr/> 103,774 <hr/>

Details of subsidiary undertakings and joint ventures are shown in note 20.

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2002

8. Debtors

	2002 £000's	2001 £000's
Amounts falling due within one year:		
Amounts owing by parent and fellow subsidiary undertakings	23,220	25,044
Other debtors	1,809	1,076
	<u>25,029</u>	<u>26,120</u>

9. Cash at bank

The company's bankers have the right to set off the company's bank balance when in credit against borrowings by Richard Costain Limited.

10. Creditors: amounts falling due within one year

	2002 £000's	2001 £000's
Bank overdraft	-	2
Amounts owing to parent and fellow subsidiary undertakings	94,617	96,609
Social security	1,366	2,333
Taxation	116	189
Other creditors	5,697	2,380
Accruals and deferred income	7	17
	<u>101,803</u>	<u>101,530</u>

11. Provision for liabilities and charges

	At beginning of year £000's	Provided £000's	Utilised £000's	At end of year £000's
Other provisions	2,696	-	(800)	1,896
	<u>2,696</u>	<u>-</u>	<u>(800)</u>	<u>1,896</u>

Other provisions relate to litigation provisions and costs of vacant property. The provisions are expected to be utilised over the next two years.

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
NOTES ON THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2002

12. Pensions

The company operates a number of pension schemes principally of the defined benefit type in the United Kingdom, under which contributions are paid by the company and its employees. The pension cost charge of the United Kingdom pension schemes amounted to £4.1m (2001: £4.4m).

A full actuarial valuation of the United Kingdom scheme was carried out at 31 March 2001 and was updated to 31 December 2002 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	31.12.2002	31.12.2001	31.12.2000
Rate of increase in pensionable salaries	2.3%	4.0%	4.0%
Rate of increase in pensions in payment	2.3%	2.5%	2.5%
Discount rate	5.6%	6.0%	5.9%
Inflation assumption	2.3%	2.5%	2.5%

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus are inherently uncertain, were:

	31.12.2002	31.12.2002	31.12.2001	31.12.2001	31.12.2000	31.12.2000
		£m		£m		£m
Equities	6.9%	180.7	7.2%	206.4	7.4%	231.5
Bonds	4.5%	106.9	4.9%	123.8	4.6%	128.7
Total market value of assets		287.6		330.2		360.2
Actuarial value of liability		(322.0)		(316.7)		(310.8)
(Deficit)/surplus in the scheme		(34.4)		13.5		49.4
Related deferred tax liability		10.3		(4.0)		(14.8)
Net pension (liability)/asset		(24.1)		9.5		34.6

Movement in surplus during the year

	2002	2001
	£m	£m
Surplus in scheme at 1 January 2002	13.5	49.4
Movement in year (current service cost)	(4.1)	(4.3)
Contributions	4.4	3.4
Net return on assets	1.9	4.5
Actuarial loss	(50.1)	(39.5)
(Deficit)/surplus in scheme at 31 December 2002	(34.4)	13.5

The estimated actuarial valuation at 31 December 2002 showed a deficit of £34.4 million. The full actuarial valuation as at 31 March 2001 stated that the employer contribution rate could remain at 9.6% of pensionable salaries until the completion of the next full actuarial valuation to be carried out as at 31 March 2003, subject to actuarial review during this period. However, employer contributions were paid at 9.6% to 31 March 2002 and at 11.6% thereafter.

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
NOTES ON THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2002

13. Share capital

	2002 and 2001	
	Authorised £000's	Issued and fully paid £000's
Ordinary shares of £1 each	50,000	41,204

14. Reserves

	Share premium account £000's	Other reserves £000's	Profit and loss account £000's
At 1 January 2002	19,804	12,425	(38,344)
Profit for the year	-	-	958
Actuarial loss recognised	-	-	(50,079)
Deferred tax	-	-	15,024
At 31 December 2002	19,804	12,425	(72,441)

15. Reconciliation of movement in shareholders' funds

	2002 £000's	2001 £000's
Opening shareholders' funds	35,089	61,872
Profit for the financial year	958	919
Other recognised gains and losses	(35,055)	(27,702)
Closing shareholders' funds	992	35,089

16. Other financial commitments

Annual commitments under non-cancellable operating leases comprise:

	Land and buildings		Other	
	2002 £000's	2001 £000's	2002 £000's	2001 £000's
Leases expiring				
- within one year	-	-	765	821
- between one and two years	76	-	875	858
- between two and five years	337	381	929	748
- after five years	2,488	2,424	-	39
	<u>2,901</u>	<u>2,805</u>	<u>2,569</u>	<u>2,466</u>

17. Contingent liabilities

The company has entered into cross guarantees together with the ultimate parent company and certain fellow group undertakings for loans and overdraft facilities made available to the group and certain joint ventures. At 31 December 2002 these liabilities amounted to £0.2m (2001 : £0.2m) and are included in the group accounts of the ultimate parent company.

There are also contingent liabilities in respect of performance bonds and other undertakings entered into in the ordinary course of business.

