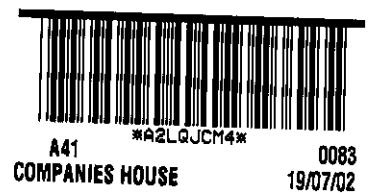


BLUE CIRCLE (HW) LIMITED

COMPANY REGISTRATION NUMBER: 166344

REPORT AND ACCOUNTS

31 DECEMBER 2001



BLUE CIRCLE (HW) LIMITED

Company Registration Number 166344

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS DEVELOPMENTS & FUTURE PROSPECTS

The Company did not trade during the year under review or during the preceding period. The company was dormant within the meaning of Section 249AA of the Companies Act 1985 throughout the year and the preceding period.

The directors also believe that the company will remain dormant in the foreseeable future.

On 8 January 2001, it was announced that Blue Circle and Lafarge had agreed the terms on which Lafarge S.A., through its wholly-owned subsidiary Lafarge Minerals Limited, proposed to acquire Blue Circle Industries PLC. The acquisition was completed on 11 July 2001. The directors now regard Lafarge S.A. to be the controlling entity.

DIRECTORS AND THEIR INTERESTS

The directors of the company during (and unless indicated throughout) the year were as follows:

G F Franklin (Resigned 14.12.01)
Blue Circle Home Products Limited
R A Elliott (Appointed 14.12.01)

The directors, other than Blue Circle Home Products Limited, had no beneficial interest in the shares of the Company as it is a wholly owned subsidiary of Blue Circle Home Products Limited. Blue Circle Home Products Limited's interests are dealt with in the accounts of Blue Circle Home Products Limited.

No director in office at the 31 December 2001 had any interests in the shares of Blue Circle Industries PLC.

ELECTIVE REGIME

An elective resolution exists under Section 379A of the Companies Act 1985 ("The Act"):

1. applying the provision of Section 80A of the Act;
2. dispensing with the laying of accounts before the Company in general meeting;
3. dispensing with the holding of annual general meetings; and
4. dispensing with the obligation to reappoint auditors annually.

BLUE CIRCLE (HW) LIMITED

Company Registration Number 166344

AUDITORS

For the year ended 31 December 2001 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

By order of the board

R. A. Elliott

R A Elliott
For and on behalf of
BCHP Secretary Limited
Secretary

27 JUNE 2002

BLUE CIRCLE (HW) LIMITED

Company Registration Number 166344

BALANCE SHEET AS AT 31 December 2001

		31 December	
		2001	2000
		£	£
NOTES			
CURRENT ASSETS/(LIABILITIES)			
Creditors:	Amounts falling due within one year		
	Amount owed by parent undertaking	(5,880,083)	(5,880,083)
		<u>(5,880,083)</u>	<u>(5,880,083)</u>
CAPITAL AND RESERVES			
Called up share capital	1	484,000	484,000
Revaluation Reserve		50,717	50,717
Accumulated Losses		(6,414,800)	(6,414,800)
		<u>(5,880,083)</u>	<u>(5,880,083)</u>

For the year ended 31 December 2001 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for:

- (i) ensuring the Company keeps accounting records that comply with section 221; and
- (ii) preparing accounts that give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

Approved by the Board of Directors on 27 JUNE 2002.

signed on behalf of the board by:

L. C. PEG
Director

BLUE CIRCLE (HW) LIMITED

Company Registration Number 166344

NOTES TO THE ACCOUNTS - 31 December 2001

1 CALLED UP SHARE CAPITAL

	Authorised Number	£	Allotted called up and fully paid Number	£
As at 1 January 2001 and 31 December 2001				
£1 Ordinary shares	484,000	484,000	484,000	484,000

2 DIRECTORS EMOLUMENTS

No director received any emoluments from the Company during the year.

3 ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY

Lafarge S.A., a company registered in France, is the largest undertaking to consolidate the accounts of the Company. Lafarge S.A. is regarded by the directors as being the Company's ultimate parent company and controlling entity.

Copies of the accounts of Lafarge S.A. may be obtained from the Stockholder Relations Department, 61, rue des Belles Feuilles, 75116 Paris, France.

Blue Circle Industries PLC, a company registered in England and Wales and incorporated in Great Britain, is the smallest parent undertaking to consolidate the accounts of the Company.

Copies of the Group accounts of Blue Circle Industries PLC may be obtained from the Company Secretary, Blue Circle Industries PLC, The Old Rectory, Misterton, Lutterworth, Leicestershire LE17 4JP.