HANSON PLC
Form 20-F
March 01, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2005
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission file number 333-109672

HANSON PLC

(successor to Hanson Building Materials Limited)
(Exact Name of Registrant as Specified in Its Charter)

n/a
(Translation of Registrant s name into English)

England and Wales
(Jurisdiction of incorporation or organization)

1 Grosvenor Place
London SW1X 7JH, England
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares	The New York Stock Exchange, Inc.
Ordinary Shares of £0.10 each	The New York Stock Exchange, Inc.*
5.25% Notes due 2013**	The New York Stock Exchange, Inc.

* Listed, not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

** Issued by Hanson Australia Funding Limited, an indirect wholly owned subsidiary of the Registrant, and guaranteed as to certain payments by the Registrant.

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

736,968,849 Ordinary Shares of £0.10 each were outstanding.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark which financial statement item the registrant has elected to follow.

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A Scheme of Arrangement (the Scheme) was approved by shareholders of Old Hanson on September 19, 2003, subsequently approved by the Court on October 13, 2003 and became effective at the close of business on October 14, 2003 (the Scheme Effective Date). Under the Scheme, shareholders in Old Hanson received, in substitution for each of their ordinary shares of £2 in nominal value in Old Hanson, one ordinary share of 10p in nominal value in New Hanson, following a reduction in the nominal capital of New Hanson approved by the Court on October 20, 2003 and effective from October 21, 2003.

For the purposes of producing the Annual Report and Form 20-F of New Hanson, unless otherwise expressly specified (a) references to the Company and its subsidiaries or Hanson and its subsidiaries, or the group, refer to Old Hanson and its subsidiaries up to the close of business on the Scheme Effective Date and to New Hanson (including Old Hanson) and its subsidiaries as from that time and (b) references to Hanson or the Company are to Old Hanson up to the close of business on the Scheme Effective Date and to New Hanson as from that time. At the Scheme Effective Date New Hanson had no business assets.

Solely for the convenience of the reader, the Annual Report and Form 20-F contains translations of certain amounts in pounds sterling (£) or pence (p) into US dollars (US dollars or $) or cents (c). The translations of pounds sterling and pence to US dollar and cents appearing in the Annual Report and Form 20-F have been made at the noon buying rate in New York City for cable transfers in pounds sterling as certified for customs purposes by the Bank of New York (the noon buying rate) on the date of the information so translated. These translations should not be construed as representations that the pound sterling amounts actually represent such US dollar amounts or could be converted into US dollars at the rates indicated. On February 21, 2006 the noon buying rate was $1.74 per £1. For additional information on exchange rates between the pound sterling and the US dollar, see Exchange Rates on page 133 of the Annual Report and Form 20-F.

Each of Hanson, Hanson Aggregates North America, Hanson Building Products North America, Hanson Aggregates UK, Hanson Building Products UK, Hanson Australia & Asia Pacific and Hanson Continental Europe (as such expressions are referred to in the Annual Report and Form 20-F) is either a holding company or divisional entity, and does not itself carry out any of the business activities described on page 53 of the Annual Report and Form 20-F.

References to we , our or us , unless the content otherwise requires, is, in the context of a description of the group s businesses, operational activities or liabilities, a reference to those of the relevant subsidiary company. References to Hanson or the Company should, where appropriate, be construed as a reference to the group or one or more of the Company s subsidiaries.

The market, industry and product segment data contained in the Annual Report and Form 20-F have been taken from industry and other sources available to Hanson in the relevant jurisdictions and, in some cases, adjusted based on relevant management s knowledge of the industry. Hanson has not independently verified any third-party market information. Similarly, while Hanson believes its internal estimates are reliable, they have not been verified by independent sources.

Some of the information included in the Annual Report and Form 20-F, including documents incorporated by reference, are, or may be deemed to be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (United States). Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results and developments to differ materially from future results and developments expressed or implied by such forward-looking statements. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as anticipate , estimate , expect , intend , will , project , plan , believe and other words and terms of similar meanings i discussion of future operating or financial performance.

Such factors include, but are not limited to, changes in economic conditions, especially in the USA, the UK and Australia; changes in governmental policy or legislation relating to public works expenditure and housing; inclement weather conditions; the competitive market in which we operate; changes in governmental policy or legislation that could effect regulatory compliance and other operating costs; disruption to, or increased costs of, the supply of materials, energy and fuel to our business; pension and post-retirement healthcare costs; ineffective implementation of computer software systems; our inability to achieve success in our acquisition strategy; exchange rate fluctuations; potential liabilities, including asbestos, arising out of former businesses and activities; adequacy of Koppers environmental insurance and US litigation exposure. Hanson does not undertake any obligation to update or revise publicly such forward-looking statements. All written, oral or other tangible and electronic forward-looking statements attributable to Hanson or persons acting on behalf of Hanson are expressly qualified in their entirety by this cautionary statement.

Front cover:
Hanson Aggregates North America the New
Bridgeport plant, near Dallas, Texas, USA.

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Financial highlights

Summary statistics for the year ended December 31, 2005

		2005	2004	% change
Group turnover*		**£3,715.7m**	£3,383.0m	9.8
Operating profit before impairments		**£488.8m**	£423.4m	15.4
Profit before taxation		**£429.3m**	£347.3m	23.6
Profit for the year		**£387.6m**	£264.2m	46.7
Net cash inflow from operating activities		**£471.2m**	£507.5m	(7.2)
Net debt		**£989.6m**	£695.2m	42.3
Gearing#		**37.0%**	28.8%	8.2ppts

Earnings per share	basic	**53.2p**	36.0p	47.8
Earnings per share	continuing operations	**54.2p**	43.6p	24.3
Earnings per share	continuing operations before impairments	**55.5p**	46.7p	18.8
Dividend per share	paid in the year	**18.65p**	17.30p	7.8
Dividend per share		**20.0p**	18.15p	10.2

Group turnover

Up 9.8%

Dividend per share

Up 10.2%

Operating profit before impairments

Up 15.4%

Earnings per share basic

Up 47.8%

Cash spend on acquisitions in 2005

£342.9m

Group turnover by Region

Operating profit before impairments by Region

		£m	%
North America			
1	Hanson Aggregates	980.6	26.4
2	Hanson Building Products	753.7	20.3
		1,734.3	46.7
UK			
3	Hanson Aggregates	811.5	21.8
4	Hanson Building Products	368.2	9.9
		1,179.7	31.7
Australia & Asia Pacific			
5	Hanson Australia	464.6	12.5
6	Hanson Asia Pacific	108.4	2.9
		573.0	15.4
7	Hanson Continental Europe	228.7	6.2
Group Total		3,715.7	100.0

		£m	%
North America			
1	Hanson Aggregates	138.4	26.6
2	Hanson Building Products	125.7	24.2
		264.1	50.8
UK			
3	Hanson Aggregates	108.8	20.9
4	Hanson Building Products	37.8	7.3
		146.6	28.2

Australia & Asia Pacific			
5	Hanson Australia	81.6	15.7
6	Hanson Asia Pacific	8.1	1.5
		89.7	17.2
7	Hanson Continental Europe	19.9	3.8
Sub Total		520.3	100.0
Central		(31.5)	
Group Total		488.8	

*Excluding joint-ventures and associates
#Net debt divided by total equity
Continuing operations
2005 interim dividend paid and final dividend recommended

1 Financial highlights

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Chairman s statement

During 2005, the group once again achieved excellent progress against its primary objective, which is to create sustainable, long-term value for our shareholders.
Mike Welton
Chairman, Hanson PLC

2005 has been my first year as Chairman of Hanson PLC, having been appointed to the role in April 2005. I am pleased to be able to report that during 2005 the group once again achieved excellent progress against its primary objective, which is to create sustainable, long-term value for our shareholders.

We have grown the group turnover, earnings and margins of our existing businesses in 2005 and have added further value through a number of significant acquisitions. We have increased our dividend and share buyback programme.

Our operating environment has continued to change during the year, including further consolidation of our customer and competitor base. Both at a strategic and at an operational level, Hanson believes it is meeting these challenges.

Returns to shareholders

The Board recommends a final dividend of 14.15p (12.80p) per share. This, together with the interim dividend, makes a total of 20p (18.15p) for the year, an increase of 10.2%. The Investor information section of this report provides payment details.

Hanson has continued the on-market share buyback programme begun in 2004. During the year ended December 31, 2005, we bought back 8,335,000 shares (6,350,000 shares) for £46.7m (£26.1m), equivalent to 1.1% (0.9%) of outstanding shares.

Board of Directors

After the AGM in 2005, Chris Collins stepped down as Chairman. On your behalf, I thank Chris for his tremendous contribution, initially as an Executive Director of Hanson and then as Chairman. We are also grateful for the contributions over many years of Simon Keswick and Kenneth Baker as Non-executive Directors, who also stepped down following the AGM.

In August 2005, we welcomed John Brady to our Board as a Non-executive Director. John brings with him a wide experience gained in his years at McKinsey, latterly as a Director working on board strategy.

Corporate governance

Although plans to introduce a mandatory Operating and Financial Review have been shelved by the UK government, we are required to produce the equivalent of an Operating and Financial Review to satisfy US regulatory requirements.

