

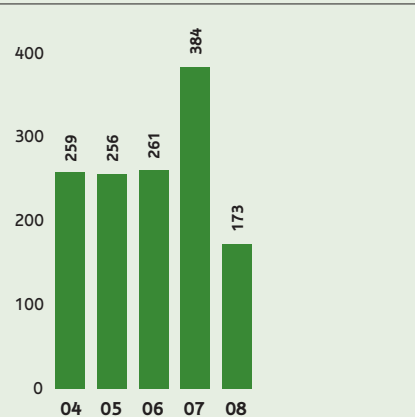
Industrial Minerals

Asphalt, which is manufactured by coating graded, crushed rock with bitumen, is the main product used for surfacing roads

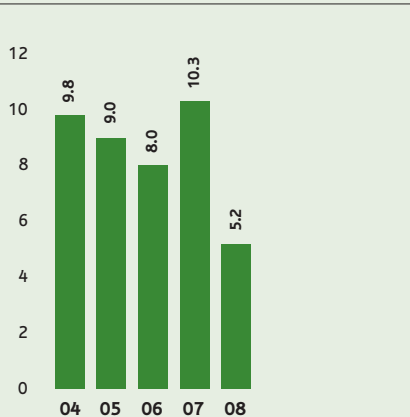


Financial highlights

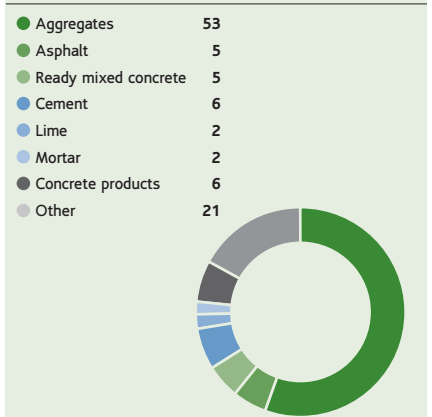
Five year underlying earnings
\$m



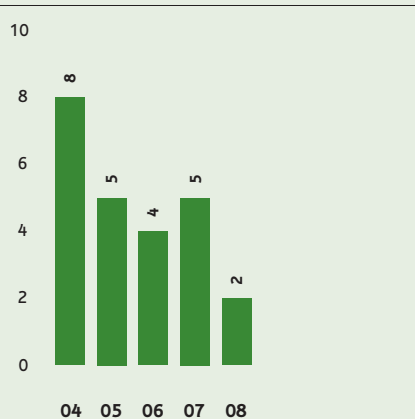
Operating margin
%



Tarmac contribution by product 2008
%

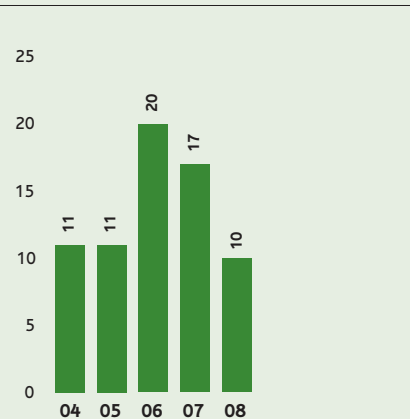


Share of Group operating profit⁽¹⁾
\$m



⁽¹⁾ On a continuing basis for 2006 and 2007.

Share of Group net operating assets⁽¹⁾
%



⁽¹⁾ On a continuing basis for 2006 and 2007.

In 2007, Copebrás and Yang Quarry were reclassified from Industrial Minerals to Base Metals and Coal respectively, to align with internal management reporting. As such, the 2007 and 2006 data has been reclassified for the Yang Quarry results and all data has been reclassified for the Copebrás results.

Financial data

US\$m	2008	2007 ⁽¹⁾	2006	2005	2004
Turnover					
Subsidiaries	4,371	4,581	3,961	3,754	3,571
Joint ventures	—	—	—	—	—
Associates	7	10	17	30	25
Total turnover	4,378	4,591	3,978	3,784	3,596
EBITDA	487	732	539	570	556
Depreciation and amortisation	259	258	222	229	201
Operating profit before special items and remeasurements	228	474	317	341	355
Operating special items and remeasurements	(91)	(67)	(269)	(16)	(9)
Operating profit after special items and remeasurements	137	407	48	325	346
Net interest, tax and minority interests	(55)	(90)	(56)	(69)	(103)
Underlying earnings	173	384	261	256	259
Net segments assets	3,335	4,509	4,185	3,839	4,345
Capital expenditure	301	274	278	237	278

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Production data

	unit	2008	2007
Anglo Industrial Minerals			
Aggregates	tonnes	93,095,000	95,393,300
Lime products	tonnes	1,353,000	1,836,300
Concrete	m ³	6,312,000	8,858,400

