

SWZAFV
c/c10 DOWNING STREET
LONDON SW1A 2AA*From the Private Secretary*

1 June 1988

I enclose a copy of a letter from Jon Shortridge in the Welsh Office reporting Mr. Walker's concern at the attempt by a company called Pyrok Limited to use the Prime Minister's name in promoting the sale of their products in Turkey.

The Prime Minister did indeed visit the low cost housing project concerned in Ankara but only to have lunch with the Turkish Prime Minister in a restaurant there. There was no discussion at any point of the interest of British firms in the project as a whole, nor, as I recall, did Pyrok feature in DTI's briefing for the visit. Nonetheless, in the light of the Welsh Secretary's visit, it seems to me that DTI should take some action with the company to caution them about the way in which they are apparently using the Prime Minister's name.

I am copying this letter to Lyn Parker (Foreign and Commonwealth Office) and to Jon Shortridge (Welsh Office).

(C. D. POWELL)

Stephen Ratcliffe, Esq.,
Department of Trade and Industry.

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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

COMMERCIAL IN CONFIDENCE

27 May 1988

Dear Andy

Mr Walker visited a company called Pyrok Ltd (which is part of the Chessminster Group) last Tuesday. He was not at all happy with what he saw.

Amongst other things the company hopes to be able to supply materials for use in a major low cost housing project in Turkey. Evidently the Prime Minister paid a visit to this site when she visited Turkey recently, and Mr Walker was very concerned that the Chairman of the Chessminster Group, Mr Ketteringham, was seeking to use the Prime Minister's name to promote their product. Mr Walker thought that the Prime Minister should be made aware of this.

... I am enclosing some literature that Mr Walker was given by Chessminsters. As you will see this contains only a passing reference to the Prime Minister. It was the way that Mr Ketteringham developed upon this in his "sales talk" which particularly concerned Mr Walker.

Yours sincerely
J D Shortridge

J D SHORTRIDGE

Andy Bearpark Esq
Private Secretary to
The Prime Minister

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UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND



UNITED STATES OF AMERICA
WASHINGTON, D.C. 20540

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**CHESSMINSTER
GROUP
LIMITED**

THE CHESSMINSTER GROUP

Passive fire protection
Innovative Construction
Environmental Products for the construction industry worldwide

The Chessminster Group has evolved from the development of innovative fire protection products for the construction industry into an integrated building material and construction group working to build a safer environment.

Chessminster has grown from diverse but related origins into a group capitalised at over £15 million, quoted in Vancouver, traded in London, and committed to manufacturing safety products for the benefit of the future.

In the past year, Chessminster has consolidated its core activities, refined its strategy, strengthened its management and balance sheet, adopted a new marketing approach - and remained, above all, committed to its philosophy - developing products and techniques which can help build a safer environment.

Chessminster's service - an integrated strategy for building safety, created around its Pyrok passive fire protection products and its Farr construction business - is unique.

The activities of Chessminster's expanding role in the world's construction industry fall into four complementary market segments: Building Board, Technology, Spray Coatings, Construction.



PYROK FIVE STAR BOARD

The Chessminster Group has seen and anticipated one of the most important opportunities for growth in the supply of construction materials.

Pyrok Five Star Board, and the factory we have built to manufacture it in South Wales, give us a worldwide leadership which we intend to exploit commercially and so achieve a significant presence in the growing market for building boards. We believe we will be setting the standard for this type of material.

Our £10 million investment in the new factory, grant-aided by the Welsh Office, will be the spearhead for our expansion into the building materials field.

Pyrok Five Star Board is our solution to the industry's need for a versatile, cost effective, strong and safe construction board - the industry's first truly multi-purpose board.

This is a cement bonded woodfibre board far superior to traditional building boards in dimensional stability, incombustibility, insect and fungal resistance, and sound attenuation. It can be worked, machined and affixed with normal tools and decorated with conventional finishes.

Planners, architects, consulting engineers and contractors welcome the availability of a building material that gives both construction and structural advantages with its ease, speed and versatility of use, on the one hand, and its strength, fire resistance and durability on the other. It also has major benefits for the user who will appreciate its sound attenuation, ease of decoration and receptiveness of fixtures and fittings. In addition, architects, consulting engineers, constructors and users will have the full technical backup of the Group covering all aspects of the product's specification, chemical and physical properties; their application and environmental interface.