We have expanded this to give stakeholders in the group an insight into the way in which the Board of Hanson PLC analyses its environment and operating activities.

We remain fully compliant with section 404 of the US Sarbanes-Oxley Act ahead of the requirement for foreign US registrants. This underlines our commitment to strong financial control and discipline.

Corporate responsibility

Hanson is committed to a programme of ongoing improvement in all areas of its corporate responsibility.

I am happy to report that for the fifth consecutive year we saw an overall improvement in our safety statistics. We promote a culture of continuous improvement in our safety awareness across all of our operations, with the Board monitoring formally the group s safety performance on a quarterly basis. The information obtained from these quarterly reports and from presentations to the Board is used to identify where particular attention should be focused and to assess the effectiveness of our approach.

Environmental issues are also reported quarterly to the Board. Our careful management of environmental issues is an integral part of our overall business strategy.

Hanson people

The Hanson team of highly motivated people is one of Hanson s greatest assets. We are dedicated to delivering increased value to all our constituents (including shareholders, customers, suppliers, fellow employees and the communities in which we operate). The introduction, some two years ago, of the Hanson guiding principles for employees is one of the drivers of a high performance corporate culture. I have been surprised and delighted by the level of expertise and enthusiasm I have encountered since assuming the role of Chairman and would like to thank Alan Murray and the rest of his team for their efforts and achievements during 2005.

Looking forward

We expect to make further progress during 2006 based on strong market positions, value adding acquisition opportunities and continued financial discipline. I believe we have the assets and the people to realise our objective and create sustainable value for all our stakeholders.

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Chief Executive s overview

In 2005, we have achieved double digit earnings growth, completed a significant number of valuable acquisitions and increased our returns to shareholders.
Alan Murray
Chief Executive, Hanson PLC

Our customers

Throughout 2005 as previously, a key aim has been, and will continue to be to make Hanson a truly customer focused company. We believe we should treat our customers in the same way we would expect to be treated ourselves with courtesy and respect.

2005 performance summary

I am very pleased with the performance we have delivered in 2005. We have achieved double digit earnings growth, completed a significant number of valuable acquisitions and increased our returns to shareholders.

Operating highlights

Group turnover increased by 9.8% to £3,715.7m (£3,383.0m), of which 4.2% was due to the acquisitions we made in 2005. Excluding acquisitions, most of the 5.6% increase was due to increases in selling prices. Price increases have been necessary to recover those higher input costs that could not be absorbed through cost initiatives. Cost control is an integral part of our operational culture and we continue to strive to be the lowest cost producer.

In total, group operating margin increased by 0.3ppts, despite the significant increase in costs, and the operating profit before impairments increased by 15.4% to £488.8m. Excluding acquisitions and property income, operating profit before impairments from the existing business grew by 13.6%. The majority of our six divisions contributed to this growth with a 38.8% increase from the UK Aggregates division, 25.1% from Australia & Asia Pacific, 20.2% from US Aggregates and 8.7% from US Building Products. These are excellent results and more than offset the difficult markets for our UK Building Products and Continental Europe divisions in 2005.

Investing highlights

£191.8m of capital expenditure was invested in capital projects to maintain and to enhance our existing operations. In line with our ongoing capital expenditure policy, we aim to remain disciplined and biased towards projects which will have superior risk/return ratios.

In the USA, construction has begun on replacement pipe and precast manufacturing plants in Texas, Arizona and Florida and the construction of a new greenfield roof tile plant near Jacksonville in Florida. In addition, we completed the quarry replant at Bridgeport, Dallas and secured further

mineral reserves in California. In the UK, capital expenditure includes kiln refurbishment, plant automation and information technology projects. Plant upgrades were completed in Australia and additional mineral reserves have been secured in Spain.

Acquisitions and disposals

Our strategy to enhance shareholder value includes the acquisition of companies which extend our existing operations or geographies. In addition, our aggregates acquisition strategy helps maintain our long-term mineral reserves and resources position, which totalled 15.9bn tonnes at the end of 2005.

Eleven transactions were completed in 2005 for a cash cost of £342.9m (£88.4m) and included the acquisition of Mission Valley Rock, which secured over 54m tonnes of reserves in the San Francisco Bay area. The acquisition of Sherman Pipe expanded our presence in the southeast region of the USA. In the UK, the acquisitions of Thermalite and Marshalls Clay Products have extended our building product ranges.

Disposal proceeds received in 2005 totalled £50.3m in the year and included the sale of Hanson s 50% interest in Campbell Concrete and Materials in Texas and 19 ready-mixed concrete plants in Spain.

Safety

We continued to improve the safety of our employees. For the first time since the group safety records were maintained there were no employee work related fatalities in 2005. Our focus in 2006 is to reduce the number of accidents and unsafe acts.

Operating outlook

Demand in the US is expected to remain strong but may decline in the UK and Australia. The increase in energy costs incurred in the latter part of 2005 will impact our annual cost base in 2006, despite our cost reduction initiatives. We will work closely with our customers to deliver premium products and services whilst remaining disciplined on selling prices.

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Summary financial results

Group turnovehas increased by £332.7m and operating profit before impairments has increased by £65.4m.
Jonathan Nicholls
Finance Director, Hanson PLC

Consolidated income statement

Group turnover increased by £332.7m, or 9.8%, in 2005 to £3,715.7m. £143.8m of the increase was due to acquisitions made in the year, with the majority of the balance of £188.9m, or 5.6%, due primarily to the increases in selling prices achieved by the operations. Excluding acquisitions, product sales volumes were generally at or below 2004 levels.

Costs and overheads increased by £284.6m, or 9.5%, during the year. £126.7m of the increase was due to acquisitions. The remaining £157.9m, or 5.3%, represents the increase in costs relating to our existing operations. Energy costs, namely electricity, fuel and gas, increased by over 20% in 2005. In addition, significant raw material increases were incurred for cement, bitumen and steel.

The share of joint-ventures and associates profit after taxation increased by 74.6% to £40.5m and includes a one-off tax credit of £6.6m. Excluding this item, the 46.1% increase reflects the strong performance from our 25% interest in Cement Australia.

Operating profit before impairments increased by £65.4m, or 15.4% to £488.8m in 2005. Acquisitions contributed £17.1m, property profits reduced by £6.5m and foreign exchange movements increased profits by £6.4m.

Profit before taxation increased by £82.0m, or 23.6% to £429.3m (£347.3m). Net finance costs were £55.5m (£46.8m).

Profit after taxation increased by £74.7m, or 23.3% to £394.9m (£320.2m). The group tax charge for 2005 was £34.4m (£27.1m). This includes an underlying effective tax charge of £58.4m, equivalent to a rate of 14.9% (15.6%), and a reduction of £29.6m relating to a net release of tax provisions following successful settlement of a number of issues.

Discontinued items totalled a loss after taxation of £7.3m (£56.0m), of which £13.7m related to asbestos. The gross cost of asbestos, before insurance, was US$43.2m (US$59.3m). At this stage, our estimate of the average annual cost before insurance over the next eight years is $60.0m, equivalent to approximately £21m after tax. In February 2006, a settlement was reached with insurers covering approximately 20% of the group s present asbestos costs.

Profit for the year was £387.6m
(£264.2m), an increase of 46.7%. Basic earnings per share before impairments increased by 18.8% to 55.5p (46.7p). Interim dividend paid and final dividend recommended for 2005 totalled 20.0 pence per share, an increase of 10.2%.

Consolidated balance sheet

Net debt increased by £294.4m to £989.6m (£695.2m) and included an increase of £95.7m due to foreign exchange. Total equity at the end of 2005 was £2,672.3m (£2,411.0m) and gearing at the year end was 37.0% (28.8%).

Consolidated cash flow statement

The net cash inflow from operating activities was £471.2m (£507.5m), a decrease of £36.3m. This is after net payments of £64.3m (£53.2m) for interest and £54.1m (£18.3m) for taxation.

Capital expenditure totalled £191.8m (£198.6m) and £342.9m was spent on 11 acquisitions. Dividends paid were £136.2m in 2005, and a total of 8,335,000 shares were bought back for £46.7m, of which £45.1m was paid in 2005.

Pensions

We continue to make progress in managing our exposure to pension liabilities. All defined benefit plans are now closed to new members, other than those covered by pre-existing collective bargaining arrangements. The net deficit under International Financial Reporting Standards (IFRS) decreased to 1.0% of liabilities or £20.8m (2.7%, £48.5m). 58.3% (53.7%) of assets are held in bonds, property or cash.

4	Summary financial results	Continuing operations

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Review of operations

Top: On site at the Old Bullring, Barcelona, Spain. Bottom: Box culverts at Grand Prairie plant, Texas, USA.

Industry and markets

Our industry

We supply heavy building materials and services to the public and private construction sectors. Our key products include aggregates, ready-mixed concrete, asphalt, cement, concrete and steel pipe, precast concrete products, bricks and roof tiles.

End use markets and demand drivers

The end use of our products and services may be categorised into residential, infrastructure, and industrial and commercial construction applications.

Residential includes public and private housing, and comprises both new build and repair, maintenance and improvement (RMI). The level of new housing spend in this sector is driven by population growth and demand for new housing offset by supply constraints such as house prices and planning permissions. Statistics for housing starts and completions are published in several of our major markets, including the US and UK. RMI work includes DIY spend and is often linked to consumer confidence.

