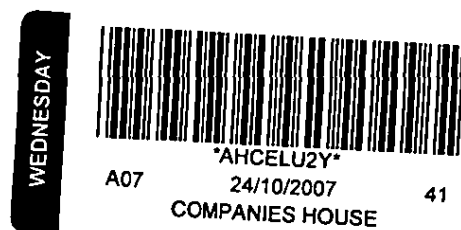


Registered number
02902926

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
DIRECTORS' REPORT AND ACCOUNTS

in respect of the year ended

31 December 2006



PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

Directors' Report

Directors G Dransfield
 R Coulson
 D J Egan

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 2006

Principal activities and review of the business

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

Results and dividends

The loss for the year amounted to £22,433,000 and is dealt with as shown in the profit and loss account. During the year, non-equity dividends of £8,671,000 were paid. The Directors do not recommend a final dividend.

Directors

The Directors shown at the head of this report are currently in office. N Swift resigned and D J Egan was appointed on 1 June 2007. All other Directors served throughout the year.

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.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

Directors' Report

Directors' responsibilities

The Directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these 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 UK 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 are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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.

Auditors and disclosure of information to auditors

The Directors who held office at the date of approval of this Report of the Directors each confirm that, so far as they are aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware, and that they have each taken all the steps that ought to have been taken as a Director of the Company to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with provisions of Section 234ZA of the Companies Act 1985.

By order of the Board

P D Tunnacliffe
Secretary
18 October 2007



PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

Independent auditors' report to the shareholders of PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

We have audited the accounts of Pioneer International Group Holdings Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 13. These accounts have been prepared under 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

The Directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts.

Ernst & Young LLP

Ernst & Young LLP
Registered auditors
London
18 October 2007

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Profit and Loss Account
for the year ended 31 December 2006

	Notes	2006 £000	2005 £000
Operating profit	2	-	-
Exchange loss		-	(223)
Release of provision for diminution in value of fixed asset investments		-	9,080
Provision for diminution in value of fixed assets investments		(22,433)	-
Interest payable	3	-	(39)
(Loss)/profit on ordinary activities before taxation		(22,433)	8,818
Taxation	4	-	-
(Loss)/profit for the financial year		<u>(22,433)</u>	<u>8,818</u>

Movements in reserves are set out in note 10

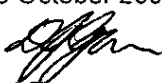
Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £22,433,000 for the year ended 31 December 2006 (profit of £8,818,000 for the year ended 31 December 2005)

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Balance Sheet
at 31 December 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Investments	5	563,307	585,740
Current assets			
Debtors	6	352,210	351,623
Creditors: amounts falling due within one year	7	(37,912)	(28,654)
Net current assets		314,298	322,969
Net assets		<u>877,605</u>	<u>908,709</u>
Capital and reserves			
Called up share capital	8	128,477	128,477
Share premium	9	744,476	744,476
Profit and loss account	10	4,652	35,756
Shareholders' funds	12	<u>877,605</u>	<u>908,709</u>
Represented by			
Equity shareholders' funds		753,821	784,925
Non-equity shareholders' funds		123,784	123,784
		<u>886,276</u>	<u>908,709</u>

Approved by the Board of Directors
18 October 2007


D J Egan
Director

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

Notes to the Accounts

for the year ended 31 December 2006

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

2006	2005
£000	£000

This is stated after charging

Auditors' remuneration

- -

Directors' remuneration

- -

- -

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 2006

3 Interest payable	2006 £000	2005 £000
Interest payable in arrears of "A" redeemable preference shares paid	-	39

4 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

	2006 £000	2005 £000
(Loss)/profit on ordinary activities before taxation as reclassified	(22,433)	8,818
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	(6,730)	2,645
Effects of		
Provision for diminution in value of subsidiary undertaking not deductible	6,730	-
Release of provision for diminution in value of fixed asset investments not taxable	-	(2,724)
Imputed interest	4,892	4,940
Group relief claimed for nil charge	(4,892)	(4,861)
Current tax charge for the year	-	-

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2006

5 Investments

Investments in subsidiary undertakings	Cost £000	Provision £000	Book value £000
At 1 January 2006	890,016	(304,276)	585,740
Provided for in year	-	(22,433)	(22,433)
At 31 December 2006	<u>890,016</u>	<u>(326,709)</u>	<u>563,307</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.

6 Debtors	2006 £000	2005 £000
Amounts owed by group undertakings	<u>352,210</u>	<u>351,623</u>

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

7 Creditors amounts falling due within one year	2006 £000	2005 £000
Amounts owed to group undertakings	<u>37,912</u>	<u>28,654</u>

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2006

8 Share capital	2006 No	2005 No	2006 £000	2005 £000 Restated
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 shares of AUS\$1 each	500,000,000	500,000,000	183,824	183,824
			<u>1,495,167</u>	<u>1,495,167</u>
	2006 No	2005 No	2006 £000	2005 £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 shares of AUS\$1 each	317,000,000	317,000,000	120,709	120,709
			<u>128,477</u>	<u>128,477</u>

The 2005 comparative figure for authorised share capital, "D" redeemable preference shares has been restated. This figure was shown as £500,000,000 rather than the sterling equivalent of the 500,000,000 "D" redeemable preference shares of AUS\$1 each, of £183,824,000.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2006

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 2006

9 Share premium	2006 £000	2005 £000
At 1 January	744,476	744,476
At 31 December	<u>744,476</u>	<u>744,476</u>

10 Profit and loss account	2006 £000	2005 £000
At 1 January	35,756	36,147
(Loss)/profit for the financial year	(22,433)	8,818
Non-equity dividends paid	(8,671)	(9,209)
At 31 December	<u>4,652</u>	<u>35,756</u>

11 Dividends	2006 £000	2005 £000
Dividends for which the company became liable during the year		
Dividends paid	8,671	9,209
	<u>8,671</u>	<u>9,209</u>
Analysis of dividends by type		
Non-equity dividends 'A' redeemable dividends	140	154
Non-equity dividends 'D' redeemable dividends	<u>8,531</u>	<u>9,055</u>

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

12 Reconciliation of movement in shareholders' funds	2006 £000	2005 £000
At 1 January	908,709	909,100
(Loss)/profit for the financial year	(22,433)	8,818
Non-equity dividends paid	(8,671)	(9,209)
At 31 December	<u>877,605</u>	<u>908,709</u>

	<u>Equity shareholders' funds £000</u>	<u>Non-equity shareholders' funds £000</u>	<u>Total £000</u>
At 1 January 2006	784,925	123,784	908,709
Loss for the financial year	(22,433)	-	(22,433)
Non-equity dividends paid	(8,671)	-	-
At 31 December 2006	<u>753,821</u>	<u>123,784</u>	<u>886,276</u>

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
Notes to the Accounts
for the year ended 31 December 2006

13 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 at 31 December 2006 was 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 2006.

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.

On 23 August 2007, Lehigh UK Limited ("Lehigh") became the owner of the entire share capital of Hanson PLC. Lehigh's immediate and ultimate parent company is HeidelbergCement AG, a company incorporated in Germany. HeidelbergCement AG is the largest and smallest company preparing consolidated accounts including Lehigh, and consequently, from 23 August 2007, HeidelbergCement AG will be the largest and smallest company preparing consolidated accounts including Pioneer International Group Holdings Limited.