

GROUP BALANCE SHEET

	Unaudited 30/6/05 \$'000	Audited 31/12/04 \$'000
NET ASSETS EMPLOYED		
Fixed Assets	1,157,238	617,899
Investments	2,766,884	2,267,322
Retirement Benefit Asset	92,540	92,540
Deferred Tax	47,875	21,263
Current Assets	1,198,360	1,325,266
Current Liabilities	(775,535)	(424,079)
Net Current Assets	422,825	901,187
	4,487,362	3,900,211
FINANCED BY:		
Share Capital	516,398	516,398
Share Premium	44,889	44,889
Capital Reserves	841,357	823,736
Accumulated Surplus	2,388,759	2,114,750
	3,791,403	3,499,773
Long Term Liabilities	301,837	62,844
Loans from Associated Companies	143,497	143,514
Deferred Tax	212,725	156,180
Retirement Benefit Obligations	37,900	37,900
	4,487,362	3,900,211

Approved on behalf of the Board:

A. D. Blades
(Chairman)

B. E. Thompson
(Chief Executive Officer)

SEPROD LIMITED AND ITS SUBSIDIARIES
UNAUDITED GROUP FINANCIAL STATEMENTS

FOR SIX MONTHS ENDED JUNE 30, 2005

GROUP PROFIT AND LOSS ACCOUNT

	(Three Months Ending June 30th)		(Six Months Ending June 30th)	
	2005	2004	2005	2004
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Revenue	1,073,851	822,665	1,846,570	1,656,086
Cost of Sales	<u>(794,672)</u>	<u>(656,694)</u>	<u>(1,377,718)</u>	<u>(1,307,607)</u>
Gross Profit	279,179	165,971	468,852	348,479
Other operating income	7,992	6,848	14,447	12,929
Distribution costs	(34,976)	(27,212)	(63,852)	(55,982)
Administrative expenses	<u>(148,561)</u>	<u>(79,773)</u>	<u>(240,981)</u>	<u>(160,886)</u>
Operating Profit	103,634	65,834	178,466	144,540
Finance income	48,800	30,043	72,364	68,560
Negative goodwill on acquisition of subsidiaries (Note 1)	138,529	-	138,529	-
Share of results of associated companies	<u>68,971</u>	<u>40,000</u>	<u>152,717</u>	<u>80,000</u>
Profit before taxation	359,934	135,877	542,076	293,100
Taxation	(62,069)	(24,407)	(126,057)	(52,720)
Net Profit attributable to Stockholders	<u>297,865</u>	<u>111,470</u>	<u>416,019</u>	<u>240,380</u>
Number of Shares in issue ('000)	516,398	516,398	516,398	516,398
Earnings per share	0.58	0.22	0.81	0.47

Note (1): On April 1, 2005 the Group acquired the entire shareholding of Serge Island Dairies Limited and Serge Island Farms Limited for a consideration of \$375M.

The negative goodwill above represents the difference between the net assets acquired and the purchase price. Both subsidiary companies have been consolidated with the Group Results for the quarter ending June 30, 2005.

Group Statement of Cash Flows

(Six months Ending 30th June)

	2005 \$'000	2004 \$'000
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Net profit	416,019	240,380
Items not affecting cash resources:		
Depreciation	35,634	34,134
Negative goodwill on acquisition of subsidiaries	(138,529)	-
Share of results of associated companies	(152,717)	(80,000)
Taxation	19,666	39,938
	180,073	234,452
Changes in operating assets and liabilities:		
Inventories	(32,804)	(12,962)
Accounts receivable	(167,002)	57,261
Accounts payables	132,299	81,426
	112,566	360,177
Taxation paid	39,645	(13,419)
Cash provided by operating activities	152,211	346,758
Investing Activities		
Purchase of fixed assets	(74,467)	(51,506)
Investments in securities, net	(4,733)	(185,067)
Investments in subsidiaries	(340,543)	-
Short term investment	43,396	(73,410)
Cash (used in)/ provided by investing activities	(376,347)	(309,983)
Financing Activities		
Short term loan	90,000	-
Long term loan received	456,294	76,386
Long term loan repaid	(160,414)	(6,850)
Dividend paid	(142,010)	(103,280)
Cash used in financing activities	243,870	(33,744)
Increase/ (decrease) in cash and cash equivalents	19,734	3,031
Cash and cash equivalents at beginning of year	89,943	140,234
CASH AND CASH EQUIVALENT AT END OF PERIOD	109,677	143,265