Infrastructure includes transport (such as road, rail and airports) and utilities (including water transmission, sewage, power and communications). Typically, infrastructure spend on both new projects and RMI is government funded, for example through the SAFETEA programme in the USA. Infrastructure demand is driven by demographics, namely population growth, along with government fiscal policy and priorities and planning constraints.

Industrial and Commercial includes offices and factories as well as schools and hospitals. This category of construction is funded by both the public and private sectors and may include public finance initiatives (PFI). Drivers for private spending include economic growth. Typically, public spending is driven by political priorities.

Competitive position

Our aim is to establish Hanson as one of the leading suppliers in each of the local markets in which we operate. This requires a network of well-located operations which can be used to optimise customer service and transport costs and to leverage economies of scale. These competitive positions can be strengthened through acquisitions. Acquisitions can add value through the realisation of operating and cost saving synergies in areas such as increased asset utilisation and reduced administrative overheads.

Vertical integration in aggregates

In some markets, aggregates producers are integrated downstream into ready-mixed concrete and asphalt production. In addition, asphalt producers may undertake maintenance contracts and surfacing work. Ready-mixed concrete producers may have upstream cement operations.

Our focus is on aggregates, but we own and operate ready-mixed concrete, asphalt and cement operations where this is desirable.

Economic characteristics

Transportation costs are significant

In general, our products have a low-value to weight ratio. This means the cost of transport is a significant element of the total cost of our products to our customers. For example, in some markets the maximum economic road delivery distances for aggregates may be as little as 20 miles. Consequently, the proximity of our operations to our customers is important to our overall competitive position in each market. Delivery to the final destination is principally by road, but we do use alternative transport such as rail or marine to move products in certain markets. Building products may have longer economic delivery distances, depending on market dynamics.

Barriers to entry

Access to mineral reserves, and the ability to obtain the necessary legal permissions to extract them, is one of the main barriers to entry for our aggregates and brick operations. These barriers to entry are increasing in the mature markets in which we operate as planning and environmental controls become more onerous. We aim to work with planning authorities and local communities to ensure we comply with all regulatory requirements and maintain a strong reserve position.

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Review of operations continued

Top: Criggion hard rock quarry, Shropshire, UK. Bottom: Ready-mixed concrete being delivered in Barcelona, Spain.

Our building products operations have barriers to entry due to the significant scale, capital and expertise requirements. For example, concrete pipe and precast products are produced for engineered applications where significant technical expertise is required in design, manufacturing and sales. Technological advances afford us the opportunity for continuous reinvestment and upgrading of manufacturing facilities.

Low substitution threat and low price elasticity

The threat of substitution for most of our products is low. Recycled aggregate materials are used in certain applications, particularly in the UK, following the introduction by the UK government of an aggregates levy. We continue to increase the proportion of high value aggregates produced in our plants.

Service and quality

The service and quality elements of our product offering are essential components of our product positioning. Examples of important factors in creating value for our customers in our Aggregates divisions include the technical strength specification in ready-mixed concrete, the grip and durability of asphalt and the on-time delivery to site and consistency of size and grade of aggregates. Examples in our Building Products divisions include colour matching of bricks, strength and precision of construction of pipes and product availability during peak demand periods for bagged aggregates products.

Our products

Aggregates

Hanson is one of the world s largest producers of aggregates. Excluding joint ventures and associates, we sold over 221m tonnes of aggregates in 2005, from more than 380 quarries in North America, the UK, Australia and Asia Pacific and Continental Europe. Aggregates (sand, gravel and crushed rock) are used in a wide variety of applications, including as a base material for road building, in the construction of rail lines, laying of water transmission and drainage pipeline and as landfill. When mixed with cement and other additives, ready-mixed concrete or concrete products are produced which are used in a wide variety of building-related applications. When mixed with bitumen they become asphalt, which is used as a surface material for roads, airport runways and car parks.

Hanson uses aggregates primarily from three sources; land quarried sand and gravel; marine dredged sand and gravel; and land quarried crushed rock.

The process to extract crushed rock may require stripping which is the removal of overburden material such as top soil and clay from above the mineral deposit. Rock is blasted in predetermined extraction patterns and hauled to mechanical crushers by truck or by conveyor belt. Depending on the geological properties of the deposit, the crushers may be arranged in multiple crushing circuits which separate the rock into different sizes whilst minimising waste or by-product. The finished rock is shipped to customers, by road, rail or water or collected by customers from the plant.

The process for sand and gravel is similar, although reserves tend to be shallower than for crushed rock, and extraction generally does not require blasting.

Ready-mixed concrete

Ready-mixed concrete is made from aggregates, cement, water and chemical admixtures. The ready-mixed concrete is mixed at the plant to ensure it meets the specified technical requirements, particularly strength, and is transported to site in a truck which agitates the mixture to keep it homogeneous. Ready-mixed concrete is used in a wide variety of applications in the construction sector. We supply to a wide variety of customers of varying sizes, ranging from major international construction companies to do-it-yourself enthusiasts.

Excluding joint-ventures and associates, Hanson sold over 20m cubic metres of ready-mixed concrete from 637 sites in eight different countries.

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The new asphalt plant at Pottal Pool quarry, near Cannock, UK serves Staffordshire and the west midlands.

Cement

Cement is a fine powder that is produced by mixing calcium carbonate, silica, alumina and iron ore and grinding them to produce a raw meal . This raw meal is then heated and calcined in a kiln at a temperature of around 1500ºC, then rapidly cooled down to produce an intermediate product in the form of a hard pellet called clinker . The clinker is mixed with gypsum and finely ground to produce cement. Other materials can also be added at this stage such as slag and fly ash to improve certain characteristics of the cement.

We sold 1.8m tonnes of cement at our San Francisco (USA) plant during 2005. We also own 25% of Cement Australia, which produces cement at its plants in Queensland, New South Wales and Tasmania.

Asphalt

Asphalt is made from a mixture of 90% to 95% of dried aggregates, combined with 5% to 10% of heated liquid bitumen. Bitumen is a by-product of the petroleum refining process and the price of bitumen is, in general, governed by the price of oil. Asphalt is used as a surfacing material for roadways and airport runways by the construction sector. Different types of asphalt surface can be produced depending on the grade of aggregates used, which will give the surface differing qualities such as improved grip for vehicles or quieter tyre noise. In certain markets, including the UK, Hanson also enters into long-term contracts under term maintenance agreements with local authorities for highway upkeep and maintenance. In other areas of the world, asphalt is sold directly to the end user at a local level.

Excluding joint-ventures and associates, Hanson sold 11.7m metric tonnes of asphalt in 2005 from 141 plants in six different countries.

Bricks

Bricks are made from clay, which is extracted from the ground, processed, shaped and then fired in kilns. Different types of clay produce bricks with differing qualities. Bricks can be produced in a wide variety of colours and textures and are used primarily in the housing segment of the construction sector. Bricks are used for their attractive appearance, efficient insulation characteristics, low maintenance and durability. Automation in brick manufacturing is increasing, including the the use of robotics to improve brick handling.

In 2005, Hanson produced over 2.3bn bricks at 44 factories in the UK, the USA and Canada.

Concrete roof tiles

Concrete roof tiles are made by extruding a sand-based concrete mix onto individual moulds. Oxides and pigments can be added to the body or on the surface of tiles to obtain a variety of colours. In addition, different surface textures may be added to the weather side of the tiles. The tiles are cured, a process which dries and hardens the product, for a period of approximately one week. They are then ready for installation.

We manufacture tiles at eight locations across the USA.

Concrete pipes and steel pipes

Concrete pipes consist of gravity flow pipes and pressure pipes, with usage dependent on the strength requirement of the applications. They are produced by embedding a reinforcing steel structure within concrete, and range in diameter from 25 centimetres to over 3.5 metres. The large-scale structures are used in a wide variety of construction engineering applications, primarily infrastructure, including uses such as drainage systems and water transmission.

Gravity and pressure pipes are manufactured to rigorous US and international technical specifications.

Steel pipes are used primarily in water transmission applications and we produce a range of steel pipes from 45 centimetres to 3 metres in diameter.

We manufacture a wide range of large-scale concrete precast pipes and other similar structures at 76 locations in the USA and Canada. Steel pressure pipes are manufactured at one location in Dallas, Texas.

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Review of operations continued

Skyway Project, Oakland Bay Bridge,
California, USA.

Precast concrete structures

Hanson s North American precast products are used for roadway drainage, airport drainage, stormwater management and utility construction. In addition, we manufacture highway noise barriers and railroad level grade crossings.

The UK precast range includes a variety of flooring systems such as hollowcore and solid composite beam and block, stairs and landings, culverts, and a comprehensive range of bespoke precast products.

In Australia, the precast range includes a variety of walling, flooring and architectural precast products.

Blocks

Aggregate blocks are produced using dense and lightweight aggregates. They are available in a variety of densities, strengths, configurations and finishes. Aerated concrete blocks are produced under the Thermalite brand and are much lighter than aggregate blocks. They are used by builders and specifiers for wall, floor and below ground construction, offering added properties of heat insulation, moisture resistance, strength and ease of handling.

