



**SEPROD LIMITED**  
**UNAUDITED GROUP FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2011**

**STATEMENT OF COMPREHENSIVE INCOME**

	(Three months ending 31st March)	
	2011	2010
	\$'000	\$'000
<b>Revenue</b>	3,025,570	2,684,133
Direct expenses	<u>(2,333,441)</u>	<u>(1,989,450)</u>
<b>Gross Profit</b>	692,129	694,683
Finance and other operating income	122,943	116,473
(Losses)/gains on stock investments	(2,272)	20,224
Net foreign exchange gains/(losses)	28,549	(34,521)
Selling expenses	(70,830)	(68,755)
Administration expenses	<u>(336,835)</u>	<u>(356,972)</u>
<b>Operating Profit</b>	433,684	371,132
Finance costs	<u>(15,183)</u>	<u>(10,320)</u>
<b>Profit before taxation</b>	418,501	360,812
Taxation	<u>(149,441)</u>	<u>(93,020)</u>
<b>Net Profit</b>	269,060	267,792
<b>Other Comprehensive Income:</b>		
Fair value gains on available-for-sale investments	<u>39,843</u>	<u>135,266</u>
<b>Total Comprehensive Income</b>	<u><u>308,903</u></u>	<u><u>403,058</u></u>
<b>Net Profit is Attributable to:</b>		
Stockholders of the company	284,227	286,025
Non-controlling interest	<u>(15,167)</u>	<u>(18,233)</u>
	<u>269,060</u>	<u>267,792</u>
<b>Total Comprehensive Income is Attributable to:</b>		
Stockholders of the company	324,070	421,291
Non-controlling interest	<u>(15,167)</u>	<u>(18,233)</u>
	<u>308,903</u>	<u>403,058</u>
<b>Number of Shares in issue ('000)</b>	516,398	516,398
<b>Earnings per share (\$)</b>	\$0.55	\$0.55

**Basis of Preparation**

These consolidated financial statements have been prepared in accordance with the accounting policies set out in note 2 of the audited financial statements for the year ended 31 December 2010.

**Taxation Expense**

The tax on the group's profit differs from the theoretical amount that would arise using the applicable tax rate of 33 1/3%, as follows

	2011	2010
	\$'000	\$'000
Profit before taxation	<u>418,501</u>	<u>360,812</u>
Tax calculated at a tax rate of 33 1/3 %	139,486	120,259
Adjusted for the effect of:		
Investment income not subject to tax	(9,182)	(13,113)
Subsidiaries not subjected to tax	<u>11,229</u>	<u>(4,386)</u>
	141,533	102,760
Deferred taxation	<u>7,908</u>	<u>(9,740)</u>
	<u>149,441</u>	<u>93,020</u>




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UNAUDITED GROUP FINANCIAL STATEMENTS

GROUP BALANCE SHEET

	Unaudited 31/03/11 \$'000	Audited 31/12/10 \$'000
<b>NET ASSETS EMPLOYED</b>		
Fixed assets	3,095,924	2,927,718
Intangible assets	36,703	37,338
Available-for-sale investments	1,819,957	1,613,561
Long term receivables	730,493	742,936
Retirement benefit asset	29,700	29,700
Biological asset	213,858	211,712
Deferred tax	3,670	-
	<u>5,930,305</u>	<u>5,562,965</u>
<b>Current Assets</b>		
Inventories	1,330,491	1,548,431
Biological assets	144,787	162,268
Receivables	1,660,092	1,360,021
Available-for-sale investments	326,490	477,005
Current portion of long term receivables	307,378	307,226
Cash and bank balances	170,077	182,198
	<u>3,939,315</u>	<u>4,037,149</u>
<b>Current Liabilities</b>		
Payables	785,195	681,643
Demand loan	350,000	450,000
Current portion of long term liabilities	149,737	149,845
Taxation	44,720	92,572
	<u>1,329,652</u>	<u>1,374,060</u>
<b>Net Current Assets</b>	<u>2,609,663</u>	<u>2,663,089</u>
	<u>8,539,968</u>	<u>8,226,054</u>
<b>Equity Attributable to Stockholders of the Company</b>		
Share Capital	561,287	561,287
Capital Reserves	932,500	894,929
Retained Earnings	6,591,368	6,304,869
	<u>8,085,155</u>	<u>7,761,085</u>
<b>Non-controlling Interest</b>	<u>(184,695)</u>	<u>(169,528)</u>
	<u>7,900,460</u>	<u>7,591,557</u>
<b>Non-current Liabilities</b>		
Long Term Liabilities	226,569	233,136
Deferred Tax	331,139	319,561
Retirement Benefit Obligations	81,800	81,800
	<u>639,508</u>	<u>634,497</u>
	<u>8,539,968</u>	<u>8,226,054</u>

