

Seprod Limited 1996

DIRECTORS' REPORT

The Directors of Seprod Limited submit herewith their Annual Report and Audited Accounts for the year ended December 31, 1996.

Financial Results

The Group ended the year with a profit before tax and extraordinary items of \$400M and a net profit attributable to shareholders of \$467.2M. Details of these results, along with a comparison with the previous year's performance and the state of affairs of the Company are set out in the Managing Director's and Deputy Managing Director's Reports and in the Financial Statements which are included as part of the Report.

Capital Distribution/Dividend

An interim Capital Distribution of thirty (30) cents per ordinary stock unit less transfer tax to stockholders on record as at 15th April 1996, was paid on 29th April 1996. A further Capital Distribution of three dollars and thirty cents (\$3.30) per ordinary stock unit less Transfer Tax to stockholders on record on 31st May 1996 was paid on 10th June 1996.

The Directors do not recommend any further payment of capital distribution/dividend for 1996.

Directors

Effective 7th April, 1997, Mr. James Moss-Solomon resigned as a Director of the company and Mr. Gregory B. Solomon was elected to fill the vacancy.

In accordance with Articles 89 and 91 of the Company's Articles of Association, the following named directors are retiring from office and are eligible for re-election:

Mr. A.D. Blades, Mr. E.T. Zaidie, Mr. Gregory B. Solomon

Auditors

The Auditors, Messrs. Price Waterhouse have intimated their willingness to continue in office. The Directors recommend their re-appointment.

AUDIT COMMITTEE

The Board of Directors of Seprod Limited exercises its responsibilities for the Financial Statements included in this Report through its Audit Committee, which consists of non-management Board members: Chairman, Mr. Douglas Orane, and members Messrs. G. Marsh, E.T. Zaidie and C. Chantrielle.

The independent accountants and internal auditors have full and free access to the Audit Committee. The Audit Committee meets quarterly with the independent accountants and the Internal Audit Department, both privately and with management present, to discuss accounting auditing and financial reporting matters.

EMPLOYEES

The Directors wish to express their appreciation for the loyal services of the employees throughout the year.

Submitted on behalf of the Board of Directors

A.D. Blades
Chairman

Dated this 7th day of April, 1997