In 2005, Hanson produced 7.3m standard production units of aggregate blocks at nine UK plants and 850k m^3 of aerated concrete blocks at three UK plants.

Our customers

Hanson supplies its products and services to a broad range of customers, ranging from large multinational construction companies to DIY enthusiasts. Key customers for our aggregates products include heavy construction and paving contractors, residential and commercial building contractors, concrete products manufacturers, state, county and municipal governments and railroads.

Customer service principles

One of Hanson s guiding principles is that we are customer focused and strive to provide premium quality products and services to all our customers. Contact with customers is through our divisions, at local, regional and national levels. Dedicated sales teams are the principal day-to-day support for our customer base, with strong management structures to ensure that strategy, controls and disciplines are adhered to. We aim to be best in class in everything we do and our commercial strategy and performance is critical to this objective.

Our mineral reserves and resources

The mineral reserves and resources which we own, or have the right to extract, are fundamental to the long-term growth of our business. We estimate that our total mineral reserve and resources position including Hanson s share of joint-ventures and associates as at December 31, 2005 is 15.9bn metric tonnes.

The table following details our mineral reserve and resource position as at December 31, 2005. Reserves and resources are defined as follows:

A Mineral Resource is a concentration or occurrence of material of economic interest in or on the earth s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is justified.

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Top: Valdilecha limestone quarry, Madrid, Spain.
Bottom: Concrete products at Grand Prairie
plant, Texas, USA.

Mineral Reserves and Resources as at December 31, 2005

	Reserve	Resource	Total	Reserve	Total
Reserves and resources	bn tonnes	bn tonnes	bn tonnes	Years	Years
US Aggregates	7.0	4.1	11.1	52	82
US Building Products	0.1	0.0	0.1	46	46
UK Aggregates	1.7	0.5	2.2	48	62
UK Building Products	0.1	0.1	0.2	41	88
Australia	0.8	0.5	1.3	34	57
Asia	0.2	0.1	0.3	22	34
Europe	0.5	0.2	0.7	21	25
Total Group	10.4	5.5	15.9	44	67

	Crushed rock	Sand and gravel	Clay	Total
Reserve type	bn tonnes	bn tonnes	bn tonnes	bn tonnes
US Aggregates	6.4	0.6		7.0
US Building Products			0.1	0.1

UK Aggregates	1.1	0.6		1.7
UK Building Products			0.1	0.1
Australia	0.7	0.1		0.8
Asia	0.2			0.2
Europe	0.5			0.5
Total Group	8.9	1.3	0.2	10.4

Reserve ownership	Owned	Leased/Option
US Aggregates	68%	32%
US Building Products	95%	5%
UK Aggregates	49%	51%
UK Building Products	95%	5%
Australia	90%	10%
Asia	6%	94%
Europe	35%	65%
Total Group	64%	36%

Reserve years and total years are calculated by dividing the tonnes of reserve and total tonnes respectively by the volume produced in 2005.

0.2bn tonnes of the reserves are clay reserves, held by the Building Products divisions, which are used to make bricks.

64% of the total reserves at December 31, 2005 are owned. The balance is either leased, or subject to an option to buy or lease.

Maps showing the locations of our aggregates and brick operations are provided on pages 16 to 36.

Objectives and strategy

Our business objectives

Our primary objective is to create sustainable, long-term value for our shareholders. We believe this can be achieved only by working in partnership with our customers and other stakeholders in a responsible manner.

We aim to enhance the value of our existing assets and market positions by growing group turnover, earnings and group margins through the business cycle, assisted by the appropriate combination of maintenance, greenfield and value adding capital expenditure.

Additional value is sought through acquisitions, primarily targeting products or locations which can be bolted-on to our existing operations to complement or extend our business.

We believe there is an opportunity to significantly add value in the medium term and to reinforce our position as one of the world s leading suppliers of heavy building materials.

9	Review of operations

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Review of operations continued

Our strategy

We operate with a straightforward strategy.

1 *We plan to focus on growing our core products in selected markets*

– We plan to continue to grow both our aggregates business and our heavy building products business
– We do not plan to participate in manufacturing light-side building products or in distribution
– We prefer to operate in markets which we consider to be mature, which have good demand drivers, high entry barriers and in which we believe we have the opportunity to establish and retain a strong competitive position.

Group strategy

1 Focus on core products in selected markets
2 Generate margin improvement
3 Invest in capital expenditure
4 Invest in acquisitions
5 Dispose of underperforming or non-core operations
6 Financial discipline

2 *We aim to generate margin improvement*

– We intend to notify our customers routinely and in a timely manner of price increases
– We operate continuous efficiency and cost saving programmes.

3 *We intend to continue to invest in capital expenditure to maintain and enhance the performance of our operations*

– We aim to maintain capital expenditure at or above our annual depreciation charge
– The balance is used to improve health and safety standards, ensure environmental compliance and replace ageing plant and equipment.

4 *We intend to continue to generate value adding growth through our acquisition programme*

– We aim to continue to invest in acquisitions over the medium-term
– Potential targets are evaluated on a discounted cash flow basis against our cost of capital, taking into account strategic fit, risk and return targets.

5 *We are prepared to make disposals of underperforming or non-core operations if required*

– We are prepared to sell operations if they do not meet our medium-term ownership criteria although we believe that, at present, we have completed most of the required disposals.

6 *We intend to continue to enforce strong financial discipline in order to create long-term shareholder value*

– We plan to continue our progressive dividend policy
– We plan to continue our routine and gradual share buyback programme
– We plan to maintain our investment grade debt ratings
– We will continue to be disciplined in our operating, investing and financing decisions
– We will not target short-term benefits to the detriment of the longer-term performance of the business.

Performance indicators

Background

The Board of Hanson PLC has key performance indicators to measure the progress of the Company against both its business objectives and its strategy. The Board reviews performance against these measures on a regular basis.

Key performance indicators

– Group turnover represents the total amount charged to customers for our products and services, including delivery but excluding joint-ventures and associates, inter-company sales, property sales and sales taxes such as VAT.

Our aim is to increase turnover each year through a combination of price and volume growth from our existing market positions and assets, and additional turnover from acquisitions.

In 2005, we increased our group turnover by 9.8% to £3,715.7m. Acquisitions made in 2005 contributed 4.2% of this growth. The increase from the existing operations of 5.6% was due primarily to increases in selling prices rather than volume growth.

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- Group operating margin represents the group operating profit before impairments, divided by group turnover. The word group designates that it excludes our share of joint-ventures and associates profit after tax. Group operating profit before impairments is therefore group turnover less group operating costs.

  Our overall aim is to grow or maintain margin each year. This is an indicator of our ability to offset any cost inflation through productivity initiatives, including value adding capital expenditure, and through selling price increases. The margin may be shown before property profits if such profits are significant in any given year. The group operating margin may reduce due to either a change in the mix of business, or because of a significant increase in both costs and group turnover which has the effect of lowering margin even if profit is maintained.

  In 2005, our group operating margin was 12.1% (11.8%), an increase of 0.3ppts. Excluding property income of £14.9m (£21.4m), the margin in 2005 was 11.7% (11.2%), an increase of 0.5ppts.

- Operating profit before impairments represents group operating profit before impairments (as defined above and before finance costs and taxation) plus our share of profit after tax from joint-ventures and associates. Operating profit before impairments provides a measure of our success in growing group turnover and managing costs and overheads for the group companies, as well as the contribution after tax from our joint-ventures and associates.

  Our aim is to increase operating profit before impairments each year, through a combination of margin improvement initiatives, improvements to our joint-ventures and associates and through acquisitions. The increase may be shown before property profits if such profits are significant.

  In 2005, our operating profit before impairments increased by 15.4% to £488.8m, and by 17.9%, excluding property profits. Operating profit from acquisitions made in 2005 contributed 4.3% of the 17.9% increase. The share of joint-ventures and associates profit after tax added a further 4.3%, and the balance of 9.3% was due to an improvement in the existing group operating profit before impairments.

- Profit before taxation is defined as operating profit after impairments, less finance costs. Finance costs consist of interest payable and receivable on borrowings and deposits, the expected return on assets, and unwind of discounts, on pensions and other post retirement benefits, discounting and any net change in the fair value of financial assets and liabilities.

  Our aim is to increase profit before tax in line with the increase in operating profit before impairments. This may not always be possible however, given the potential volatility of the non-cash impairment amount, and the finance costs due to pensions and the requirement to fair value financial assets and liabilities.

  In 2005, our profit before tax increased by 23.6% to £429.3m, compared to a 15.4% increase in operating profit before impairments.

- Profit for the year is defined as profit before taxation, less tax and discontinued operations. Tax includes current and deferred tax. Discontinued operations include the cost of asbestos, shown as a loss on disposals in prior years, after tax.

  Our aim is to manage our underlying tax rate, and reduce the annual cost of discontinued operations. In this way, we aim to increase our profit after tax in line with the increase in operating profit before impairments. Taxation includes full deferred tax accounting and charges and releases relating to tax provisions, some of which may vary significantly from year to year.

  In 2005, our profit for the year increased by 46.7% to £387.6m, compared to a 15.4% increase in operating profit before impairments.

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Review of operations continued

- Earnings per share (EPS) on basic, continuing operations before impairments This is our preferred measure of earnings per share, defined as profit for the year, adding back impairments and discontinued operations, divided by the average number of shares in issue during the period (thus excluding shares held in treasury).

