

FRIMSTONE LTD AND STODY ESTATE LTD SIGN AGREEMENT TO CREATE TWO IRRIGATION RESERVOIRS – Nov 14, 2011

Frimstone Ltd ("Frimstone") and Stody Estate Ltd ("Stody Estate") announced that an agreement for Frimstone to create two new irrigation reservoirs on the Estate has been reached.

Planning permission for these reservoirs was received by Stody Estate in October 2010. The operations are expected to take 10 years and Frimstone will install a washing and screening plant on site with an expectation that it will be operational in early spring 2012.

Frimstone Managing Director, Gary Bell, commented "We're really looking forward to

working with Stody Estate on this exciting project. This strengthens our position in North Norfolk and Norwich and, following on from the award of the national contracts awarded to us by Network Rail, demonstrates our continued commitment to the Norfolk & East Anglian market."

Adel MacNicol, owner of Stody Estate, welcomed the agreement with Frimstone and the imminent commencement of the reservoir creation for winter extracted water storage. Frimstone are an established and experienced Norfolk company who have stated their commitment to working with the local community and businesses.



NEW LORRIES – Oct 18, 2011

We announced that the company has recently taken delivery of four new Volvo FMX 8 wheeler Lorries with two of these based at the Waterbeach site and the other two at Crimplysham.

The acquisition of the new vehicles now brings the commercial lorry fleet to 45 vehicles and allows the business to handle the increased workloads. The vehicles were supplied by Volvo Truck and Bus. Neil Crouchman, Volvo Transport Solutions Executive (pictured right) seen here handing over the keys to Frimstone Managing Director Gary Bell said that he was delighted for Volvo to be able to support the growth of the company and looked forward to continuing the partnership in the future.

Our New Website Launches soon



NEW SALES EXECUTIVES

– Oct 18, 2011

Frimstone Limited were delighted to announce the recruitment of four new sales executives to the business.

In the National Sales for Secondary Granite sector, Gary Doyle joined the company on 1 September. Gary will cover the North West part of the country which includes sales arising from the LDC's at Carlisle and Crewe. Gemma Warrillow joined the business on 3 October having worked for Lafarge for a number of years and will look after sales from the Doncaster, Nottingham and Bescott LDC's.

In the Anglia region, Richard Hobbs and Russell Woodward both joined the company on 3 October from Cemex. Richard and Russell will both look after sales from Whitemoor LDC and together with Bill Baxter will strengthen our sales presence across the East Anglian region. We wish all four sales executives every success in their new roles and creating new sales outlets for the expanding business.

LOCAL COMPANY SECURE MAJOR CONTRACT

– Sep 1, 2011

The company was delighted to announce the award of a long term contract from Network Rail to manage seven Local Distribution Centres (LDC's).

The LDC's are strategically located across the country to ensure that supply of materials to track maintenance contracts is carried out efficiently.

Frimstone are contracted to manage the clean ballast stockpiles and to re-process and sell the spent ballast when it comes back into the LDC's. Frimstone have run the Whitemoor LDC at March in Cambridgeshire for the past 7 years and in that time have pioneered the use of the re-processed track ballast in coated roadstone, surface dressing and ready mixed concrete.

The sites awarded to Frimstone are: Carlisle, Doncaster, Toton (Nottingham), Crewe, Bescot (Walsall), Whitemoor (Cambridgeshire) Eastleigh (Hampshire)

The site at Whitemoor continues to be operated by Frimstone Limited whilst the site at Carlisle was operational as of 1 September 2011 and the remaining five sites became operational on 1 November 2011.

The company currently employs 115 staff and this is now expected to increase to 150 by the end of this year.

Frimstone Managing Director, Gary Bell commented "The award of these contracts to Frimstone demonstrates that all the work in gaining approval to use secondary granite in coated roadstone, surface dressing and ready mixed concrete has been recognised as the right thing to do. The use of secondary granite in these products contributes towards the UK achieving its recycling and carbon reduction targets and is a real opportunity for secondary granite to replace primary aggregates in higher quality materials. Frimstone looks forward to playing a major part in supplying high quality recycled materials into infra structure projects across the whole of the UK."

BRITISH AGGREGATE ASSOCIATION – NEW INDUSTRY REPRESENTATIVE

– Oct 18, 2011

Frimstone Limited is delighted that Geraint Morris, the company health and safety manager, has been asked by the HSE to take over the chair of the Quarries National Joint Advisory Committee Target Zero Occupational Health Working Group. Geraint takes up this role on 1 November 2011 and we wish him every success in the Working Group.

