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TARMAC ROADSTONE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

(Registered in England and Wales, Number 368254)



TARMAC ROADSTONE LIMITED

Director's Report

The Directors present their annual report and audited financial statements for the year ended 31 December 1999.

Business Review

The company acts as a manager in respect of certain of the activities of its immediate parent undertaking, Tarmac Heavy Building Materials UK Limited. The company has received no income nor incurred expenditure in respect of its management activities during the year ended 31 December 1999.

The company is the United Kingdom holding company of Tarmac Roadstone Australia (Pty) Limited.

Parent undertaking Scheme of Arrangement

On 28 July 1999, pursuant to a Scheme of Arrangement under section 425 of the Companies Act 1985, the ultimate parent company at that date changed from Tarmac plc ("Old Tarmac") to Tarmac Group plc ("New Tarmac"). Coincident with the Scheme becoming effective, Old Tarmac changed its name to Tarmac Holdings plc and New Tarmac changed its name to Tarmac plc. Full details of the Scheme of Arrangement are given in the accounts of Tarmac plc.

Directors

The director serving during the year was:-

R L Isaacs

Director's Interests

R L Isaacs had the following beneficial interest in shares, including share options, in group undertakings during the year.

Directors' interests (continued)

	“Old Tarmac”			“New Tarmac”		
	Ordinary shares of 50p each			Ordinary shares of 90p each		
	1 January 1999	28 July 1999		28 July 1999	31 December 1999	
<u>Fully paid shares owned:</u>						
R L Isaacs	29,306	53,705		10,740	11,509	
	“Old Tarmac”			“New Tarmac”		
	Ordinary shares of 50p each			Ordinary shares of 90p each		
<u>Number of share options:</u>	At 1 January 1999	Exercised	Lapsed	At 28 July 1999	Granted	At 31 December 1999
R L Isaacs	245,208	206,943	38,265	-	32,092	32,092

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgement and estimates that are reasonable and prudent;
- state where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By Order of the Board.

A handwritten signature in black ink, appearing to read 'Reynolds', followed by a period.

C G Reynolds

Secretary

Millfields Road
Ettingshall
Wolverhampton
West Midlands
WV4 6JP

Dated: 21st July 2000

REPORT OF THE AUDITOR TO THE MEMBERS OF TARMAC ROADSTONE LTD

We have audited the financial statements on pages 5 to 7.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements 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 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.

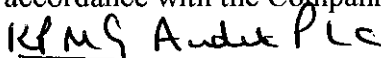
Basis of Opinion

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 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 company's state of affairs as at 31 December 1999 and of its result for the year then ended and have properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc

Chartered Accountants

Registered Auditor

21 July 2000

TARMAC ROADSTONE LIMITED
BALANCE SHEET
AT 31 DECEMBER 1999

	NOTE	1999 £	1998 £
Fixes Asset - Investments	3	61,047	61,047
Creditors : Amounts falling due after more than one year	4	(23,051)	(23,051)
Net Assets		<u>37,996</u>	<u>37,996</u>
Capital and Reserves			
Called Up Share Capital	5	2,002	2,002
Profit and Loss Account		<u>35,994</u>	<u>35,994</u>
Equity Shareholders Funds		<u>37,996</u>	<u>37,996</u>

These financial statements were approved by the Board of Directors on 21st July 2000 and signed on its behalf by:-



R L Isaacs
DIRECTOR

PROFIT & LOSS ACCOUNT

During the current and preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit nor a loss and had no recognised gains or losses.

TARMAC ROADSTONE LIMITED
NOTES (FORMING PART OF THE FINANCIAL STATEMENTS)
FOR THE YEAR ENDED 31 DECEMBER 1999

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting standards.

2. Directors' Remuneration

No Directors remuneration were paid during either year specifically in respect of services to the company.

3. Investments

	1999	1998
	£	£
Shares at cost in subsidiary undertaking	<u>61,047</u>	<u>61,047</u>

The company owns the whole of the allotted ordinary share capital of Tarmac Roadstone Australia (PTY) Limited, a company incorporated in Australia.

In the opinion of the Directors the value of the investment in the subsidiary undertaking at 31 December 1999 is not less than the amount at which it is stated in the balance sheet.

Tarmac Roadstone Limited is a wholly owned subsidiary of Tarmac Heavy Building Materials UK Limited, a company incorporated in Great Britain, and accordingly consolidated financial statements have not been prepared.

4. Creditors : Amounts Falling Due After More Than One Year

	1999	1998
	£	£
Loan due to parent undertaking	<u>23,051</u>	<u>23,051</u>

The loan is unsecured, does not bear interest and has no set repayment date.

The directors are of the opinion that repayment is unlikely to be demanded within the next twelve months.

5. Share Capital	1999	1998
	£	£
Authorised :		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, Called Up and Fully Paid:		
2,002 ordinary shares of £1 each	<u>2,002</u>	<u>2,002</u>

6. Movement in Shareholder's Funds

There was no movement in Shareholders' Funds during either the current or preceding financial year.

7. Parent Undertakings

At 31 December 1999 the company's ultimate parent company was Tarmac plc, a company incorporated in Great Britain. The only group in which the results are consolidated is that headed by Tarmac plc. Copies of those financial statements can be obtained from Tarmac plc, Millfields Road, Ettingshall, Wolverhampton, West Midlands, WV4 6JP.

On 1 March 2000, Anglo American plc, a company incorporated in Great Britain, became the ultimate parent company of Tarmac plc.