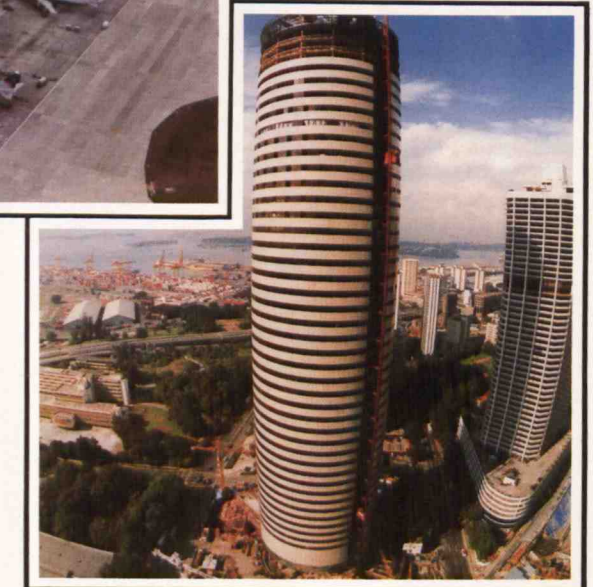
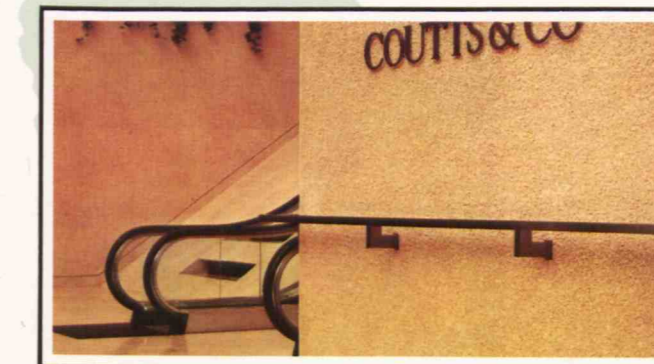
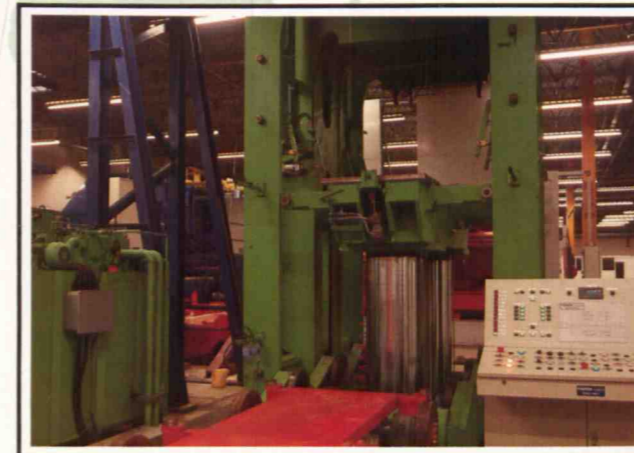
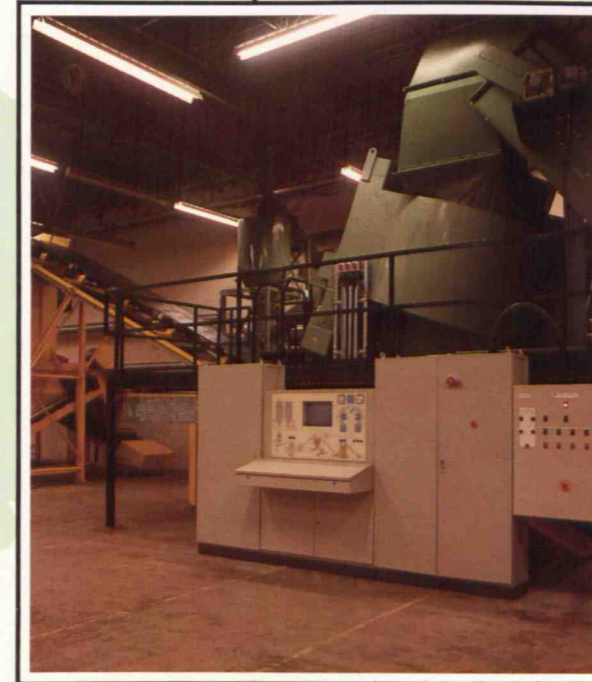
With the completion of the South Wales factory Pyrok has the only indigenous production facility in the United Kingdom for this exciting new product - Pyrok Five Star Board.

TECHNOLOGY

In the design of the South Wales factory Chessminster incorporated significant improvements in the manufacturing process to produce board - Pyrok Five Star Board - of a very high specification.

Chessminster Technology Limited will license this improved technology for plants to manufacture Pyrok Five Star Board anywhere in the world and will also act as consultants in the operation of cement bonded particle board factories. In this way Chessminster will create a worldwide role and market share for the Group and take advantage of the tremendous potential for the further development of this technology.

Versatec AG, our Swiss subsidiary based in Zurich, are widely respected consultants in process engineering. They have many years experience in designing production facilities for cement bonded particle board and are valued associates in our technology transfer contracts.