ANNOUNCEMENT

– Nov 11, 2011

We announced the opening of a new national sales office based at Waterbeach near Cambridge which will handle enquiries and orders for materials from the seven Network Rail Local Distribution Centres that are now run by the company. The office is open from 8 to 5 Monday to Friday and is staffed by Kelli Munn (kelli.munn@frimstone.co.uk) and Nicola Phelan (Nicola.phelan@frimstone.co.uk) who can also be contacted on the dedicated telephone number 0845 177 9900.

Compliments of the season to you all and your families

We hope you have found the newsletter of benefit and look forward to an exciting year ahead. *Gary Bell – Managing Director*



Welcome to the first ever Frimstone News



Given the changes that have taken place in the past 18 months we felt that it would be sensible to produce a quarterly newsletter to keep all employees informed of what is going on within the business and to update people on how the business is performing, I hope you enjoy it.

Gary Bell – Managing Director

Since August 2010, when the Dickerson family sold Donarbon to Amey/Cespa and the Frimstone and M. Dickerson businesses to Mark and Rachel Davenport we have gone through some big changes.

As part of the sale process the Dickerson family decided that they did not want the M. Dickerson name to be used, as a result of this we undertook to run the quarrying business under the Frimstone name whilst at the same time taking the opportunity to create a new engineering company, AEC, to run the workshop business.

The reason behind this decision was to allow each business to concentrate on what we felt were their

core strengths but at the same time each business remains a part of the Alboro Group of Companies, so we're all still 'batting for the same team' so to speak.

Obviously it was sad to see the M. Dickerson name disappear off the side of our Lorries, plant and vehicles after almost 73 years but we must respect the wishes of the Dickerson family.

NETWORK RAIL DEAL WILL HELP US GROW



Crewe



Eastleigh



Carlisle



Doncaster



Toton

Prior to the sale in July 2010, we acquired Midland Lime Limited who for many years we had dealt with as a customer for lime from the Greatham quarry. The current lime season has just come to an end and it is encouraging to advise that we have had a successful year and with Midland Lime integrated into the group we are looking forward to future successful lime seasons.

In early 2011 we welcomed several new employees in to the business.

In our Finance department Colin Faiers joined as Finance Director and Ann Henderson (who quickly became Ann Boutwood, congratulations Ann) joined as Financial Controller to add strength and support to our Finance team, a team that has subsequently grown with Sally Taylor, Paul Wilkinson, Phil Swaine and Megan Fisher joining in the summer. A team that also misses Glenda Thrower greatly; we all wish Glenda well in her fight against cancer, we as a business and you as individuals are all supporting Glenda, Paul and Lauren through this difficult period and we hope to see Glenda back at work as soon as she is able.

Peter Dawes joined us in February as Planning Manager and Geraint Morris joined in February as Health and Safety Manager, these appointments were made necessary as Tim Marks and Saba Alai decided to stay with Donarbon following the sale. I'm sure you'll all agree that in the relatively short time that Peter and Geraint have been with us they have made significant contributions to the business and we wish them continued success with Frimstone.

In March 2011 we commenced merger talks with Middleton Aggregates and we were happy to do so as we felt that in merging the two businesses we would strengthen our position and add value to the Frimstone brand. Unfortunately we were unable to reach agreement with the Lemon family on the share structure of the merged business and merger talks were suspended.

My thanks to all those involved for the time and effort put in to those discussions, I believe it demonstrated to all involved that we are a very professional business and are easily able to cope with mergers and acquisitions of this type. As a direct result of this we were able to participate in the process of the sale of C&G Concrete following that business going in to administration in May.

Many of you are probably unaware that we even took part in the bid process but ultimately our

Building a team to take Frimstone forward in 2012

bid was abortive as we finished second to Breedon Aggregates but we have been complimented by the Administrator for our professionalism throughout the process.

The contract with Network Rail for the operation of Whitemoor was due to finish at the end of August 2011, as were the other 7 Local Distribution Centres (LDCs) throughout the UK. We participated in the tender process which commenced in June, and in August Network Rail announced that Frimstone had been successful in securing not only Whitemoor but a further 6 sites (Carlisle, Crewe, Doncaster, Toton which is near Nottingham, Bescot which is in Walsall and Eastleigh which is near Southampton). That was all of the sites that we tendered for, we didn't tender for the operations at Westbury in Wiltshire as that site does not take in any spent ballast. The contract awarded is a 3 plus 2 which means we have the sites for a minimum of 3 years and a maximum of 5 years with contract start dates being 1st November 2011, it is fantastic news for the business as it has the potential to double the turnover of the business. Frimstone are now the sole supplier of Recycled Railway Ballast (Secondary Granite as we're calling it) in the UK, quite a coup for a little Norfolk business!

