

Seprod Limited 1998

DIRECTORS' REPORT

The Directors of Seprod Limited submit herewith their Annual Report and Audited Accounts for the year ended December 31, 1998.

Financial Results

The Group ended the year with a profit before tax and exceptional items of \$232 Million and a net profit attributable to shareholders of \$229 Million. 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

A Capital Distribution of \$1.25 per ordinary stock unit less transfer tax to stockholders on record as at 22nd May 1998, was paid on 10th June 1998.

One fully paid bonus share for every one ordinary stock unit held by each member was issued on 26th October 1998.

The Directors do not recommend any further payment of capital distribution/dividend for 1998.

Directors

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. Rafael Diaz
Mr. Granville E. Marsh

Mr. Peter J. Thwaites
Mr. Paul D. Bourke
Dr. Ralph C. Thompson

Auditors

The Auditors, Messrs. PricewaterhouseCoopers 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. Ziadie 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 the 6th day of April, 1999.
