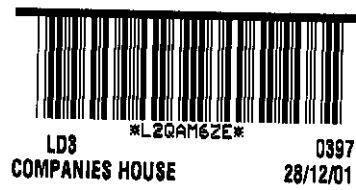


Registered number
2919362

Cookson Overseas Investments Limited

Report and Accounts

31 December 2000



Cookson Overseas Investments Limited

Directors' Report

The Directors present their report and accounts for the year ended 31 December 2000.

Principal activities

The principal activity of the Company is the holding of investments in group undertakings.

Results and dividends

The profit for the year was £65,766 (1999: £78,569) which has been transferred to reserves. The Directors do not recommend the payment of a dividend (1999 - £nil).

Directors

During the year, no Director had any beneficial interest in the shares of the Company. The Directors who served during the year and their interests in the ordinary shares of Cookson Group plc, the ultimate holding company, are as follows:

	Options to purchase 50p Ordinary shares				Interests in 50p Ordinary shares		
	At 1 January 2000	Granted	Exercised	Lapsed	At 31 December 2000	2000	1999
BR Elliston	358,081	106,502	(3,314)	-	461,269	11,737	7,649
RMH Malthouse	384,871	106,502	(9,349)	-	482,024	38,125	20,316
	742,952	213,004	(12,663)	-	943,293	49,862	27,965

Miss A Evans served as Director from 1 January 2000 until her resignation on 30 March 2000.

G M McDonnall served as Director from 1 January 2000 until his resignation on 14 December 2000.

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 period. 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; 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 maintaining 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.

Cookson Overseas Investments Limited
Directors' Report

Auditors

The Company has passed an elective resolution in accordance with section 379A of the Companies Act and is therefore exempt from the obligation to hold an Annual General Meeting and to reappoint auditors annually.

This report was approved by the board on 21 DECEMBER 2001

Roches S. K.

Miss RS Fell
Company Secretary

Cookson Overseas Investments Limited
Auditor's Report

Auditor's report to the members of Cookson Overseas Investments Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditor

The Directors are responsible for preparing the Directors' report and, as described on page 1, the accounts 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. 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.

Basis of 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 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 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 2000 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

8 Salisbury Square
London
EC4Y 8BB

28 December 2001

Cookson Overseas Investments Limited
Profit and Loss Account
for the year ended 31 December 2000

	Notes	2000 £	1999 £
Operating loss		-	(923)
Interest receivable and similar income	3	65,766	82,362
Profit on ordinary activities before taxation		65,766	82,362
Tax on profit on ordinary activities	4	-	(2,870)
Retained profit for the financial year	8	<u>65,766</u>	<u>79,492</u>

Statement of total recognised gains and losses

The Company has no recognised gains or losses other than the profit for the above two financial years.

Cookson Overseas Investments Limited
Balance Sheet
as at 31 December 2000

	Notes	2000 £	1999 £
Fixed assets			
Investments	5	5,067,852	5,067,852
Debtors	6	963,711	-
Creditors: amounts falling due within one year	7	(2,604,749)	(1,706,804)
Net current liabilities		(1,641,038)	(1,706,804)
		<u>3,426,814</u>	<u>3,361,048</u>
Equity Capital and Reserves			
Called up share capital	9	3,225,002	3,225,002
Profit and loss account	8	201,812	136,046
	10	<u>3,426,814</u>	<u>3,361,048</u>



Director

Approved by the board on 21 DECEMBER 2001.

Cookson Overseas Investments Limited
Notes to the Accounts
for the year ended 31 December 2000

1 Accounting policies

Accounting convention

The accounts have been prepared on a going concern basis, and, in the event of the company being unable to meet its liabilities, the ultimate parent company has undertaken to provide financial support and other such support as may be required. The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Presentation of the financial statements

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements since the Company is itself a wholly-owned subsidiary undertaking of Cookson Group plc. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is exempt from the requirements of FRS 1 (Revised) to prepare a cash flow statement as its cash flows are included within the consolidated cash flow statement of Cookson Group plc.

Investments

Investments in subsidiary undertakings are stated at cost, less any provisions for diminution in value that are expected to be permanent.

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.

Related Party transactions

As the Company is a wholly owned subsidiary of Cookson Group plc, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Cookson Group plc group.

2 Operating loss

Other than the Directors the Company had no employees during the period. The Directors received no remuneration in respect of their services to the Company during the period. The auditor remuneration is borne by the ultimate holding company.

3 Interest receivable and similiar income	2000	1999
	£	£
Foreign exchange gains	65,766	82,362
	<hr/>	<hr/>
4 Taxation	2000	1999
	£	£
UK corporation tax at 30% (1999 - 30.25%)	-	2,870
	<hr/>	<hr/>

Cookson Overseas Investments Limited
Notes to the Accounts
for the year ended 31 December 2000

5 Investments

**Investments in
subsidiary
undertakings
£**

Cost

At 1 January and 31 December

5,067,852

Fixed asset investments represent holdings of 100% (unless otherwise stated) in the ordinary share capital of the following group subsidiary undertakings:

- CEART BV, incorporated in the Netherlands (holding company).
- DFK Turkey (4.56%), incorporated in Turkey (manufacturer of ceramic products).
- Vesuvius Haznedar (4.56%), incorporated in Turkey (manufacturer of ceramic products).

6 Debtors

2000

1999

£

£

Amounts owed by group undertakings

963,711

-

963,711

-

7 Creditors: amounts falling due within one year

2000

1999

£

£

Amounts owed to parent undertaking

2,580,114

1,682,169

Corporation tax

24,635

24,635

2,604,749

1,706,804

8 Profit and loss account

2000

1999

£

£

At 1 January

136,046

57,477

Retained profit

65,766

78,569

At 31 December

201,812

136,046

Cookson Overseas Investments Limited
Notes to the Accounts
for the year ended 31 December 2000

9 Share capital	2000	1999
	£	£
Authorised:		
Ordinary shares of £1 each	<u>500,000,000</u>	<u>500,000,000</u>
	2000	1999
	£	£
Allotted, called up and fully paid:		
3,225,002 ordinary shares of £1 each	<u>3,225,002</u>	<u>3,225,002</u>
10 Reconciliation of movement in shareholders' funds	2000	1999
	£	£
At 1 January	3,361,048	3,282,479
Profit for the financial year	65,766	78,569
At 1 January	<u>3,426,814</u>	<u>3,361,048</u>

11 Ultimate holding company

The Company's ultimate holding company is Cookson Group plc, which is registered in England and Wales.

The largest group in which the accounts of the Company are consolidated is that headed by Cookson Group plc. The accounts of Cookson Group plc are available to the public and may be obtained from The Adelphi, 1-11 John Adam Street, London, WC2N 6HJ.

No other group accounts include the results of the Company.

12 Post balance sheet review

On 29 November 2002 the company disposed of 3,750 ordinary shares of 1,000 Dutch Guilders each in the capital of CEART to Cookson Overseas Limited for a consideration of £5,027,000 with the consideration left outstanding as an intercompany interest free loan, payable on demand.