Business overview

Operating profit

2008

\$228m

2007: \$474m

EBITDA

2008

\$487m

2007: \$732m

- Successful divestment of Tarmac Iberia
- Strong delivery on cost saving initiatives
- Cash generative despite challenging market



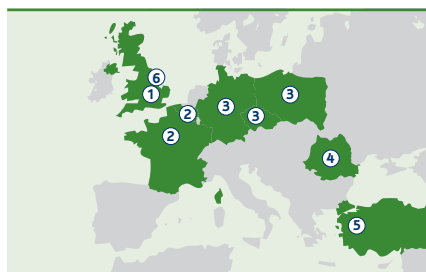
Europe and the Middle East

Aggregate and building products businesses in the UK. International business in ten countries across Europe and the Middle East

Anglo Industrial Minerals' 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 and has a widespread geographic presence, 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.

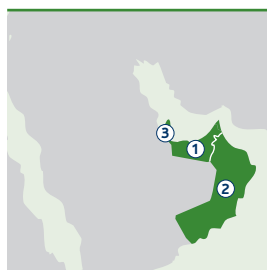
Tarmac's international businesses operate in ten countries in continental Europe and the Middle East. It is a leading producer of hard rock, sand and gravel and concrete products in its Central European countries of operation. In 2008, the company sold its Spanish operations.



Europe

- ① 100% Tarmac UK
- ② 100% Tarmac France (France and Belgium)
- ③ 100% Tarmac Central Europe (Germany, Poland, Czech Republic)
- ④ 100% Tarmac Romania
- ⑤ 100% Tarmac Turkey
- ⑥ 50% Midland Quarry Products

The Tarmac Group has strong positions in Central Europe (Germany, Poland and the Czech Republic) and France. It has entered Romania and Turkey where the markets offer strong growth prospects. In January 2008, the Group acquired the remaining 50% shareholding in United Marine Holdings and sold Tarmac Iberia to Holcim in August 2008.



Rest of the world Tarmac Middle East

- ① 49% UAE
- ② 50% Oman
- ③ 50% Qatar

The Tarmac Group has good market positions in the Middle East, principally in a 49% owned joint venture in the UAE, which operates an integrated asphalt and aggregates business.

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.

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.

Mortar and screeds consist of sand, cement and various admixtures dependent on their application and performance requirements. Mortar is predominantly used for masonry applications such as bricklaying and will often contain lime to improve working properties.

Asphalt, which is manufactured by coating graded, crushed rock with bitumen, is the main product used for surfacing roads. Applied hot or cold to road foundations, asphalt is either supplied to site or collected by contractors from strategically located plants.

Tarmac's concrete products sector provides the construction industry with a variety of pre-fabricated products, including blocks for walling, pre-stressed structural flooring and engineered pre-cast elements.

Tarmac's lime and cement, which employ similar production processes, are added value materials used widely within construction. Lime is also an important product in the environmental and industrial sectors.

The aggregates, asphalt, cement and ready-mix markets in which Tarmac participate are consolidated in the UK, with a small number of large companies accounting for a large percentage of the market. The main aggregates players also compete in the more fragmented concrete products market.

As a result of the rapid decline in credit market liquidity, the industry faces a challenging and uncertain environment as demand thins against the backdrop of global slowdown.

Strategy

Tarmac's strategy is to maximise shareholder value by exploiting its core competitive reserves, while maintaining its strong market positions in established territories. In January 2008, Tarmac increased to 100% its ownership of United Marine Aggregates (UMA), a significant UK marine-dredged aggregates business. In August 2008, Tarmac disposed of its 100% ownership of Tarmac Iberia.

Tarmac continues to focus on its core business activities, pursue further cost reductions in light of the weak market in the short term and reduce capital expenditure without harming its strong leadership position.

Within Tarmac as a whole, there remains significant upside potential from operational and commercial business improvements and focused growth, with initiatives planned to deliver that upside by 2010. Tarmac aims to be the supplier of choice across its full product range.

Market information

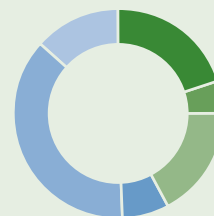
2008 estimated UK value of construction market %

● New construction	55
● Repair and maintenance	45



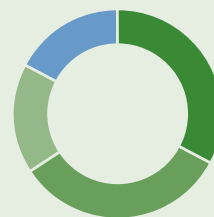
New construction market structure by value %

● Private housing	20
● Public housing	5
● Other public	17
● Industrial	7
● Commercial	37
● Infrastructure	13



Repair and maintenance market structure by value %

● Private housing	33
● Other private	33
● Other public	17
● Public housing	17



Vegetation thrives on formerly mined land at Tarmac's Tunstead quarry in Derbyshire, England. The quarry, which has an output of 5.5 Mt of limestone annually, is the largest producer of high-purity industrial limestone in Europe and the UK's biggest producer of lime.