Group Statement of Changes in Equity

	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	-	-	-	-	240,380	240,380
Realised fair value loss on sale of investments				(10,405)	-	(10,405)
Dividends paid				-	(103,280)	(103,280)
Balance at 30 June 2004	<u>516,398</u>	<u>516,398</u>	<u>44,889</u>	<u>788,076</u>	<u>1,811,134</u>	<u>3,160,497</u>

	Number of Shares '000	Share Capital \$'000	Share Premium \$'000	Capital Reserve \$'000	Accumulated Surplus \$'000	Total \$'000
Balance as at 1 January 2005	516,398	516,398	44,889	823,736	2,114,750	3,499,773
Net profit	-	-	-	-	416,019	416,019
Realised fair value gain on sale of investments	-	-	-	17,621	-	17,621
Dividends paid	-	-	-	-	(142,010)	(142,010)
Balance at 30 June 2005	<u>516,398</u>	<u>516,398</u>	<u>44,889</u>	<u>841,357</u>	<u>2,388,759</u>	<u>3,791,403</u>

INFORMATION ABOUT BUSINESS SEGMENTS

(\$000)

	Manufacturing		Distribution		Eliminations		Consolidated	
	30/6/2005	30/6/2004	30/6/2005	30/6/2004	30/6/2005	30/6/2004	30/6/2005	30/6/2004
REVENUE								
External sales	1,369,402	1,231,412	477,168	424,674				
Inter-segment sales	301,082	314,591	193,699	210,164	(494,781)	(524,755)		
Total revenue	<u>1,670,484</u>	<u>1,546,003</u>	<u>670,867</u>	<u>634,838</u>	<u>(494,781)</u>	<u>(524,755)</u>	<u>1,846,570</u>	<u>1,656,086</u>
RESULTS								
Segment result	<u>255,261</u>	<u>200,359</u>	<u>21,802</u>	<u>24,392</u>			277,063	224,751
Unallocated corporate expenses							(98,597)	(80,211)
Operating profit							<u>178,466</u>	<u>144,540</u>
Finance income, net							72,364	68,560
Negative goodwill on acquisition of subsidiaries							138,529	-
Share of net profits of associates							152,717	80,000
Income taxes							(126,057)	(52,720)
Net Profit							<u>416,019</u>	<u>240,380</u>
OTHER INFORMATION								
Segment assets	1,743,383	892,045	305,540	257,378	-	(6,157)	2,048,923	1,143,266
Investment in associates							1,570,930	922,402
Unallocated corporate assets							<u>1,643,044</u>	<u>1,741,890</u>
Total consolidated assets							<u>5,262,897</u>	<u>3,807,558</u>
Segment liabilities	(298,030)	(71,934)	(50,562)	(36,693)	-	6,157	(348,592)	(102,470)
Unallocated corporate liabilities							<u>(426,943)</u>	<u>(123,430)</u>
Total consolidated liabilities							<u>(775,535)</u>	<u>(225,900)</u>
Capital expenditure	65,770	45,922	157	336			65,927	46,258
Assets acquired on purchase of subsidiaries	500,507	-					500,507	-
Unallocated capital expenditure							<u>8,540</u>	<u>5,247</u>
Total capital expenditure							<u>574,974</u>	<u>51,505</u>
Depreciation	31,851	30,163	728	827			32,579	30,990
Unallocated depreciation							<u>3,055</u>	<u>3,143</u>
Total depreciation							<u>35,634</u>	<u>34,133</u>