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Group financial performance

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Our strategy in action

## Industrial Minerals

### Operating profit

2006  
**\$317 m**

2007  
**\$474 m**

### EBITDA

2006  
**\$539 m**

2007  
**\$732 m**

- Tarmac occupies leading position in aggregates and ready-mix concrete in the UK
- Operating profits climb by 38% (excluding benefit from exchange rate movements) on prior year
- Tarmac is a cash generative business with strong prospects in the UK and continental Europe

Following a strategic review and as announced in August, the decision was taken to sell Tarmac. It is expected that the performance of Tarmac will underpin a competitive sale process; however it has been decided not to launch the marketing phase of the sale process until current credit market conditions improve.

## Business overview

Anglo Industrial Minerals' (AIM) sole business is Tarmac, an international heavy building materials producer. In the UK it is a market leader in aggregates, asphalt, mortar and ready-mixed concrete and it has significant operations in concrete products, lime and cement. It has operations in continental Europe and the Middle East, where it is principally involved in the production of crushed rock, sand and gravel, asphalt, ready-mixed concrete and concrete products.

Tarmac's UK organisation consists of two business units, Aggregate Products and Building Products, which are supported by a shared service centre based in central England. Aggregate Products comprises aggregates, asphalt, contracting, recycling and ready-mixed concrete. The organisation is based in seven geographical areas, enabling strong local customer focus. Building Products is made up of those businesses that have essentially national markets, including cement, lime, mortar and concrete products.

Tarmac International is a combination of six businesses operating in 11 countries. It is a leading producer of hard rock, sand and gravel and concrete products in its Central European countries of operation, and of ready-mixed concrete in the Madrid and Alicante areas of Spain. In France and Poland, it has important and growing shares of the concrete products markets. In 2006, the company entered Turkey and acquired a developing business in Romania, involving interests in quarries and ready-mixed concrete.

## Industry overview

Tarmac's sand and gravel products are used mostly in the production of ready-mixed concrete, but are also used for fills and drainage. Extracted from pits and dredged from coastal waters, materials are washed and graded prior to use.

Its crushed rock is predominantly used for road construction (where it is used both as a foundation and, when heated and mixed with bitumen, as a surfacing material), other foundations, drainage, railway ballast and concrete products. Crushed rock may also be used in ready-mixed concrete.

Tarmac's ready-mixed concrete is manufactured at production units located close to its market and is composed of sand, gravel, crushed rock, water, cement, cement replacements and other components dependent upon the performance required from the resultant mix. Ready-mixed concrete is transported to site in specialist truck mixers designed to mix the material during transit.

## TARMAC SHARE OF UK HEAVY SIDE BUILDING MATERIALS