Obviously in winning the contract we have had to put in a management structure to support the contract and I'm delighted to welcome Mark Swan in to the business as Commercial Director. At the same time we have re-structured the commercial team and I'm happy to announce that Dominic Dear has agreed to take the post of National Sales Manager for the LDCs and that Keith Porter has agreed to become Anglia Sales Manager and will be responsible for sales from our existing sites within East Anglia. To support Dominic in this new role we have created a National Sales Office and welcome Kelli Munn and Nicola Phelan to the business as sales administrators in the new office at Waterbeach, we also welcome Gary Doyle as Sales Representative for the North West and Gemma Warilow as Sales Representative for the North East. To support Keith in his new role, Bill Baxter will continue as sales Representative for Norwich and the North East and we welcome Richard Hobbs as Sales Representative for Cambridgeshire and Russell Woodward as sales Representative for East Norfolk, Lincs and Rutland. Kayleigh Taylor has also joined as Temporary Transport Administrator supporting Dave Smart, John Wimpres and Rob Percival in the transport department.

Operationally we have also re-structured with Philip (Bud) Fox becoming Operations Director, Matt Nield as Operations Manager for the LDCs and Richard Blowers and Shaun Emson becoming Area Operations Managers to assist Bud in the East Anglian business.

As part of the tender process we have agreed to transfer the existing employees at each LDC site to Frimstone under the TUPE legislation, as such we are able to welcome a further 25 employees to Frimstone some of which are pictured on the front page and are as follows;

Carlisle - Ian Garcia, Martin Brown, Richard Ferguson, Phil Robinson and Keith Monkhouse who joined from Story Rail

Doncaster - Simon Wormley, Michael Painter, Edward Heyes and Andrew Caudwell who joined from Lafarge

Toton - Dave Flower, Matthew Searcy, Neil Kettleborough and Benjamin Gillfedder who also join from Lafarge.

Crewe - Keith Readdin, John Wagstaff, Wayne Jarvis and John Goodwin who joined from Hydrex and Martyn Scarrott who joined from Tarmac.

Bescot - Tony Readdin, Willie Gallagher and Tony Barker who joined from Hydrex and Jon Macey who joined from Tarmac.

Eastleigh - Chris Shearman, Sean Bryant and Paul Riley who joined from Railfreight Services and Aggregate Industries.

The TUPE process can be very complex and we are fortunate that Rachel King, an experienced HR advisor, joined us in August to assist us with the project. She works two to three days a week with us and whilst much of her time has been spent on TUPE, moving forward she will be supporting us on our general personnel and HR issues.

In undergoing this growth then the natural concern is that we seem to have a lot more people, how much does that cost and how does it impact on the business? I'm happy to report that the business, unlike many, is making a small profit and is on track to meet the budget that we set for it a year ago. We are in the process of compiling a budget for the next financial year which will incorporate a full year of trading with the LDCs, as such, I'd expect to see that the turnover increases significantly and, with the aim of maintaining our profit margins, then we should make a bigger profit. The bigger profit will allow us to invest in the business to allow it to grow; we have a planned capital spend of £2 million for the next 12 months and a further £1.7million in 2013. Whilst the Network Rail contract is important to us we will not lose sight of the fact that East Anglia is our home and the Anglian business must continue to be strong and will be getting a large proportion of the capital investment.

For those of you with access to the internet I'd urge you to have a regular look at our website www.frimstone.co.uk it is regularly updated and will keep you informed of any news worthy items ahead of the quarterly newsletter.

I'd like to thank you all for your contribution to the business over the past 18 months, for those of you recently joining the business I look forward to the contribution you can make in the coming months and years to make Frimstone a bigger, stronger and more profitable business. Just remember, we might be getting bigger but that doesn't mean we haven't got time for each and every one of our employees, you are the biggest asset that this business has.

Gary Bell - Managing Director

APPOINTMENTS



Colin Faiers
- Finance Director



Mark Swan
- Commercial Director



Geraint Morris
- Health and Safety Manager



Peter Dawes
- Planning Manager

Frimstone Limited are delighted to announce the following appointments:

MARK SWAN

Mark Swan joined the business as Commercial Director designate on August 15, 2011. Mark comes to the business having spent over 20 years with Tarmac, most recently as Director of Tarmac's distribution in the South East and also as director of Elstow Asphalt Limited and Harlow Asphalt Limited. He is involved in fundraising and sits on the committee of the East Anglian branch of the Lighthouse Charity. In this new role, Mark will be responsible for the enlarged sales activities of the business where he will be supported by Keith Porter, East Anglian Sales Manager, Dominic Dear National Sales Manager and Dave Smart Transport Manager. We wish Mark every success in his new role and developing new outlets for the expanding business.

