

ARTHUR ANDERSEN & CO.

1 SURREY STREET
LONDON WC2R 2PS

MW/3532L

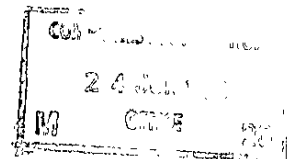
23 June 1988

To the Directors of Lyonnaise UK Limited and The Registrar of Companies

RE: LYONNAISE UK LIMITED (FORMERLY BROWNHART LIMITED) CO. NUMBER 2264638

In our opinion the relevant balance sheet shows as at 23 June 1988,
that the amount of the Company's net assets was not less than the
aggregate of its called up share capital and undistributable reserves.

Arthur Andersen & Co.



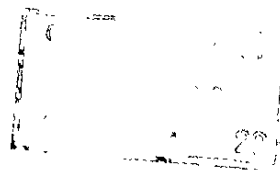
2264638

LYONNAISE UK LIMITED
(formerly Brownhart Limited)

Company No. 2264638

BALANCE SHEET -- 23 JUNE 1988

TOGETHER WITH AUDITORS' REPORT



2264837

ARTHUR ANDERSEN & CO.

1 SURREY STREET
LONDON WC2R 2PS

To the Members of LYONNAISE UK LIMITED:

We have audited the balance sheet and notes on pages 2 and 3 in accordance with approved Auditing Standards.

In our opinion, the balance sheet gives a true and fair view of the state of affairs of the company as at 23 June 1988, and complies with the Companies Act 1985.

Arthur Andersen & Co.

23 June 1988

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LYONNAISE UK LIMITED

BALANCE SHEET -- 23 JUNE 1988

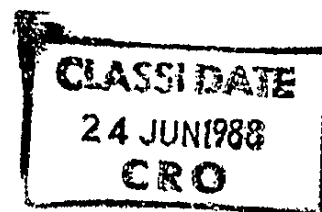
Notes

CURRENT ASSETS		
Cash at bank		
NET CURRENT ASSETS		£ 12,502
NET ASSETS		12,502
SHARE CAPITAL AND RESERVES		£ 12,502
Called up share capital		=====
TOTAL CAPITAL EMPLOYED	2	£ 12,502
		=====
SIGNED ON BEHALF OF THE BOARD		
Christine Morin-Postel)		
Guy de Panafieu) Directors		

23 June 1988

Guy de Panafieu

Christine Morin-Postel



LYONNAISE UK LIMITED

NOTES TO ACCOUNTS -- 23 JUNE 1988

1. ACCOUNTING POLICIES:

The accounts have been prepared under the historical cost convention.

2. INCORPORATION:

The company was incorporated on 3 June 1988 as Brownhart Limited, and changed its name to Lyonnaise UK Limited on 16 June 1988 pursuant to a written special resolution dated 10 June 1988. The company has not yet commenced to trade.

3. SHARE CAPITAL:

20 June 1988

a) Authorised 100,000 Ordinary Shares of £1 each	£ 100,000 =====
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Issued and partly paid	£ 12,502 =====
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b) The company was incorporated on 3 June 1988 with an authorised Capital of 100 £1 shares of which 2 £1 shares were issued. These shares were undesignated.

On 10 June 1988 the £1 shares were designated as £1 ordinary shares.

On 23 June 1988, the authorised share capital was increased to £100,000, and a further 49,998 £1 ordinary shares were issued 25p partly paid for cash.

4. DIRECTORS:

On Incorporation the Directors of the Company were M.E. Richards and Thomas G. Woodburn. Both resigned on 10 June 1988, on the appointment of C. Morin-Postel and G. de Panafieu. These two directors are French Nationals and remain directors at the date of these accounts.

5. PARENT COMPANY:

The company is a wholly owned subsidiary of Lyonnaise Des Eaux S.A., the parent company which is incorporated in France.

J. de Panafieu

C. Morin-Postel