  Our aim is to increase EPS in line with the increase in operating profit before impairments, although the potential volatility in the tax charge may affect our achievement.

  In 2005, our basic EPS on continuing operations before impairments increased by 18.8% to 55.5p per share, compared to an increase in operating profit before impairment of 15.4%.

- Net cash inflow from operating activities is defined as the cash flow generated by the operations, including dividends from joint-ventures and associates and payments for discontinued items such as asbestos. It is stated after receipts and payments for interest and tax but before investing and financing activities.

  Our aim is to increase net cash inflow from operating activities in line with the increase in operating profit before impairments. This is an indicator of our ability to convert earnings into cash. For items such as finance costs and tax, the cash impact may be a more meaningful measure than the complex accounting in the income statement.

  In 2005, our net cash flow from operating activities reduced by £36.3m, or 7.2%, to £471.2m, compared to a 15.4% increase in operating profit before impairments. The reduction included an increase in payments for tax of £35.8m (unusually low in 2004), and an increase of £11.1m for net interest paid.

- Acting responsibly within our communities, with our customers and our employees is a key objective for Hanson. The Board monitors a variety of performance indicators relating to communities, including charitable donations and environmental performance. We aim to comply with all relevant requirements in all jurisdictions in which we operate.

- Employee KPIs include labour turnover and skills gap monitoring to ensure we develop and retain the appropriate skills set within the organisation. We also monitor the lost time incidence rate (LTI) (a lost time injury is one which results in the injured person being absent for one or more shifts) and the lost day incidence rate (LDI). The number of days lost per accident is affected by the severity of the accident but also by the effectiveness of case handling and return to work programmes. From 2006, we will also monitor the total case incidence rate which will provide a more sensitive measure as we drive down the number of accidents.

  Our incidence rates are per 200,000 work hours (approximating to 100 people working for a year). This is an internationally used standard. We use incidence rates as they adjust for changes in the level of production. The lost time and lost day incidence rates for the last five years are shown in the following graphs.

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LTI Comparison by year (Jan-Dec)

LDI Comparison by year (Jan-Dec)

Other performance indicators

In addition to the key performance indicators detailed above, Hanson uses a number of other financial and non-financial performance indicators. These include commercial indicators such as changes in market share, volume and selling price together with on-time delivery rates and customer satisfaction measures. Cost control is supported by ratios such as tonnes per manhour and overheads as a percentage of turnover. Investment decisions are based on risk versus return evaluation using cash flow projections discounted at a weighted average cost of capital. Assets, including mineral reserves, are monitored for quality, age and replacement need. Financing indicators include interest cover ratios, gearing and cash flow to net debt. Return on capital and economic value added calculations are used to measure and incentivise value creation.

Our operations

Hanson operates through six divisions on a multi-national basis within the construction and building materials markets. These divisions are as follows: Hanson Aggregates North America, Hanson Building Products North America, Hanson Aggregates UK, Hanson Building Products UK, Hanson Australia & Asia Pacific and Hanson Continental Europe.

The Chief Executive of each of these divisions reports directly to the Chief Executive of Hanson PLC and is responsible for the performance of their division.

	Hanson PLC Alan Murray, Chief Executive					
	Hanson Aggregates North America Jim Kitzmiller	Hanson Building Products North America Richard Manning	Hanson Aggregates UK Patrick O Shea	Hanson Building Products UK David Szymanski	Hanson Australia & Asia Pacific Leslie Cadzow	Hanson Continental Europe Justin Read
Number of employees*	5,600	6,800	3,200	3,100	4,200	1,200
Group turnover* 2005	£980.6m	£753.7m	£811.5m	£368.2m	£573.0m	£228.7m
Operating profit before impairments	£138.4m	£125.7m	£108.8m	£37.8m	£89.7m	£19.9m
Countries of operation	US Mexico	US Canada	UK	UK	Australia Greater China Hong Kong Malaysia Singapore	Belgium Czech Republic Germany Spain The Netherlands Israel
Products	Asphalt Cement	Bricks Concrete pipe	Asphalt Crushed rock	Bricks	Asphalt Cement	Asphalt Crushed rock

	Crushed rock Ready-mixed concrete Sand and gravel	and products Precast concrete Roofing tiles	Ready-mixed concrete Sand and gravel Recycled material	Aggregate blocks Thermalite blocks Precast concrete Packed products	Concrete products Crushed rock Precast concrete Ready-mixed concrete Sand and gravel	Ready-mixed concrete Sand and gravel

*Excluding joint-ventures and associates
Continuing operations

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Review of operations continued
Hanson Aggregates North America

Shown at the New Bridgeport facility are Jim Kitzmiller, President and Chief Executive, Hanson Aggregates North America (left), Thomas Eyeington, Project Engineering Manager (centre) and Tim McHugh, Vice-President Chief Financial Officer (right).

Investment in a fully automated stone crushing facility at this plant will help meet the demands of the growing Dallas/Fort Worth area.

Hanson Aggregates North America is one of the leading aggregates producers in the USA, operating in 17 states and Mexico. The division is subdivided into four regions, namely the West, Southwest, Mideast and Northeast, each reporting into the divisional head office based in Dallas, Texas.

The largest state by group turnover in this division is California. In 2005, California, Texas and Arizona accounted for around half of the division s group turnover. In addition, approximately one-third of 2005 group turnover was attributable to New York, Pennsylvania, Ohio and Indiana.

The division sold 129m metric tonnes of aggregates in 2005, and has approximately 11.1bn metric tonnes of mineral reserves and resources, either owned or leased, available for future extraction. All major aggregates operations have at least 10 years of remaining mineral reserve life based on current production levels.

Performance

		2005		2004	%
Group turnover*	**£**	**980.6m**	£	897.3m	9.3
Group operating profit before impairments*	**£**	**138.1m**	£	126.7m	9.0
Group operating margin*		**14.1%**		14.1%	
Share of joint-ventures and associates profit after tax	**£**	**0.3m**	£	0.9m	(66.7)
Operating profit before impairments	**£**	**138.4m**	£	127.6m	8.5
Property profit (included in operating profit)	**£**	**2.4m**	£	14.3m	(83.2)

*Excluding joint-ventures and associates

Hanson Aggregates North America delivered another year of earnings improvement based on sustained operational performance enhancement and real price growth.

Group turnover increased to £980.6m in 2005 (£897.3m), an increase of 9.3%. £23.7m, or 2.6%, of this increase was due to acquisitions made in 2005. Group operating margin was held at 14.1%. Excluding property profits, the margin increased by 1.3ppts, from 12.5% to 13.8%.

Operating profit before impairments increased by 8.5% to £138.4m (£127.6m). Excluding property profits and acquisition earnings, this increase was £22.9m, or 20.2%.

Average price increases of 7.8% were achieved in aggregates, which offset increases in input costs, in particular fuel and power. The price increases ranged from 5.8% in the Mideast to 13.9% in the West.

Total market demand across the USA is estimated to have increased in 2005 compared to 2004. There can, however, be significant variation in regional demand patterns. In our markets in 2005, aggregates volumes in California in 2005 were below those in 2004, while Arizona and south Texas showed strong demand, driven by high levels of residential construction and a recovery in industrial and commercial activity. Reduced activity was experienced, however, in parts of the Mideast and Northeast regions, most notably in New York, Pennsylvania, Ohio and Indiana. In certain markets, we selectively declined to compete for high volume contracts at low margins. In addition, a number of operations were closed as part of our optimisation strategy which further reduced volumes. As a result of this combination of varying regional demand patterns, selectively declining low margin work and plant closures, total heritage aggregates volumes declined by 4.4% for the year.

Raw material cost pressures were significant in the downstream ready-mixed concrete and asphalt operations. Average selling price increases of 12.8% in ready-mixed concrete recovered cost increases, in particular higher cement costs. Average selling price increases of 11.5% in asphalt in part offset increases in the cost of bitumen and aggregate raw materials.

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Operations Hanson Aggregates North America*

	Crushed rock quarries	Sand and gravel quarries	Asphalt plants	Marine dredging	Ready-mixed concrete plants	Cement plants	Distribution depots	Recycling/ landfill sites	Misc.
Arizona (AZ)		7	3		14				5
Arkansas (AR)		3							1
California (CA)	9	8	10	4	18	1	12	14	9
Georgia (GA)	9								3
Indiana (IN)	16	2							9
Kentucky (KY)	9								4
Louisiana (LA)							3		1
Michigan (MI)									1
New Jersey (NJ)		5					1		2
New Mexico (NM)	1								
New York (NY)	18	10	19		15				16
North Carolina (NC)	9	2							6
Ohio (OH)	10	3			7				12
Oklahoma (OK)	1	1							2
Pennsylvania (PA)	20	5	10	1			2		9
South Carolina (SC)	6	2							
Texas (TX)	8	10					8		10
Mexico (MEX)	1	1					1		
Total	**117**	**59**	**42**	**5**	**54**	**1**	**27**	**14**	**90**

*Including joint-ventures

Please note that the maps are for illustrative purposes only and are not to scale. Please refer to operations table for detailed disclosure by operation type. Please note that due to the scale of the map and proximity of operations, one non-quarry symbol may indicate more than one operation.

