

Registered number
02902926

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

in respect of the year ended

31 December 2005



PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

Directors' Report

Directors: G Dransfield
R Coulson
N Swift

Secretary: P D Tunnacliffe

Registered office: 1 Grosvenor Place, London SW1X 7JH

The Directors present their report and accounts for the year ended 31 December 2005.

Principal activities and review of the business

The principal activity of the Company is that of an investment holding company.

Results and dividends

The profit for the year amounted to £8,818,000 and is dealt with as shown in the profit and loss account. During the year, non-equity dividends of £9,209,000 were paid. The Directors do not recommend a final dividend.

Directors

The Directors shown at the head of this report are currently in office. R Coulson was appointed as a Director on 1 December 2005 and A C Bolter resigned on the same day. G Dransfield and N Swift served throughout the year.

Directors' Interests

The Directors have no declarable interest in the share capital of the Company during the year under review.

The shareholdings and related interests of G Dransfield in Hanson PLC, the ultimate parent, are disclosed in the Hanson PLC accounts for the year ending 31 December 2005. The interests of R Coulson and N Swift are as follows:

Sharesave scheme – options to subscribe for ordinary shares

	Balance at 31 December 2004	Granted during year	Exercised/ lapsed during	Balance at 31 December 2005
N Swift	3,090	-	-	3,090

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

Directors' Report

Long term incentive plan

The table below shows the conditional interests in shares of the Directors relating to awards made under the long term incentive plan in 2002, 2003, 2004 and 2005.

	Balance at 31 December 2004 *	Awarded during year	Vested during year	Lapsed during year	Balance at 31 December 2005
R Coulson	17,878	-	-	-	17,878
N Swift	99,468	31,110	5,143	15,431	110,004

*Or date of appointment if later

Share option plan

The table below shows the conditional interests in shares of the Directors relating to the grant made under the share option plan during the period 2001 – 2005 .

	Balance at 31 December 2004	Granted during year	Exercised / lapsed during	Balance at 31 December 2005
N Swift	106,502	31,110	15,431	122,181

Notes:

1. R Coulson was appointed as a Director of the Company on 1 December 2005. The remaining Directors served throughout the year under review.
2. At December 31, 2005, R Coulson and N Swift also held a non-beneficial interest in 88,447 ordinary shares, on behalf of the Hanson employee share trust.
3. The range of the market quotations for Hanson ordinary shares, as derived from the London Stock Exchange Daily Official List, during the period 1 January to 31 December 2005 was 451.5p to 640p per ordinary share.
4. The market price for Hanson ordinary shares on 31 December 2005 was 639p per ordinary share.
5. Conditional options granted during the year under the Share Option Plan were at a subscription price of 514.3p per share.
6. The Company's Register of Directors' Interests (which is open to inspection at the Company's registered office) contains full details of Directors' ordinary share and share option interests.
7. No Director had a material interest in any contract of significance with the Company or any subsidiary or associate during the year.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

Directors' Report

Annual General Meeting

Pursuant to an Elective Resolution of the Company passed on 16 May 1994 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.

Auditors

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

Directors' responsibilities

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; and
- 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
6 September 2006



PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

Independent auditors' report

to the members of PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

We have audited the Company's accounts for the year ended 31 December 2005 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 14. These accounts have been prepared on the basis of the accounting policies set out therein.

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 auditors' 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

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts 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 accounts, 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
London
6 September 2006

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Profit and Loss Account
for the year ended 31 December 2005

	Notes	2005 £000	2004 £000
Operating profit	2	-	-
Dividends from group undertakings		-	315,500
Exchange (loss)/gain		(223)	221
Release of provision for diminution in value of fixed asset investments		9,080	-
Provision of diminution in value of fixed assets investments		-	(301,746)
Interest receivable	3	-	2
Interest payable	4	(39)	(41)
Profit on ordinary activities before taxation		8,818	13,936
Taxation	5	-	-
Profit for the financial year		<u>8,818</u>	<u>13,936</u>

Movements in reserves are set out in note 11.

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £8,818,000 for the year ended 31 December 2005 (profit of £13,936,000 for the year ended 31 December 2004).

