

SEPROD LIMITED AND ITS SUBSIDIARIES

UNAUDITED GROUP PROFIT AND LOSS ACCOUNT

FOR NINE MONTHS ENDING SEPTEMBER 30, 2004

PROFIT AND LOSS ACCOUNT

	Three Months Ending Sept. 30th		Nine Months Ending Sept. 30th	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Turnover	864,066	730,872	2,520,152	2,059,155
Cost of Sales	<u>(695,046)</u>	<u>(597,834)</u>	<u>(2,002,653)</u>	<u>(1,672,454)</u>
Gross Profit	169,020	133,038	517,499	386,701
Other Operating Income	5,504	2,727	18,433	11,310
Distribution Costs	(33,790)	(32,652)	(89,772)	(109,194)
Administrative Expenses	<u>(78,015)</u>	<u>(60,836)</u>	<u>(238,901)</u>	<u>(206,106)</u>
Trading Profit	62,719	42,277	207,259	82,711
Share of Results of Associated Companies (Note 1)	<u>73,000</u>	<u>22,815</u>	<u>153,000</u>	<u>68,447</u>

Operating Profit	135,719	65,092	360,259	151,158
Finance Income	<u>36,115</u>	<u>25,825</u>	<u>104,675</u>	<u>108,685</u>
Group Profit before Taxation	171,834	90,917	464,934	259,843
Taxation	<u>(38,839)</u>	<u>(24,509)</u>	<u>(116,517)</u>	<u>(73,527)</u>
Group Profit after Taxation	132,995	66,408	348,417	186,316
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Number of Shares in Issue ('000)	516,398	516,398	516,398	516,398
Earnings per share	0.26	0.13	0.67	0.36

Note (1) The results for 2003 have apportioned based on actual results for the full year.

BALANCE SHEET

	UNAUDITED	AUDITED
	30/09/04	31/12/03
	\$'000	\$'000
NET ASSETS EMPLOYED		
Fixed assets	646,841	618,061
Investments	2,131,890	1,551,401
Retirement benefit asset	155,300	155,300
Deferred tax	49,064	57,284
Current assets	904,873	1,118,196
Current liabilities	<u>(177,981)</u>	<u>(129,071)</u>
Net current assets	<u>726,892</u>	<u>989,125</u>
	<u>3,709,987</u>	<u>3,371,171</u>

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FINANCED BY:-		
Share capital	516,398	516,398
Share premium	44,889	44,889
Capital reserves	823,185	798,481
Accumulated surplus	<u>1,919,171</u>	<u>1,674,034</u>
	3,303,643	3,033,802
Long term debt	40,470	20,000
Loans from associated companies	143,497	103,512
Deferred tax	191,177	182,657
Retirement benefit obligations	<u>31,200</u>	<u>31,200</u>
	3,709,987	3,371,171
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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	348,417	186,316
Items not affecting cash resources:		
Depreciation	51,938	52,024
Share of results of associated companies	(153,000)	(68,447)
Taxation	<u>96,030</u>	<u>64,779</u>

	343,385	234,672
Changes in operating assets and liabilities:		
Inventories	9,083	111,159
Accounts receivable	(51,313)	10,425
Accounts payables	36,006	(29,648)
	<u>337,161</u>	<u>326,608</u>
Taxation paid	(18,960)	(40,978)
Cash provided by operating activities	<u>318,201</u>	<u>285,630</u>
Investing Activities		
Purchase of fixed assets	(80,899)	(42,158)
Proceeds on disposal of fixed assets	180	-
Investments in securities, net	(151,796)	(119,275)
Short term investment	(104,794)	-
Cash (used in)/ provided by investing activities	<u>(337,309)</u>	<u>(161,433)</u>
Financing Activities		
Short term loan	-	(57,813)
Long term loan received	76,386	55,000
Long term loan repaid	(11,154)	(8,077)
Dividends paid	(103,280)	(103,280)
Cash used in financing activities	<u>(38,048)</u>	<u>(114,170)</u>
Increase/ (decrease) in cash and cash equivalents	(57,156)	10,027
Cash and cash equivalents at beginning of year	140,234	74,716
CASH AND CASH EQUIVALENT AT END OF PERIOD	<u>83,078</u>	<u>84,743</u>
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Group Statement of Changes in Equity

Number of Shares	Share Capital	Share Premium	Capital Accumulated Reserve	Accumulated Surplus	Total
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	'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2003, as restated	430,332	430,332	44,889	796,482	1,492,251	2,763,954
Net profit, as restated	-	-	-	-	186,316	186,316
Realised fair value gain on sale of investments	-	-	-	77,594	-	77,594
Dividends paid	-	-	-	-	(103,280)	103,280
Issue of bonus shares	86,066	86,066	-	-	(86,066)	-
Balance at 30 September 2003	516,398	516,398	44,889	874,076	1,489,221	29,246

	Number of Shares '000	Share Capital \$'000	Share Premium \$'000	Capital Reserve \$'000	Accumulated Surplus \$'000	Total \$'000
Balance as at 1 January 2004	516,398	516,398	44,889	798,481	1,674,034	3,033,802
Net profit	-	-	-	-	348,417	348,417
Realised fair value loss on sale of investments	-	-	-	24,704	-	24,704
Dividends	-	-	-	-	(103,280)	(103,280)
Issue of bonus shares	-	-	-	-	-	-
Balance at 30 September 2004	516,398	516,398	44,889	823,186	1,919,171	3,303,643

INFORMATION ABOUT BUSINESS SEGMENTS

	Manufacturing		Distribution		Eliminations		Consolidated	
	30/9/2004	30/9/2003	30/9/2004	30/9/2003	30/9/2004	30/9/2003	30/9/2004	30/9/2003
REVENUE								
External sales	1,862,475	1,427,776	657,677	631,379				
Inter-segment sales	471,131	209,003	325,254	297,809	(796,385)	(506,812)		
Total revenue	<u>2,333,606</u>	<u>1,636,779</u>	<u>982,931</u>	<u>929,188</u>	<u>(796,385)</u>	<u>(506,812)</u>	2,520,152	2,059,155
RESULTS								
Segment result	292,381	201,935	34,129	(4,570)			326,510	197,365
Unallocated corporate expenses							<u>(119,251)</u>	<u>(114,654)</u>
Operating profit							207,259	82,711
Finance income, net							104,675	108,685
Share of net profits of associates							153,000	68,447
Income taxes							<u>(116,517)</u>	<u>(73,527)</u>
Net Profit							<u>348,417</u>	<u>186,316</u>
OTHER INFORMATION								
Segment assets	895,830	910,929	257,444	301,833	(18,947)	(35,039)	1,134,327	1,177,723
Investment in equity method associates							995,402	870,309
Unallocated corporate assets							<u>1,758,239</u>	<u>1,030,868</u>
Consolidated total assets							<u>3,887,968</u>	<u>3,078,900</u>
Segment liabilities	(121,448)	(71,054)	(53,112)	(29,277)	18,947	35,039	(155,613)	(65,292)
Unallocated corporate liabilities							<u>(22,368)</u>	<u>(29,430)</u>
Consolidated total liabilities							<u>(177,981)</u>	<u>(94,722)</u>
Capital expenditure	74,796	41,737	362	276			75,158	42,013
Unallocated capital expenditure							<u>5,561</u>	<u>145</u>
Total capital expenditure							<u>80,719</u>	<u>42,158</u>

Depreciacion	45,561	45,771	1,194	1,055	46,755	46,826
Unallocated depreciation					<u>5,183</u>	<u>5,198</u>
Total depreciation					<u>51,938</u>	<u>52,024</u>
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