

The Company is registered in England
Registration Number: 2882059

A I OVERSEAS INVESTMENTS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004



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AI OVERSEAS INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report on the affairs of the Company together with the accounts and auditors' report for the year ended 31 December 2004.

Principal activities and business review

The principal activity of the Company is to act as, and carry on the business of, a holding company for overseas businesses.

Results

The company did not trade during the year or the prior year and accordingly no profit and loss account is presented. The company has suffered a currency translation loss on its foreign currency net investment as shown in the statement of total recognised gains and losses on page 4.

Directors and their interests

The directors of the Company during the year were:

- C S Bailey (resigned 31 December 2004)
- P W G Tom
- T N Grimes
- J F Bowater (appointed 31 December 2004)

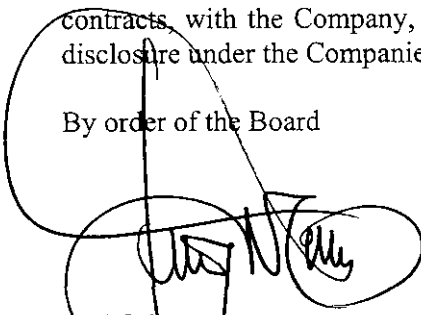
Except as shown below the interests of each of the directors who held office at 31 December 2004 in the share capital of Aggregate Industries plc, the ultimate holding company, are disclosed in the accounts of that Company.

	Ordinary 25p Shares		Options to subscribe for ordinary shares	
	31/12/2004	31/12/2003	31/12/2004	31/12/2003
T N Grimes	8,298	6,018	485,313	342,784

At the year end Mr T N Grimes also had an interest in 92,836 (2003: 92,836) 11.25p Preference Shares and 49,009 (2003 : 49,009) 7.25p Preference Shares of Aggregate Industries plc.

No director has a material interest in any contract, other than interests detailed above and service contracts, with the Company, the ultimate holding company or fellow subsidiary undertaking requiring disclosure under the Companies Act 1985.

By order of the Board


T N Grimes
Director
7 March 2005

A I OVERSEAS INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF ACCOUNTS

The Companies Act 1985 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 the 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; and
- prepare the accounts 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 accounts comply with the Companies Act 1985. They have a 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.

A I OVERSEAS INVESTMENTS LIMITED

Independent auditors' report to the members of A I Overseas Investments Limited

We have audited the accounts on pages 4 to 9.

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 2, 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.

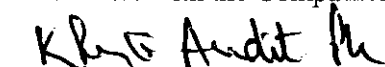
Basis of audit opinion

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 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
BIRMINGHAM
7 March 2005

A I OVERSEAS INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £000	2003 £000
Profit on ordinary activities after taxation		-	-
Currency translation difference on foreign currency net investments		(1,890)	(2,872)
Total recognised gains and losses for the year	9	<u>(1,890)</u>	<u>(2,872)</u>

HISTORICAL COST PROFITS AND LOSSES

There is no difference between the results as disclosed and the results calculated on an unmodified historical cost basis.

A I OVERSEAS INVESTMENTS LIMITED

BALANCE SHEET AT 31 DECEMBER 2004

	Note	2004 £000	2003 £000
FIXED ASSETS			
Investments in subsidiary and related undertakings	4	<u>27,325</u>	<u>29,157</u>
CURRENT ASSETS			
Debtors	5	<u>12,504</u>	<u>50,853</u>
NET CURRENT ASSETS		<u>12,504</u>	<u>50,853</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		39,829	80,010
CREDITORS			
Amounts due after more than one year	6	<u>(2,584)</u>	<u>(40,875)</u>
		<u>37,245</u>	<u>39,135</u>
CAPITAL AND RESERVES			
Called up share capital	7	14,208	14,208
Share premium account	8	7,085	7,085
Profit and loss account	8	<u>15,952</u>	<u>17,842</u>
Shareholders funds' - equity	9	<u>37,245</u>	<u>39,135</u>

Approved by the Board

T N Grimes
Director
7 March 2005

AI OVERSEAS INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards. Transactions with related parties who are Group entities are not separately disclosed.

Basis of Preparation

Group accounts have not been prepared as the Company is a wholly owned subsidiary of another company incorporated in Great Britain for which consolidated accounts are prepared. Therefore, the accounts present information about the Company as an individual undertaking and not about its group.

Investments

Investments in group undertakings and other investments are stated at cost less amounts written off. The cost of overseas investments is restated to reflect foreign exchange fluctuations between the date of acquisition and the balance sheet date.

Income from Investments

Income from shares in subsidiary undertakings and other investments is included in the profit and loss account in the period in which it is receivable.

Foreign Currencies

Transactions in foreign currency are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the balance sheet.

All exchange differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments.

2. TAXATION

a) Tax on profit on ordinary activities

No taxation credit arises on the translation loss because a taxable event would only arise on the external disposal of the investment. The investments detailed in note 4 to these accounts are held for the long term.

b) Factors that may affect future tax charges

Provision has not been made for additional tax which would arise in the event of distributions being made out of retained profits of overseas subsidiary undertakings as there are no plans to make such distributions.

A I OVERSEAS INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

3. EMPLOYEES AND DIRECTORS

- a) The Company employed no personnel during the year and the previous year.
- b) No director received any emoluments during the year in respect of services rendered to the Company. (2003: £nil).

4. FIXED ASSETS

Investments in associated undertakings

	£000
At 1 January 2004	29,157
Exchange adjustments	(1,832)
At 31 December 2004	<u>27,325</u>

The associated undertakings at 31 December 2004 were:-

<i>Undertaking</i>	<i>Country of incorporation and operation</i>	<i>Proportion held</i>	<i>Nature of business</i>
Aggregate Industries Inc.	USA	38 %	Holding Company
Halsvik Aggregates AS	Norway	50 %	Quarrying

In the opinion of the Directors of the Company the aggregate value of the assets of the Company, consisting of shares in or amounts owing (whether on account of a loan or otherwise) from each of the Company's associated undertakings is not less than the amounts at which those assets are stated in the balance sheet.

A I OVERSEAS INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

	2004 £000	2003 £000
5. DEBTORS		
Due within one year:		
Amount owed by group undertakings	12,504	50,735
Other debtors	-	118
	<u>12,504</u>	<u>50,853</u>
6. CREDITORS		
Due after more than one year:		
Amount owed to group undertakings	<u>2,584</u>	<u>40,875</u>
7. SHARE CAPITAL		
	<i>2004 and 2003</i>	
<i>Authorised</i>	Number	£000
Ordinary shares of 25p each	100,000,000	25,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of 25p each	<u>56,833,208</u>	<u>14,208</u>
8. RESERVES		
	Share premium account £000	Profit and loss account £000
At 1 January 2004	7,085	17,842
Profit for the period	-	-
Exchange difference on translation of foreign currency net assets	-	(1,890)
At 31 December 2004	<u>7,085</u>	<u>15,952</u>

A I OVERSEAS INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

	2004 £000	2003 £000
9. SHAREHOLDERS' FUNDS		
Shareholders' funds at beginning of year	39,135	42,007
Total recognised gains and losses for the year	(1,890)	(2,872)
Shareholders' funds at end of year	<u>37,245</u>	<u>39,135</u>

10. ULTIMATE PARENT COMPANY

The ultimate parent company is Aggregate Industries plc, which is incorporated in Great Britain.

Copies of the accounts of Aggregate Industries plc are available from the Company Secretary, Aggregate Industries plc, Bardon Hall, Copt Oak Road, Markfield, Leicestershire LE67 9PJ.