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

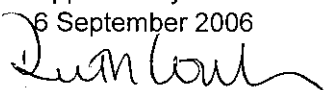
Balance Sheet

at 31 December 2005

	Notes	2005 £000	2004 £000
Fixed assets			
Investments	6	585,740	576,660
Current assets			
Debtors	7	351,623	350,927
Creditors: amounts falling due within one year	8	(28,654)	(18,487)
Net current assets		322,969	332,440
Net assets		<u>908,709</u>	<u>909,100</u>
Capital and reserves			
Called up share capital	9	128,477	128,477
Share premium	10	744,476	744,476
Profit and loss account	11	35,756	36,147
Shareholders' funds	13	<u>908,709</u>	<u>909,100</u>
Represented by:			
Equity shareholders' funds		784,925	785,316
Non-equity shareholders' funds		123,784	123,784
		<u>908,709</u>	<u>909,100</u>

Approved by the Board of Directors

6 September 2006



R Coulson
Director

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

1 Accounting policies

Accounting convention

The accounts have been 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 FRS 1 "Cash Flow Statements" not to prepare a statement of cash flows.

Fixed asset investments

Fixed asset investments are stated at cost except where it is required to reflect a provision for a permanent diminution in value.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2 Operating profit

2005	2004
£000	£000

This is stated after charging:

Auditors' remuneration

-	-
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Directors' remuneration

-	-
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Fees for audit and non-audit services provided by Ernst and Young LLP to the Company have been borne by a group undertaking. It is not practicable to ascertain what proportion of such fees relates to the Company.

The Directors are also directors of, and were paid by, the ultimate parent undertaking and/or other group undertakings. The Directors do not believe that it is practicable to apportion these emoluments between their services as Directors of the Company and their services as directors of the ultimate parent undertaking and /or other group undertakings.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

3 Interest receivable	2005 £000	2004 £000
Bank and other interest	<u>-</u>	<u>2</u>

4 Interest payable	2005 £000	2004 £000
Interest payable in arrears of "A" redeemable preference shares paid	<u>39</u>	<u>41</u>

5 Taxation

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £000	2004 £000
Profit on ordinary activities before taxation as reclassified	<u>8,818</u>	<u>13,936</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	2,645	4,181
Effects of:		
Income from UK dividends not taxable	-	(94,650)
Provision for diminution in value of subsidiary undertaking not deductible	-	90,524
Release of provision for diminution in value of fixed asset investments not taxable	(2,724)	-
Imputed interest and other permanent differences	4,940	2,098
Group relief surrendered for nil charge	(4,861)	(2,153)
Current tax charge for the year	<u>-</u>	<u>-</u>

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

6 Investments

Investments in subsidiary undertakings	Cost £000	Provision £000	Book value £000
At 1 January 2005	890,016	(313,356)	576,660
Released in year	-	9,080	9,080
At 31 December 2005	<u>890,016</u>	<u>(304,276)</u>	<u>585,740</u>

In the opinion of the Directors, the value of the Company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet. The principal subsidiary undertakings are as follows:

Company	Country of registration and operation	Shares held Class	Principal activity	Proportion of voting rights and shares held %
Slotcount Limited	England and Wales	Ordinary	Holding Company	53.5%

The Company is a wholly-owned subsidiary undertaking of a body incorporated in the European Union and advantage has been taken of S228 of the Companies Act 1985 in that consolidated accounts have not been prepared. The accounts present information about the Company as an individual undertaking.

7 Debtors	2005 £000	2004 £000
Amounts owed by group undertakings	<u>351,623</u>	<u>350,927</u>

There are no formal agreements for the repayment of amounts due to or from group undertakings.

8 Creditors: amounts falling due within one year	2005 £000	2004 £000
Amounts owed to group undertakings	28,654	18,135
Unpaid Dividends	-	352
	<u>28,654</u>	<u>18,487</u>

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

9 Share capital	2005 No	2004 No	2005 £000	2004 £000
Authorised:				
Ordinary shares of AUS\$1 each	500,000,000	500,000,000	222,851	222,851
"A" redeemable preference shares of AUS\$1 each	1,000,000,000	1,000,000,000	445,701	445,701
"B" redeemable preference shares of £1 each	10,000,000	10,000,000	10,000	10,000
"C" redeemable preference shares of US\$1 each	1,000,000,000	1,000,000,000	632,791	632,791
"D" redeemable preference share of US\$1 each	500,000,000	500,000,000	500,000,000	500,000,000
			<u>501,311,343</u>	<u>501,311,343</u>
	2005 No	2004 No	2005 £000	2004 £000
Allotted, called up and fully paid:				
Ordinary shares of AUS\$1 each	11,505,297	11,505,297	4,693	4,693
"A" redeemable preference shares of AUS\$1 each	6,900,000	6,900,000	3,075	3,075
"B" redeemable preference shares of £1 each	-	-	-	-
"C" redeemable preference shares of US\$1 each	-	-	-	-
"D" redeemable preference share of US\$1 each	327,221,751	327,221,751	120,709	120,709
			<u>128,477</u>	<u>128,477</u>