RACHEL KING

Rachel King joins as HR advisor to the business. Rachel runs her own HR business Cambridge Helpdesk Limited, based in Ely, and previously was HR manager at Hales Information. She will work with the business two days a week and support the company on personnel related matters. We welcome Rachel to the business and look forward to working with her over the coming months.

GERAINT MORRIS

Geraint Morris has been appointed as Health and Safety Manager. Geraint joins us from Lafarge where he was Vice President (Health & Safety) Special Projects, overseeing Health and Safety initiatives worldwide. Geraint is responsible for updating and improving Frimstone's Health and Safety procedures.

PETER DAWES

Peter Dawes joins us as Planning Manager. Peter comes to us from Carter Jonas LLP where he was responsible for their Minerals and Waste Management Division. Peter's challenge is to manage the planning and estates function within Frimstone's growing business.

We wish every new member of staff every success in their new roles and look forward to them strengthening our team.

In the community and looking after our clients



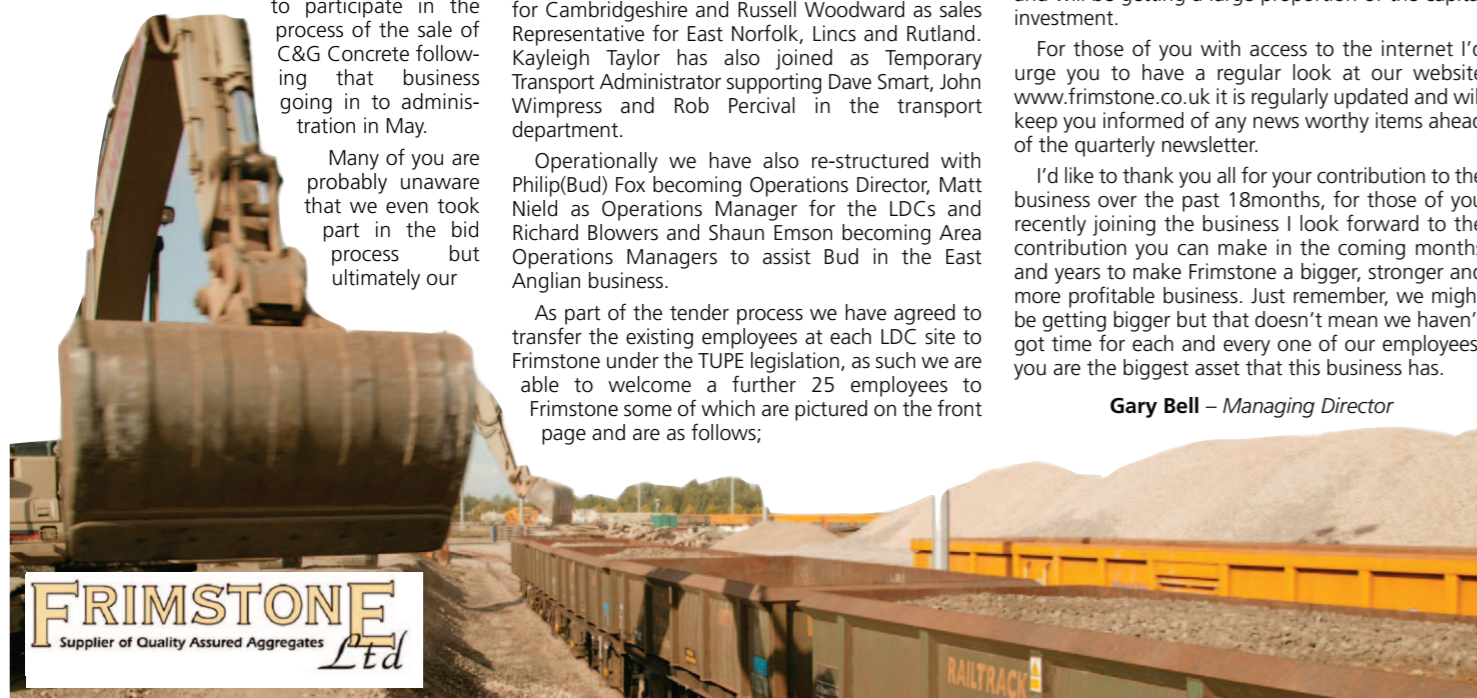
FOOTBALL SPONSORSHIP



ANNUAL GOLF DAY - organised by Jim Norman



RACE DAY - at Huntingdon



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