18. Related parties transactions

The company is exempt under Financial Reporting Standard No. 8 (FRS 8) from the requirements to disclose related party transactions with other group companies on the basis that it is a wholly owned subsidiary of the ultimate parent company, Costain Group PLC.

19. Ultimate parent company

The largest and the smallest group of undertakings for which group accounts are drawn up is that of the ultimate parent undertaking, Costain Group PLC. A company registered in England and Wales.

Copies of the group accounts of Costain Group PLC may be obtained from the registered office of the company, Costain House, Nicholsons Walk, Maidenhead, Berks. SL6 1LN.

20. Investments in subsidiary undertakings and participating interests

Subsidiary undertakings	Percentage of equity capital held by		Nature of business	Country of Incorporation
	The company	Subsidiary Undertakings		
CLM Engineering Ltd	100		Marine Contracting	
CLM Engineering (Overseas) Ltd	100		Marine Contracting	
Costain Abu Dhabi Co WLL		49*	Process Contracting	UAE
Costain (Africa) Ltd		100	Construction	Zimbabwe
Costain Building Products Ltd	100		Concrete Production	
Costain Building & Civil Engineering Ltd	100		Construction & Civil Eng.	
Costain Ltd		100	Construction & Civil Eng.	
Costain Construction Ltd		100	Construction	
Costain Construction (Botswana) Pty Ltd		100	Construction	Botswana
Costain de Venezuela C.A.		100	Dormant	Venezuela
Costain Dubai LLC		49*	Construction	UAE
Costain Engineering Ltd		100	Dormant	
Costain Engineering & Construction (Overseas) Ltd	100		Holding Company	
Costain Environmental Services Ltd	100		Process Contracting	
Costain Interiors Ltd		100	Dormant	

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
NOTES ON THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2002

20. Investments in subsidiary undertakings and participating interests - continued

Subsidiary undertakings	Percentage of equity capital held by		Nature of business	Country of incorporation
	The company	Subsidiary Undertakings		
Costain Holdings (Botswana) Pty Ltd		100	Holding Co.	Botswana
Costain Holdings (Malaysia) Sdn Bhd		100	Holding Co.	Malaysia
Costain Holdings Zimbabwe (Pvt) Ltd		100	Holding Co.	Zimbabwe
Costain Housing Zimbabwe (Pvt) Ltd		100	Construction	Zimbabwe
Costain International Ltd		100	Construction	
Costain (Malaysia) Sdn Bhd		100	Construction	Malaysia
Costain Management Design Ltd		100	Dormant	
Costain Mining Zimbabwe (Pvt) Ltd		100	Dormant	Zimbabwe
Costain Oil, Gas & Process (Nigeria) Ltd		75	Process Contracting	Nigeria
Costain Oil, Gas & Process (Overseas) Ltd		100	Process Contracting	
Costain Oil, Gas & Process (Malaysia) Sdn Bhd		100	Process Contracting	Malaysia
Costain, Oil, Gas & Process Ltd	100		Process Contracting	
Costain Polska Sp. z.o.o		100	Construction	Poland
Costain Process Construction Ltd	100		Engineering	
Costain Properties Zimbabwe (Pvt) Ltd		100	Dormant	Zimbabwe
Costain Zimbabwe (Pvt) Ltd		100	Construction & Civil Engineering	Zimbabwe
Land & Marine Eng (India) Ltd		100	Dormant	India
Costain Trade & Services Ltd (formerly LME Petroscope Ltd)		100	Dormant	
National Road Operators Ltd	100		Civil Engineering	
The E J Cook SCD Partnership Ltd	100		Property	
Westminster Land & Marine Pipelines Ltd		100	Dormant	Canada
Westminster Plant Co Ltd		100	Plant Hire	
Yahya Costain LLC		49*	Construction	Oman

COSTAIN ENGINEERING & CONSTRUCTION LIMITED
NOTES ON THE FINANCIAL STATEMENTS continued
For the year ended 31 December 2002

20. Investments in subsidiary undertakings and joint ventures - continued

	Issued Share capital (£m)	Percentage of equity held	Nature of Business	Country of incorporation
Joint ventures				
Budimex & Costain Sp. z.o.o	-	50(a)	Construction	Poland
LNHC Ltd (formerly Hopewell Costain Ltd)	0.4	50(a)	Dormant	Hong Kong
HpC King's College Hospital (Holdings) Ltd	0.2	33.3	Construction and operation of hospital	
Jalal Costain WLL	0.1	49(a)	Construction	Bahrain
Nesma-Costain Process Company Ltd	1.0	50(a)	Process Contracting	Saudi Arabia
Samols Rowson Ltd	0.3	50	Investment Company	
Stratus Integrated Services Ltd	-	25(a)	Controller of operation of Meteorological Office	

* Treated as a subsidiary due to dominant influence.

(a) Investments held by subsidiary companies

All holdings are ordinary shares.

All companies are incorporated in Great Britain and registered in England except where stated.