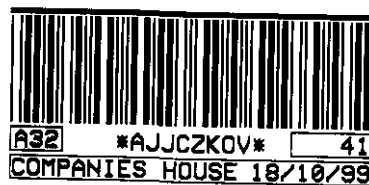


Registered in England
Registered Number 3141784

LODELANE INVESTMENTS

REPORT AND ACCOUNTS

31 DECEMBER 1998



LODELANE INVESTMENTS

DIRECTORS' REPORT

The directors present their report and the accounts of the company for the year ended incorporation to 31 December 1998.

Review of the business

The company is an investment company. No income was received during the year.

Results and Dividends

The results for the year are shown in the profit and loss account on page 4. No dividend is proposed for payment.

Directors and their interests

The directors who served during the period were as follows:

- T N Grimes
- P W G Tom
- G Thompson

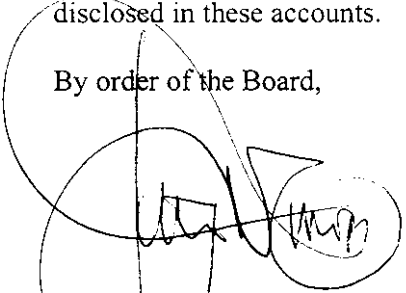
The directors have no interests in the share capital of the company.

The interests of the directors in the share capital of the ultimate holding company Aggregate Industries plc were as follows:

	Ordinary 25p Shares		11.25p Preference Shares		Options to subscribe to ordinary shares 25p shares	
	31.12.98	31.12.97	31.12.98	31.12.97	31.12.98	31.12.97
T N Grimes	42,953	36,838	62,836	62,836	267,741	427,741
G Thompson	-	-	-	-	319,803	396,175

The interests of other directors in the share capital of Aggregate Industries plc do not require to be disclosed in these accounts.

By order of the Board,


T N Grimes
Director
9 March 1999

LODELANE INVESTMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF ACCOUNTS

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 of the company for that period. In preparing those accounts, the directors confirm that they have:

- i) Selected accounting policies which they consider to be suitable and have applied them consistently;
- ii) Made judgements and estimates that are reasonable and prudent;
- iii) Followed applicable accounting standards; and
- iv) Prepared the accounts on the going concern basis.

The directors are responsible for keeping adequate accounting records which 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 have general responsibility for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LODELANE INVESTMENTS

REPORT OF THE AUDITORS *To the Members of Lodelane Investments*

We have audited the accounts on pages 4 to 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

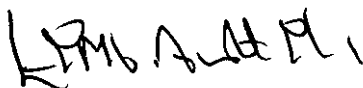
Basis of opinion

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 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 1998 and of its profit 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
9 March 1999

LODELANE INVESTMENTS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	Year ended 31/12/98 £ 000	Year ended 31/12/97 £ 000
Investment income		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation		1	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1	-
DIVIDEND		-	(2,300)
TRANSFER TO/(FROM) RESERVES		1	(2,300)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses for the year ended 31 December 1998 other than the profit shown above (1997: nil).

NOTE OF HISTORICAL COST PROFITS AND LOSSES

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

LODELANE INVESTMENTS

BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998 £ 000	1997 £ 000
CURRENT ASSETS			
Cash at bank		934	934
CREDITORS - amounts falling due within 1 year			
Taxation		-	(1)
Total assets less liabilities		<u>934</u>	<u>933</u>
CAPITAL AND RESERVES			
Called up share capital - equity	3	900	900
Profit and loss account		34	33
		<u>934</u>	<u>933</u>

Approved by the Board of Directors
on 9 March 1999


G Thompson
Director

LODELANE INVESTMENTS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention and in accordance with all applicable accounting standards.

2. DIRECTORS AND STAFF

The directors have received no emoluments from the company during the year, and no staff were employed.

3. SHARE CAPITAL

	<i>Authorised</i> £
Shares of £1 each	100,000,000
	<hr/>
	100,000,000
	<hr/>
	<i>Allotted, called</i> <i>up & fully paid</i> £
Shares of £1 each	900,000
	<hr/>
	900,000
	<hr/>

4. CONTINGENT LIABILITY

There is a contingent liability for the overdrafts of certain fellow subsidiary companies to the extent of the company's bank balance.

5. ULTIMATE PARENT COMPANY

The ultimate parent company of Lodelane Investments is Aggregate Industries plc, incorporated in Great Britain. Copies of Aggregate Industries plc's accounts can be obtained from Aggregate Industries plc, Bardon Hall, Copt Oak Road, Markfield, Leicestershire LE67 9PJ.