CONSTRUCTION - FARR BUILDING AND
CIVIL ENGINEERING

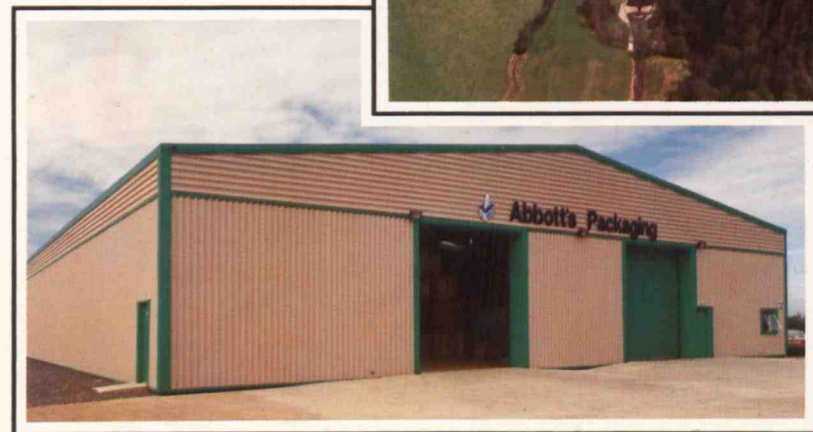
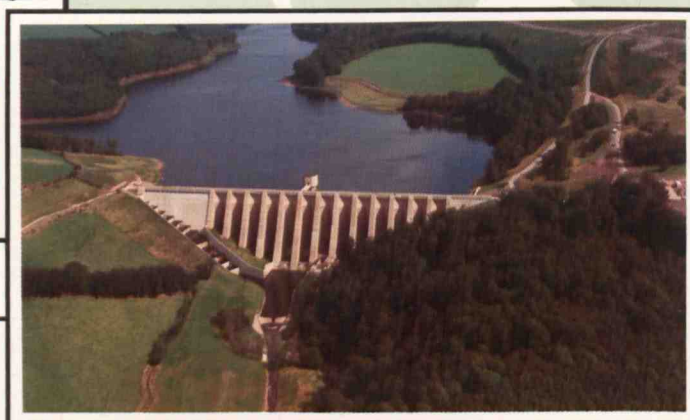
We have recently acquired the Farr Group who were incorporated in 1923 when they already had 25 years experience in construction. Their expertise and acknowledged quality standards cover commercial and retail developments such as superstores, offices and petrol stations for prestigious clients including Tesco, Esso and the RMC Group.

There is considerable synergy between the businesses of Chessminster and Farr. For two years Farr have co-operated with Chessminster in the development of several innovative products. In particular Farr has developed a unique acoustic system using Pyrok Five Star Board and Pyrok sprayed acoustic materials. This system has already been successfully employed at the Royal Naval Air Station, Yeovilton, in the construction of a Sea Harrier testing facility. In addition Farr and Pyrok have designed and developed the "Metroclad" system of secondary lining for vehicular tunnels. This combines the Pyrok Five Star Board, Ceramiccoat tunnel finish designed by Pyrok and a novel fixing system designed by Farr.

Farr are leading constructors of industrial premises from standard light developments to purpose built processing plants and structures for heavy industry. Blue Circle, British Steel, CEGB and British Coal have used Farr's specialist industrial construction services supported by their own in-house civil engineering capabilities.

Farr's reputation is equally strong in Public Works where they have been responsible for a number of high security and technically complex NATO military establishments. On the Civil side, motorways including two sections of the M4 and five sections of the M25, bridges, dams, jetties and docks all come within reach.

Farr's in-depth management and technical competence qualifies them as industry leaders in undertaking all-inclusive design, build and project management contracts. No matter how complex the project, they can take it through from concept to completion and handover. The management have extensive international experience and are now actively marketing the company's services outside the United Kingdom. This has enabled Farr to be a force and source of influence in the many development opportunities presented by new technology, frontier-less markets, and more demanding economic circumstances.



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CHESSMINSTER

Pre-Fabricated Housing for Ankara, Turkey

The municipality of Cankaya have allocated 930 hectares of land on the boundaries of the villages of Taspinar and Beytepe in the South West region of Ankara for the re-housing of some 100,000 people from deprived housing areas in Ankara.

Having recognised this need it is understood that the British Government have allocated funds of £248M to finance the first phase of the development.

The Prime Minister visited the site during her recent visit to Turkey. In response to a request from the project coordinators, retained by the municipality for this scheme, A. E. Farr Limited (the construction arm of the Chessminster Group) are preparing a submission for phase one of region four of the development. The housing project, amongst other things, will involve the manufacture and erection of 7100 pre-fabricated buildings. The buildings will be manufactured from Pyrok 5 Star Board and a large part of this board will be produced in this factory. The success of this proposal will ensure that the factory rapidly works to full capacity and could mean the introduction of a second production line in the factory which will in turn create many more jobs in this area.

RWG/VJD
24.5.1988