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

The rights attached to the non-equity shareholdings are as follows:

'A' redeemable preference shares of AUS\$1 each

'A' redeemable preference shares are redeemable at the option of the Company on or at any time after 11 May 1995 but not less than 30 days notice to the holders of the 'A' redeemable preference shares. They are redeemable at the aggregate amount of capital paid up upon the shares and any premium paid on allotment and together with all arrears of dividend and any interest thereon. Holders of 'A' shares are entitled to a fixed non cumulative preferential cash dividend at the rate of 5% per annum. Interest shall accrue and be payable on demand in respect of arrears of dividends at base rate plus 5%.

Holders of 'A' shares have the right to receive notice of and to attend and speak but not to vote at any general meeting of the Company save that if:

- at the date of the notice or requisition to convene the meeting, any dividend payable on the 'A' redeemable preference shares shall be in arrear for six calendar months or more or the Company shall have failed to redeem any of such shares then due for redemption; or
- the meeting is convened for the purpose of considering the purchase by the Company of any of its own shares, a reduction of the capital of, or the winding up of, the Company; or
- the proposition to be submitted to the meeting subrogates or varies or otherwise directly affects the special rights and privileges attaching to the 'A' shares.

In this situation, the 'A' shareholders will receive one vote.

'D' redeemable preference shares of AUS\$1 each

The right in priority to any dividends payable on, first, the Company's ordinary share capital and on, secondly, the redeemable preference shares issued by the Company out of the profits of the Company available for distribution in respect of any financial year or other accounting period of the Company of a fixed cumulative cash dividend at the rate of 6.5025% per annum.

The right in priority to any such payment in respect of the company's ordinary share capital and in respect of the redeemable preference shares issued by the company on a repayment of assets whether on a winding up or reduction of capital or otherwise.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

10 Share premium	2005 £000	2004 £000
At 1 January	744,476	744,476
At 31 December	<u>744,476</u>	<u>744,476</u>

11 Profit and loss account	2005 £000	2004 £000
At 1 January	36,147	31,021
Profit for the financial year	8,818	13,936
Non-equity dividends paid	(9,209)	(8,810)
At 31 December	<u>35,756</u>	<u>36,147</u>

12 Dividends	2005 £000	2004 £000
Dividends for which the company became liable during the year:		
Dividends paid	9,209	8,458
Dividends not paid	-	352
	<u>9,209</u>	<u>8,810</u>
Analysis of dividends by type:		
Non-equity dividends 'A' redeemable dividends	154	352
Non-equity dividends 'D' redeemable dividends	<u>9,055</u>	<u>8,458</u>

The non-equity dividends paid relate to the redeemable preference shares.

13 Reconciliation of movement in shareholders' funds	2005 £000	2004 £000
At 1 January	909,100	903,974
Profit for the financial year	8,818	13,936
Non-equity dividends paid	(9,209)	(8,810)
At 31 December	<u>908,709</u>	<u>909,100</u>

	<u>Equity shareholders' funds £000</u>	<u>Non-equity shareholders' funds £000</u>	<u>Total £000</u>
At 1 January 2005	785,316	123,784	909,100
Profit for the financial year	8,818	-	8,818
Non-equity dividends paid	(9,209)		(9,209)
At 31 December 2005	<u>784,925</u>	<u>123,784</u>	<u>908,709</u>

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2005

14 Group accounts

The immediate parent undertaking of Pioneer International Group Holdings Limited is Pioneer International Holdings Pty Limited, a company registered in Australia and the ultimate parent undertaking is Hanson PLC, a company registered in England and Wales. The largest and smallest group preparing consolidated group accounts which include Pioneer International Group Holdings Limited is Hanson PLC for the year ended 31 December 2005.

Copies of the accounts of Hanson PLC 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.