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Review of operations continued
Hanson Aggregates North America

Top: Each work day our trucks of ready-mixed concrete leave our plants for construction sites across North America.
Bottom: New Bridgeport plant, Texas, USA.

In common with aggregates, similar regional variations in demand were experienced in those markets where we have downstream products, except for ready-mixed concrete volumes in Arizona which were adversely affected by shortages of cement in the second half of the year. As a consequence, heritage ready-mixed concrete volumes for the year declined by 5.3% and heritage asphalt volumes declined by 5.8%.

Demand for cement in California remained strong in 2005 and volumes increased by 6.3%. Operational efficiencies at the plant offset part of the significant increases in the cost of fuel and power. A number of major one off repair and maintenance programmes were undertaken in 2005. Average price increases of 15.4% were achieved which, together with the volume increases, offset the increase in costs.

Capital expenditure initiatives progressed well in 2005, with total spend of £69.4m (£74.6m). Projects included a processing upgrade at Sylvania, Ohio, which should increase productivity and reduce costs. In addition, we completed the replant, including the construction of a new rail terminal, at our Bridgeport quarry near Dallas, Texas and acquired land in Arizona which should allow us to expand operations in the Phoenix market.

Good progress was made this year with our acquisition strategy. The integration of the Mission Valley Rock acquisition, bought in June 2005, is proceeding according to plan. This acquisition significantly strengthens Hanson s position in the strategically important San Francisco Bay area, with an additional 54m metric tonnes of reserves/resources secured in this market. In addition, the division acquired a group of aggregates operations in southern Indiana in December, providing access to over 115m metric tonnes of reserves/resources and strengthening our position in the Louisville, Kentucky, market area. An additional 80m metric tonnes of mineral reserves/resources were secured in Irwindale, California, in 2005.

Outlook

Market demand is expected to remain strong in 2006. Further real price increases for 2006 were notified to customers in late 2005. Such increases are required to recover higher input costs and to recognise the increasing scarcity of well-located mineral reserves and long-term history of below inflation price increases in previous years. We intend to continue our growth initiatives in 2006, through a combination of capital investment to improve operating cost profiles and acquisitions to improve the asset portfolio and to ensure the supply of high quality product to our customers.

Volume/price summary

Volume for the 12 months ended December 31, 2005 and % movement against prior year

	2005	Volume 2005 v 2004	2005 v 2004	Price 2005 v 2004
	Volume	% change	% change	% change
	Continuing	Continuing	Heritage	
Aggregates (mt)	**129.1**	(3.7)	(4.4)	7.8
Asphalt (mt)	**4.9**	(1.3)	(5.8)	11.5
Ready-mixed concrete (m m^3)	**3.2**	(0.3)	(5.3)	12.8
Cement (mt)	**1.8**	6.3	6.3	15.4

Volumes include intercompany sales and exclude Hanson s share of joint-ventures and associates
(mt) = millions of metric tonnes
(m m3) = millions of cubic metres
Heritage volumes exclude acquisitions owned for less than 12 months

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Review of operations continued
Hanson Building Products North America

Richard Manning, President and Chief Executive, Hanson Building Products North America (right), Rick Amigh, Senior Vice-President W M Lyles Company (centre) and Rick Wegis, President, Board of Directors of Semitropic Water Storage District (left) photographed during an on-site meeting at the Shafter plant.

The Shafter plant, near Bakersfield, California, has been upgraded to meet the needs of a major construction project. Hanson has produced large scale concrete pipes to enable water to be held underground for the Semitropic Groundwater Banking Programme. This programme is designed to help irrigation of farmland, avoid water evaporation and reduce the amount of land required for reservoirs.

Hanson Pipe & Precast, a division of Hanson Building Products North America, is part of the programme s design-build team which is headed by general contractor W M Lyles Company.

Hanson Building Products North America is a leading producer of pipe and precast concrete, and bricks and tiles, with operations in 25 states and Canada.

The division is subdivided into four Pipe & Precast regions, and the Brick & Tile group, each reporting into the divisional head office based in Dallas, Texas.

Texas is the largest state for this division by group turnover, followed by Florida, Ontario (Canada) and California. In total, these four areas accounted for approximately 60% of the division s group turnover.

Performance

		2005		2004	%
Group turnover*	£	**753.7m**	£	647.4m	16.4
Group operating profit before impairments*	£	**124.4m**	£	111.2m	11.9
Group operating margin*		**16.5%**		17.2%	(0.7)ppts
Share of joint-ventures and associates profit after tax	£	**1.3m**			
Operating profit before impairments	£	**125.7m**	£	111.2m	13.0
Property profit (included in operating profit)	£	**0.5m**			

*Excluding joint-ventures and associates

This division had a good year in 2005, building further on growth and earnings improvement initiatives.

Group turnover increased to £753.7m in 2005 (£647.4m), an increase of 16.4%. £28.8m, or 4.4%, of this increase was due to acquisitions made in 2005. Group operating margin reduced from 17.2% to 16.5%. This decline is due to changes in product mix through expansions of our precast operations, the impact of acquisitions and increases in costs and turnover, which reduce calculated margin, even when earnings have increased.

Operating profit before impairments increased by 13.0% to £125.7m (£111.2m). £4.3m, or 3.9%, of this increase was due to acquisitions, mainly the Sherman Pipe facilities in Alabama and Georgia. Excluding acquisitions and property profit of £0.5m (£nil), the increase was 8.7%. The impact of foreign exchange was a benefit of £2.6m.

Operating profit before impairments for Pipe & Precast increased by £14.7m, or 19.3%, to £90.8m (£76.1m), of which £4.3m was due to acquisitions. Average price increases of 12.0% combined with effective cost control and good operating efficiencies offset input cost inflation in steel, cement and energy.

Heritage volumes for concrete products increased by 3.1% during 2005. The strongest markets for concrete products in 2005 were in the south east (principally Florida) and the north east (principally South Virginia, Washington DC and Ontario). Volumes in key Texas markets were disrupted by the most active hurricane season on record and by delays on several major pipe projects in south Texas in the second half.

Operating profit before impairments for the Brick & Tile group decreased by 0.6% to £34.9m (£35.1m). Heritage brick volumes declined by 8.2% largely due to a weakening of demand in Canada where volume declined by 16.1%. By contrast, volumes in Texas increased by 10.3% as residential demand remained strong in this market. Further operating and commercial synergies were extracted from the combination of our heritage brick operations with the Athens factories that were acquired in 2004. Average selling prices increased by 6.0%. Price increases of 12.8% were realised in roof tiles. Demand for tiles has outstripped supply in the eastern USA (principally in Florida), but was offset by lower demand in California.

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Operations Hanson Building Products North America*

	Pipe and products factories	Roofing tile plants	Brick factories
Alabama (AL)	10		
Arizona (AZ)	3	1	
Arkansas (AR)	4		
California (CA)	6	3	
Florida (FL)	10	4	
Georgia (GA)	4		
Illinois (IL)	1		
Indiana (IN)	1		
Kentucky (KY)			2
Louisiana (LA)	3		1
Maryland (MD)	2		
Michigan (MI)			1
Minnesota (MN)	2		
Mississippi (MS)	7		
North Carolina (NC)			5
Ohio (OH)	6		
Oklahoma (OK)	1		
Oregon (OR)	3		
Pennsylvania (PA)	1		
Rhode Island (RI)	1		
South Carolina (SC)	1		4
South Dakota (SD)	1		

Texas (TX)	19	1	7
Virginia (VA)	11		
Washington (WA)	1		
Ontario (Canada)	5		4
Quebec (Canada)			1
Total	**103**	**9**	**25**

*Including joint-ventures

Please note that the maps are for illustrative purposes only and are not to scale. Please refer to operations table for detailed disclosure by operation type.

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Review of operations continued
Hanson Building Products North America

Top: Steel cage reinforcements for gravity pipes, Shafter plant, California, USA.
Bottom: Finished large-scale pipes, the steel cages now encased in concrete. Shafter plant, California, USA.

The division achieved notable success in 2005 with its acquisition growth initiatives, completing three acquisitions in the year and one in early 2006. The largest of the three acquisitions was Sherman Pipe which has ten facilities in Alabama and Georgia. These plants are an excellent strategic fit with the existing heritage facilities in the south east region. Two smaller strategic acquisitions were completed in Ohio and Rhode Island to complement the heritage facilities in the north east region. Initial integration of these acquisitions has gone very well and all three are performing ahead of pro forma expectations. In January 2006, the division acquired PaverModule which is one of the top two suppliers of concrete pavers in Florida.

Building Products other major growth initiative is a significant programme of greenfield capital investment and upgrades to existing pipe and precast and brick and tile facilities. Capital expenditure in 2005 was £40.7m (£38.2m). Three new precast plants were successfully commissioned in 2005, two in Texas and one in California, which have enhanced our existing product offerings in key markets. Approval has recently been given for the construction of three new concrete products facilities in Texas, Arizona and Florida, and for the construction of a new greenfield roof tile plant near Jacksonville in Florida. Commissioning of these facilities should occur during the second half of 2006 and the first half of 2007.

