

SEPROD LIMITED AND ITS SUBSIDIARIES

UNAUDITED GROUP RESULTS

FOR THE SIX MONTHS ENDING JUNE 30, 2004.

PROFIT AND LOSS ACCOUNT

	(Three Months Ending June 30th)		(Six Months Ending June 30th)	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Turnover	822,665	696,997	1,656,086	1,328,283
Cost of sales	(656,694)	(558,546)	(1,307,607)	(1,055,550)
Gross profit	165,971	138,451	348,479	272,733
Other operating income	6,848	6,595	12,929	8,583
Distribution costs	(27,212)	(36,037)	(55,982)	(76,542)
Administrative expenses	(79,773)	(83,829)	(160,886)	(145,270)
Operating profit	65,834	25,180	144,540	59,504
Finance income	30,043	61,713	68,560	82,860
Share of results of associated company (Note 1)	40,000	22,816	80,000	45,632
Group profit before taxation	135,877	109,709	293,100	187,996
Taxation	(24,407)	(3,236)	(52,720)	(11,304)
Group profit after taxation	111,470	106,473	240,380	176,692
	=====	=====	=====	=====
Number of shares in issue ('000)	516,398	516,398	516,398	516,398

Earnings per share	\$0.22	\$0.21	\$0.47	\$0.34
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Note (1) The results for 2003 have apportioned based on actual results for the full year.

BALANCE SHEET

	UNAUDITED	AUDITED
	30/06/04	31/12/03
	\$'000	\$'000
NET ASSETS EMPLOYED		
Fixed assets	635,432	618,061
Investments	2,057,052	1,551,401
Retirement benefit asset	155,300	155,300
Deferred tax	41,969	57,284
Current assets	917,805	1,118,196
Current liabilities	<u>(225,900)</u>	<u>(129,071)</u>
Net current assets	<u>691,905</u>	<u>989,125</u>
	<u>3,581,658</u>	<u>3,371,171</u>
	=====	=====
FINANCED BY:-		
Share capital	516,398	516,398
Share premium	44,889	44,889
Capital reserves	788,076	798,481
Accumulated surplus	<u>1,811,134</u>	<u>1,674,034</u>
	<u>3,160,497</u>	<u>3,033,802</u>
Long term debt	42,290	20,000
Loans from associated companies	143,481	103,512
Deferred tax	204,190	182,657
Retirement benefit obligations	<u>31,200</u>	<u>31,200</u>
	<u>3,581,658</u>	<u>3,371,171</u>

Approved on behalf of the Board:

A.D. Blades (Director) Dr. R.A. Jones (Director) B.E. Thompson (Director)

STATEMENT OF CASH FLOWS

	2004	2003
	\$'000	\$'000
CASH RESOURCES WERE PROVIDED BY/ (USED IN) :		
Operating Activities		
Net profit	240,380	176,692
Items not affecting cash resources:		
Depreciation	34,134	33,862
Share of results of associated companies	(80,000)	(45,632)
Taxation	39,938	4,784
	<u>234,452</u>	<u>169,706</u>
Changes in operating assets and liabilities:		
Inventories	(12,962)	9,303
Accounts receivable	57,261	62,853
Accounts payables	81,426	(4,246)
	<u>360,177</u>	<u>237,616</u>
Taxation paid	(13,419)	(32,128)
Cash provided by operating activities	<u>346,758</u>	<u>205,488</u>
Investing Activities		
Purchase of fixed assets	(51,506)	(32,331)
Investments in securities, net	(185,067)	(39,275)
Short term investment	(73,410)	-
Cash (used in)/ provided by investing activities	<u>(309,983)</u>	<u>(71,606)</u>

Net profit					240,380	240,380
Realised fair value loss on sale of investments	-	-	-	(10,405)	-	(10,405)
Dividends					(103,280)	(103,280)
Issue of bonus shares	-	-	-	-	-	-
Balance at 30 June 2004	516,398	516,398	44,889	788,076	1,811,134	3,160,497
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INFORMATION ABOUT BUSINESS SEGMENTS

(\$000)

	Manufacturing		Distribution		Eliminations		Consolidated	
	30/6/2004	30/6/2003	30/6/2004	30/6/2003	30/6/2004	30/6/2003	30/6/2004	30/6/2003
REVENUE								
External sales	1,231,412	922,615	424,674	405,668				
Inter-segment sales	314,591	88,081	210,164	192,890	(524,755)	(280,971)		
Total revenue	1,546,003	1,010,696	634,838	598,558	(524,755)	(280,971)	1,656,086	1,328,283
	=====	=====	=====	=====	=====	=====	=====	=====
RESULTS								
Segment result	200,359	128,829	24,392	12,594			224,751	141,423
	=====	=====	=====	=====	=====	=====		
Unallocated corporate expenses							(80,211)	(81,919)
Operating profit							144,540	59,504
Finance income, net							68,560	82,860
Share of net profits of associates							80,000	45,632
Income taxes							(52,720)	(11,304)
Net Profit							240,380	176,692
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OTHER INFORMATION

Segment assets	892,045	845,773	257,378	321,986	(6,157)	(22,421)	1,143,266	1,145,338
Investment in equity method associates							922,402	847,494
Unallocated corporate assets							<u>1,741,890</u>	<u>1,104,619</u>
Consolidated total assets							<u>3,807,558</u>	<u>3,097,451</u>
Segment liabilities	(71,934)	(106,247)	(36,693)	(41,363)	6,157	22,421	(102,470)	(125,189)
Unallocated corporate liabilities							<u>(123,430)</u>	<u>(46,029)</u>
Consolidated total liabilities							<u>(225,900)</u>	<u>(171,218)</u>
Capital expenditure	45,922	31,252	336	888			46,258	32,140
Unallocated capital expenditure							<u>5,247</u>	<u>191</u>
Total capital expenditure							<u>51,505</u>	<u>32,331</u>
Depreciation	30,163	29,753	827	677			30,990	30,430
Unallocated depreciation							<u>3,143</u>	<u>3,432</u>
Total depreciation							<u>34,133</u>	<u>33,862</u>
