

TARMAC GROUP LIMITED

Report and Financial Statements

31 December 2004



TARMAC GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

CONTENTS	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6

TARMAC GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company is a holding company only and no longer provides management services to its group undertakings. It has therefore received no income, other than receiving dividends, and has not incurred any expenses, other than paying dividends, in the period. It is not expected to recommence trade in the foreseeable future.

DIVIDENDS AND RESERVES

The profit after taxation for the year is £287,000,000 (2003 – nil) and the directors recommend payment of a dividend of £287,000,000 for the year (2003: nil), of which £130,000,000 has been paid as an interim dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are as follows:

J F Bowater	(resigned 3 February 2004)
D C Cather	(resigned 16 May 2005)
J M Evans	(resigned 31 December 2004)
F K J Jackson	(resigned 31 March 2005)
A W Lea	(resigned 31 August 2005)
R S Robertson	
S R Thompson	(appointed 29 July 2004) Chairman
A J Trahar	(resigned 29 July 2004)
P G Whitcutt	
K Hajjar	(appointed 31 March 2005)

No director who held office at the end of the year had any interest in the loan or share capital of Tarmac Group Limited.

The interests of directors in the share capital of Anglo American plc, the company's ultimate parent company, are given in the accounts of the following companies:

A W Lea, A J Trahar, S A Thompson	-	Anglo American plc
D C Cather, F K J Jackson and		
R S Robertson	-	Anglo Industrial Minerals Holdings Limited
J F Bowater	-	Tarmac Limited
P G Whitcutt	-	Anglo American Finance (UK) plc

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a special notice will be served prior to the forthcoming Annual General Meeting proposing their reappointment.

Approved by the Board of Directors
and signed on behalf of the Board



G A Wilkinson

Secretary

20 Carlton House Terrace
London
SW1Y 5AN

TARMAC GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, 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 United Kingdom accounting standards have been followed and
- prepare the financial statements 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 financial statements 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TARMAC GROUP LIMITED

We have audited the financial statements of Tarmac Group Limited for the year ended 31 December 2004 which comprise the profit and loss account, balance sheet and the related notes 1 to 12. These financial statements 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

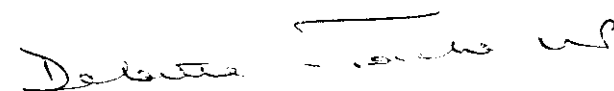
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham



TARMAC GROUP LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2004

	Note	2004 £000	2003 £000
Income from shares in subsidiary undertakings		287,000	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	287,000	-
Tax on profit on ordinary activities	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		287,000	-
Dividends on equity shares	4	(287,000)	-
PROFIT FOR THE FINANCIAL YEAR	10	-	-

All activities derive from continuing operations.

There are no recognised gains and losses other than the result for the financial years. Accordingly, no statement of total recognised gains and losses is given.

TARMAC GROUP LIMITED

BALANCE SHEET 31 December 2004

	Note	2004 £000	2003 £000
FIXED ASSETS			
Investments	5	511,687	511,687
CURRENT ASSETS			
Debtors	6	1	1
TOTAL ASSETS		511,688	522,688
CREDITORS: amounts falling due after more than one year	7	(317,358)	(317,358)
NET ASSETS		<u>194,330</u>	<u>194,330</u>
CAPITAL AND RESERVES			
Called up share capital	9	186,339	186,339
Share premium account	10	7,965	7,965
Profit and loss account	10	26	26
EQUITY SHAREHOLDERS' FUNDS		<u>194,330</u>	<u>194,330</u>

The company did not trade in the year and has made neither a profit nor loss, nor any other recognised gain or loss. Consequently, no profit and loss account or statement of total recognised gains and losses has been prepared.

These financial statements were approved by the Board of Directors on 31/10/05

Signed on behalf of the Board of Directors


K Hajjar

Director

TARMAC GROUP LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2004**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of presentation

Consolidated accounts are not prepared because the company is a wholly owned subsidiary of Anglo American plc and its consolidated financial statements are publicly available.

Cash flow statement

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

Investments

Investments are included at cost, less provision for impairment where appropriate.

Deferred taxation

Deferred taxation is provided in full on timing differences that result on an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees and the Directors received no emoluments for their services to the Company. The auditors' remuneration was paid by another group company in both periods.

TARMAC GROUP LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2004

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004	2003
	£000	£000
Current tax:		
Group relief receivable - 30% (2003 - 30%)	(3,576)	-
Balancing payment made under transfer pricing regime	3,576	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Tax (credit)/charge on loss on ordinary activities	-	-
	<hr/>	<hr/>
Current tax reconciliation:		
Profit on ordinary activities before tax	287,000	-
	<hr/>	<hr/>
Current tax at 30% (2003 - 30%)	86,100	-
	<hr/>	<hr/>
Effects of:		
Non taxable income	(86,100)	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Total current tax credit (see above)	-	-
	<hr/>	<hr/>

4. DIVIDENDS

	2004	2003
	£000	£000
Equity dividends		
Interim dividend (paid)	130,000	-
Final dividend (proposed)	157,000	-
	<hr/>	<hr/>
	287,000	-
	<hr/>	<hr/>

TARMAC GROUP LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2004

5. FIXED ASSET INVESTMENTS

	Shares £000
Cost and net book value At 1 January 2004 and 31 December 2004	511,687

The principal subsidiary of the company which is included within these accounts is shown below:

Name	% Holding	Country of Incorporation	Type of Business
Tarmac Holdings Limited	100%	United Kingdom	Holding company

6. DEBTORS

	2004 £000	2003 £000
Group relief receivable	1	1

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004 £000	2003 £000
Amounts owed to group undertakings	160,358	317,358
Proposed dividend	157,000	-
	317,358	317,358

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

There is no unprovided deferred taxation at 31 December 2004 (2003 - £nil).

9. CALLED UP SHARE CAPITAL

	2004 £000	2003 £000
Authorised 259,999,998 Ordinary shares of £0.90 each	234,000	234,000
Called up, allotted and fully paid 207,042,953 Ordinary shares of £0.90 each	186,339	186,339

TARMAC GROUP LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2004

10. RESERVES

	Share premium account £000	Profit and loss account £000	Total £000
Balance at 1 January 2004 and 31 December 2004	7,965	26	7,991

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed to subsidiary companies under Financial Reporting Standard 8 - Related Party Transactions, and therefore transactions with other group companies are not disclosed separately.

12. ULTIMATE PARENT COMPANY

At 31 December 2004, Anglo American plc, a company incorporated in Great Britain was the immediate and ultimate parent company and controlling party. Copies of the financial statements of Anglo American plc can be obtained from 20 Carlton House Terrace, London, SW1Y 5AN.