Outlook

Demand is expected to remain robust overall during 2006. The order backlog remains strong, at good prices, and was $450m at December 31, 2005 ($400m). The approval of the SAFETEA programme in August 2005 is expected to support new infrastructure projects which, together with industrial and commercial demand, is likely to help to counteract any decline in the residential sector. Input costs, in particular for fuel and energy, are expected to be above 2005 levels. It is anticipated that price increases and continued improvement in operational efficiencies, including further major capital investments in Texas, Florida and Arizona in particular, will help to recover these increases.

Volume/price summary

Volume for the 12 months ended December 31, 2005 and % movement against prior year

		Volume		Price
	2005	2005 v 2004	2005 v 2004	2005 v 2004
	Volume	% change	% change	% change
	Continuing	Continuing	Heritage	
Concrete products (mt)	**4.1**	14.5	3.1	12.0
Bricks (m)	**1,477**	(7.3)	(8.2)	6.0
Roof tiles(ts)	**1,982**	(0.1)	(2.0)	12.8

Volumes include intercompany sales and exclude Hanson s share of joint-ventures and associates
(mt) = millions of metric tonnes
(m) = millions
(ts) = thousands of squares [squares = 100 square feet]
Heritage volumes exclude acquisitions owned for less than 12 months

Bricks ready for delivery at the Aldershot brick factory, Ontario, Canada.

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Review of operations continued

Hanson Aggregates UK

Hanson Aggregates UK Managing Director Patrick O Shea pictured at the new aggregates and concrete depot at Kings Cross in central London with Commercial Director Rob Sindel (top) and Operations Director Phil Schacht (bottom).

The division s aggregates depot and ready-mixed concrete plant at King s Cross in central London is playing a key role in supplying materials to a major inner-city redevelopment centred around the new international rail terminus for Eurostar, which will link London with Paris and Brussels via the Channel Tunnel. The depot forms part of a network of strategically located Hanson supply facilities in the capital.

Hanson Aggregates UK is one of the leading suppliers of aggregates, ready-mixed concrete and asphalt in the UK. Our extensive network of quarries and distribution links provides national coverage and is complemented by our marine dredging operations. These aggregates locations are complemented in turn by a network of ready-mixed concrete and asphalt plants which are strategically located to service key markets.

Excluding joint-ventures and associates, the division sold 33m metric tonnes of aggregate in 2005. It has long-term mineral reserves with approximately 2.2bn metric tonnes of reserve and resources, owned, leased or under option, available for future extraction. This includes a strong reserve position in sand and gravel, both land and marine based.

Performance

	2005	2004	%
Group turnover*	**£811.5m**	£771.9m	5.1
Group operating profit before impairments*	**£96.9m**	£62.2m	55.8
Group operating margin*	**11.9%**	8.1%	3.8ppts
Share of joint-ventures and associates profit after tax	**£11.9m**	£12.3m	(3.3)
Operating profit before impairments	**£108.8m**	£74.5m	46.0
Property profit (included in operating profit)	**£8.0m**	£1.9m	321.1

*Excluding joint-ventures and associates

An excellent year-on-year improvement was delivered by the division in 2005.

Group turnover increased to £811.5m in 2005 (£771.9m), an increase of 5.1%. Group operating margin increased by 3.8ppts to 11.9% (8.1%). Excluding property profits, the margin increased by 3.2ppts, from 7.8% to 11.0%.

Operating profit before impairments increased by 46.0% to £108.8m (£74.5m). Excluding property profits, this increase was 38.8%, consisting of a small decline in the joint-ventures and associates profit after tax offset by an improvement in the existing operations.

The earnings improvement, achieved despite reduced volumes, illustrates our commitment to pricing discipline, our initiative to increase premium product output and the delivery of operational efficiency and overhead cost reduction benefits.

Total market demand across the UK for aggregates is estimated to have declined by approximately 3% in 2005. Much of the reduction is due to a slow down in major infrastructure activity, and lower crushed rock volumes as recycled materials compete at the low-value end of the sector. As a result of planned site closures and our initiative to increase production yields and reduce low-margin, non-premium products, our total heritage aggregates volumes have declined 8.1%, with crushed rock the major contributor to the decline. Average selling prices increased by 6.3%, offsetting input cost increases for fuel and electricity. Royalty rates and the cost of regulation have also continued to increase.

Our asphalt volumes increased by 2.5% in 2005 which was broadly in line with estimated national market growth trends. We continue to benefit from the capital investment programme to replace our asphalt plants with more fuel efficient and environmentally friendly units which are capable of utilising recycled materials. Average selling prices increased by 4.9% as our strategy of introducing higher value-added branded products came into effect and offset the increased cost of fuel oil and bitumen.

The total demand for ready-mixed concrete in the UK is estimated to have fallen by approximately 2% in 2005, against a decline of 6.0% in our volumes. The relative reduction in our volume is due in part to the regional location of the work and in part to our pricing discipline at the expense of lower margin volume. Selling prices increased by 6.2% during 2005 offsetting higher input costs, particularly for cement, fuel and electricity.

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Operations Hanson Aggregates UK*

					Operations not illustrated		
	Crushed rock quarries	Sand and gravel quarries	Asphalt plants	Ready-mixed concrete plants	Marine dredging	Rail depots/ marine wharves/ distribution depots	Recycling/ landfill sites
Total	**40**	**46**	**45**	**234**	**13**	**35**	**2**

*Including joint-ventures

Please note that the maps are for illustrative purposes only and are not to scale. Please refer to operations table for detailed disclosure by operation type. Please note that due to the scale of the map and proximity of operations, one non-quarry symbol may indicate more than one operation.

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Review of operations continued
Hanson Aggregates UK

Top: Kings Cross aggregates and ready-mixed concrete depot, London, UK.
Bottom: Marine dredger, North Sea, off UK coast.

Commercially, significant progress has been made during 2005 in securing long-term maintenance contracts. These are used as a procurement route by both the UK Highways Agency and by UK local authorities. Innovative partnering arrangements with service level guarantees have also been introduced with a number of customers. Both these approaches help underpin the long-term nature of our order book and support our capital investment programmes.

Capital expenditure during 2005 was £23.1m (£35.6m) and included one new ready-mixed concrete plant, aggregate and asphalt plant upgrades and modifications and additional mineral reserves and resources. We are continuing to upgrade our facilities to make them more efficient. In particular, initiatives are being pursued to increase the proportion of high-quality aggregates as opposed to lower-value by-product.

Managing our reserves, particularly sand and gravel, is a high priority for the division. During 2005 additional sand and gravel reserves and resources were secured in a number of locations, most notably in the south east, east of England and east midlands. In early 2006 additional mineral reserve licences were secured for our marine dredging operations.

Restructuring cost savings of £10m were achieved as planned and have resulted in a flatter and more customer responsive organisation.

The share of joint-ventures and associates profit after tax primarily consists of the 50% interests in Midland Quarry Products and United Marine Holdings. Hanson s share of net profit after tax of £11.9m (£12.3m) was broadly in line with the prior year.

Outlook

Demand is expected to remain subdued in 2006. Input cost inflation, in particular for cement, bitumen and energy, is expected to continue. In addition, the use of recycled fuel oil was prohibited from the beginning of 2006 which will increase the cost burden for our asphalt operations. We are seeking to offset these increases through cost reduction and efficiency initiatives. However, achievement of our notified selling price increases will be key to the successful delivery of earnings growth in 2006.

In the medium-term, we would expect demand to recover in response to the UK s infrastructure needs and preparations for the London Olympics.

Volume/price summary

Volume for the 12 months ended December 31, 2005 and % movement against prior year

		Volume		Price
	2005	2005 v 2004	2005 v 2004	2005 v 2004
	Volume	% change	% change	% change
	Continuing	Continuing	Heritage	
Aggregates (mt)	**33.3**	(8.1)	(8.1)	6.3
Asphalt (mt)	**3.9**	2.5	2.5	4.9
Ready-mixed concrete (m m^3)	**5.3**	(6.0)	(6.0)	6.2

Volumes include intercompany sales and exclude Hanson s share of joint-ventures and associates
(mt) = millions of metric tonnes
(m m^3) = millions of cubic metres
Heritage volumes exclude acquisitions owned for less than 12 months

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Review of operations continued

Hanson Building Products UK

David Szymanski, Managing Director of Hanson Building Products UK (centre), Jon Morrish, Commercial Director (left) and Wendy Trott, Trading Director (right), were photographed during an inspection of the robotic setting facility at Kings Dyke. The robots can be seen in the background of this photograph.

The commissioning of the robotic setting at Hanson Building Products UK s Kings Dyke brick factory in Whittlesey, Cambridgeshire, marks the first of several integrated phases in Hanson s investment at the site.

Hanson Building Products UK has a market leading position in bricks, including London Brick and Butterley Brick. In addition, it produces aggregate blocks, Thermalite blocks, a range of precast concrete structures, and packed products.

Bricks accounted for nearly half of the division s group turnover in 2005, and blocks for around a quarter. The precast concrete range includes a variety of flooring systems, stairs and landings, and culverts. Packed products sells a range of materials for general building and landscaping.

Performance

	2005	2004	%
Group turnover*	**£368.2m**	£300.7m	22.4
Group operating profit before impairments*	**£37.8m**	£36.8m	2.7
Group operating margin*	**10.3%**	12.2%	(1.9)ppts
Share of joint-ventures and associates profit after tax			
Operating profit before impairments	**£37.8m**	£36.8m	2.7
Property profit (included in operating profit)	**£3.0m**	£3.2m	(6.3)

*Excluding joint-ventures and associates

Difficult trading conditions were experienced by this division, particularly in the second half of the year.

Group turnover increased to £368.2m in 2005 (£300.7m), an increase of 22.4%. £76.7m, of this increase was due to acquisitions made in 2005. Group operating margin declined by 1.9ppts to 10.3% (12.2%).

Operating profit before impairments increased by 2.7% to £37.8m (£36.8m). £12.3m, or 33.4%, was due to acquisitions which offset a decline attributable to the existing operations of £11.3m, or 30.7%.

The majority of the £11.3m reduction in earnings from existing operations was due to lower brick volumes. Whilst our total brick volumes increased by 8.5%, excluding acquisitions, the heritage brick volumes declined by 12.4%. The reduction has been predominately within the repair, maintenance and improvement (RMI) sector of the housing market. Despite the reduction, increases in selling prices of 6.8% were achieved for the year.

Aggregate block volumes, excluding Thermalite, declined 3.0% whilst average selling prices increased 2.2%. Precast product volumes, including flooring, remained strong during 2005. Packed product average selling prices increased in 2005 despite lower volumes in the RMI market.

Input costs, in particular energy, continued to increase although the earnings impact was partly mitigated by forward hedging of gas prices.

In late 2005 and early 2006, we made the difficult but necessary decision to reduce production capacity, in response to low market demand and high energy costs. Production was substantially reduced at four brick factories and temporary lay-offs were implemented during January 2006 at five brick factories and three Thermalite factories. In addition, five factories have been closed across our product range in late 2005 and early 2006.

Capital expenditure in 2005 totalled £16.8m (£16.1m) with an emphasis on projects which will reduce production costs, increase efficiency and automate manual handling activities. Included in these was the introduction of a robotic setting programme at our brick factory at Whittlesey, as well as kiln rebuilds which form part of an ongoing upgrading of this site.

Four acquisitions were completed during 2005, for a total of £194.1m, as part of the division s strategy of supplying a broad product range to customers. Marshalls Clay Products has been integrated and is performing broadly in line with expectation. Thermalite, which has experienced difficult market conditions since its acquisition in March 2005, performed below expectation but within our acquisition criteria. Mid Essex Sand and Gravel, a bagging operation which complements our packed products range, and Cradley Special Brick are progressing well. The acquisition of Red Bank Manufacturing was completed in early January 2006.

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Operations Hanson Building Products UK

	Brick factories	Block factories	Concrete flooring & precast concrete sites	Packed products sites
Total	**18**	**12**	**5**	**18**

Please note that the maps are for illustrative purposes only and are not to scale. Please refer to operations table for detailed disclosure by operation type.

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Review of operations continued
Hanson Building Products UK

Top: Production line at Tilmanstone brick factory, Kent, UK.
Bottom: Precast concrete stairs,
Hoveringham floors and precast concrete works, Nottinghamshire, UK.

Improved customer service and product offering remain key priorities. Multi-product deliveries are an example of the customer service improvements trialled following the extension of our product range.

Outlook

Overall market demand is expected to remain subdued in 2006. Input costs will be significantly higher in 2006 than 2005. We are working to mitigate these factors by reducing capacity, improving productivity through capital expenditure and hedging costs such as gas, where economic. Despite these measures, it is anticipated that significant price increases will be necessary in 2006 to recover our earnings.

In the medium-term, we expect demand to respond to the need for additional houses, particularly in the south east. Our production capacity is sufficiently flexible to be able to respond to any such increase in volume. We intend to continue to grow this division through product range extension and ongoing improvements to the service we offer to our increasingly consolidated customer base.

Volume/price summary

Volume for the 12 months ended December 31, 2005 and % movement against prior year

	Volume			Price
	2005	2005 v 2004	2005 v 2004	2005 v 2004
	Volume	% change	% change	% change
	Continuing	Continuing	Heritage	
Bricks (m)	**827**	8.5	(12.4)	6.8
Aggregate blocks (m spu)	**7.3**	(3.0)	(3.0)	2.2

Volumes include intercompany sales and exclude Hanson s share of joint-ventures and associates
(m) = millions
(m spu) = millions of standard production units
Heritage volumes exclude acquisitions owned for less than 12 months

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Review of operations continued
Hanson Australia & Asia Pacific

Leslie Cadzow, Chief Executive, Hanson Australia & Asia Pacific (right), was photographed on the steps of Sydney Opera House with two members of the Building Products management team, Malcolm Pointon, General Manager Building Products (centre) and

Steve James, Precast Manager (left).

Sydney Opera House has undergone its first major structural change since it opened in 1973, with Hanson Australia & Asia Pacific playing a major role. An extensive prototype programme was undertaken to ensure the precast concrete elements supplied by Hanson precisely matched the honed and etched granite finish originally used on the Opera House.

Hanson Australia is one of the leading heavy building material companies in Australia. In addition to aggregates and ready-mixed concrete, the operations are vertically integrated with a 25% associate in cement (Cement Australia) and a 50% joint-venture in asphalt (Pioneer Road Services). It also operates an expanding Building Products group.

Hanson Asia Pacific is one of the market leaders in aggregates, ready-mixed concrete and asphalt in Malaysia. It is the market leader in aggregates and ready-mixed concrete in Hong Kong through a 50% joint-venture (Alliance Construction Materials). The division also has operations in Singapore and mainland China. Both regions report to the divisional head office based in Sydney, Australia.

Performance

	2005	2004	%
Australia and Asia Pacific total			
Group turnover*	**£573.0m**	£537.7m	6.6
Group operating profit before impairments*	**£62.7m**	£62.1m	1.0
Group operating margin*	**10.9%**	11.5%	(0.6)ppts
Share of joint-ventures and associates profit after tax	**£27.0m**	£10.0m	170.0
Operating profit before impairments	**£89.7m**	£72.1m	24.4
Property profit (included in operating profit)	**£1.0m**	£1.7m	(41.2)
Australia			
Group turnover*	**£464.6m**	£413.2m	12.4
Group operating profit before impairments*	**£57.3m**	£56.0m	2.3
Group operating margin*	**12.3%**	13.6%	(1.3)ppts
Share of joint-ventures and associates profit after tax	**£24.3m**	£10.5m	131.4
Operating profit before impairments	**£81.6m**	£66.5m	22.7
Property profit (included in operating profit)	**£1.0m**	£1.7m	(41.2)
Asia Pacific			
Group turnover*	**£108.4m**	£124.5m	(12.9)
Group operating profit before impairments*	**£5.4m**	£6.1m	(11.5)
Group operating margin*	**5.0%**	4.9%	0.1ppts
Share of joint-ventures and associates profit after tax	**£2.7m**	£(0.5)m	n/a
Operating profit before impairments	**£8.1m**	£5.6m	44.6

Property profit (included in operating profit)

*Excluding joint-ventures and associates

A strong performance was delivered by the Australia and Asia Pacific division. Operating profit before impairments increased by £17.6m, or 24.4%, to £89.7m (£72.1m). £15.1m of this increase was due to Australia and £2.5m due to Asia Pacific. Excluding acquisition earnings of £0.6m and property profit of £1.0m (£1.7m), the increase was 25.1%.

Hanson Australia

Group turnover increased to £464.6m in 2005 (£413.2m), an increase of 12.4%. Of this increase, £14.6m, or 3.5%, was due to acquisitions made in 2005. Group operating margin reduced by 1.3ppts to 12.3% (13.6%), although group operating profit before impairments increased by 2.3%.

Operating profit before impairments increased by £15.1m, or 22.7%, to £81.6m (£66.5m), including £2.8m of benefit due to foreign exchange translation. £13.8m, or 20.8%, of the £15.1m improvement was due to the joint-ventures and associates profit after tax and included £6.6m of non-recurring tax benefit. Excluding this tax benefit, foreign exchange and acquisition earnings of £0.6m, the existing operations improved by £5.1m, or 7.7% against a very strong 2004.

Our heritage aggregates volumes decreased by 3.4% in 2005, due largely to significant non-recurring secondary aggregate sales in Queensland in 2004. Victoria and Western Australia performed well during 2005, offsetting weaker demand in New South Wales and Queensland. Average selling prices for aggregates increased 6.8%, in part due to changes in product mix. Heritage ready-mixed concrete volumes increased by 1.3%, with a reduction in Sydney from previously buoyant levels being offset by increases in all other regions. Average selling prices in ready-mixed concrete improved by 3.3%, in part offsetting higher raw material costs.

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Operations Hanson Australia & Asia Pacific*

	Crushed rock quarries	Sand and gravel quarries	Asphalt plants	Ready-mixed concrete plants	Cement plants	Rail depots/ marine wharves/ cement distribution	Recycling/ landfill sites	Pipe & products factories	Concrete flooring & precast	Misc.
Australia										
Canberra (ACT)	1			1				1		
New South Wales	9	7	10	76	1	4			3	
Queensland	7	10	11	57	2	18		8		
South Australia	2	2	1	10		1				
Western Australia	6	1	2	28			1			