Approved on behalf of the Board:

  
Dr. R. A. Jones  
(Vice Chairman)

  
B. E. Thompson  
(Chief Executive Officer)

**SEPROD LIMITED**  
**UNAUDITED GROUP FINANCIAL STATEMENTS**

**Group Statement of Changes in Equity**

	Equity Attributable to Stockholders of the Company					Non-	Total
	Number	Share	Capital	Retained	Total	controlling	Equity
	of Shares	Capital	Reserve	Earnings		Interest	
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2010	516,398	561,287	720,575	5,696,919	6,978,781	7,571	6,986,352
Total comprehensive income	-	-	135,266	286,025	421,291	(18,233)	403,058
Transfer to capital reserve gain on available-for-sale of investments	-	-	20,224	(20,224)	-	-	-
Balance at 31 March 2010	516,398	561,287	876,065	5,962,720	7,400,072	(10,662)	7,389,410

	Equity Attributable to Stockholders of the Company					Non-	Total
	Number	Share	Capital	Retained	Total	controlling	Equity
	of Shares	Capital	Reserve	Earnings		Interest	
	'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2011	516,398	561,287	894,929	6,304,869	7,761,085	(169,528)	7,591,557
Total comprehensive income	-	-	39,843	284,227	324,070	(15,167)	308,903
Transfer to capital reserve loss on available-for-sale of investments	-	-	(2,272)	2,272	-	-	-
Balance at 31 March 2011	516,398	561,287	932,500	6,591,368	8,085,155	(184,695)	7,900,460

**SEPROD LIMITED**  
**UNAUDITED GROUP FINANCIAL STATEMENTS**

**Group Statement of Cash Flows**

(Three months ending 31st March)

	2011 \$'000	2010 \$'000
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Operating Activities</b>		
Net profit	269,060	267,792
Items not affecting cash resources:		
Amortisation of intangible assets	635	636
Depreciation	68,071	56,703
Taxation	149,441	93,020
	<u>487,207</u>	<u>418,151</u>
Changes in operating assets and liabilities:		
Inventories	217,940	(9,257)
Accounts receivable	(300,071)	(320,706)
Biological assets	15,335	48,678
Accounts payable	103,552	(64,249)
	<u>523,963</u>	<u>72,617</u>
Taxation paid	(189,385)	(359,143)
Cash provided by/(used in) operating activities	<u>334,578</u>	<u>(286,526)</u>
<b>Investing Activities</b>		
Purchase of fixed assets	(242,875)	(83,424)
Gain/(loss) on disposal of fixed assets	6,598	(235)
Investments in securities, net	(16,037)	85,108
Long term loan receivable	12,293	35,784
Cash (used in)/provided by investing activities	<u>(240,021)</u>	<u>37,233</u>
<b>Financing Activities</b>		
Short term loan received	-	200,000
Short term loan repaid	(100,000)	-
Long term loan repaid	(6,676)	(6,402)
Cash (used in)/provided by financing activities	<u>(106,676)</u>	<u>193,598</u>
Decrease in cash and cash equivalents	(12,119)	(55,695)
Cash and cash equivalents at beginning of year	182,196	275,402
<b>CASH AND CASH EQUIVALENT AT END OF PERIOD</b>	<u><u>170,077</u></u>	<u><u>219,707</u></u>

**SEPROD LIMITED**  
**UNAUDITED GROUP FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2011**  
**INFORMATION ABOUT BUSINESS SEGMENTS**

(\$000)

	Manufacturing		Distribution		Eliminations		Consolidated	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
<b>REVENUE</b>								
External sales	2,003,158	1,836,311	1,022,412	847,822	-	-	3,025,570	2,684,133
Inter-segment sales	759,340	562,980	-	-	(759,340)	(562,980)		
Total revenue	<u>2,762,498</u>	<u>2,399,291</u>	<u>1,022,412</u>	<u>847,822</u>	<u>(759,340)</u>	<u>(562,980)</u>	<u>3,025,570</u>	<u>2,684,133</u>
<b>RESULTS</b>								
Segment result	<u>402,955</u>	<u>350,345</u>	<u>55,625</u>	<u>53,709</u>			<u>458,580</u>	<u>404,054</u>
Unallocated corporate expenses							<u>(24,896)</u>	<u>(32,922)</u>
Operating profit							<u>433,684</u>	<u>371,132</u>
Finance costs							<u>(15,183)</u>	<u>(10,320)</u>
Income taxes							<u>(149,441)</u>	<u>(93,020)</u>
Net Profit							<u>269,060</u>	<u>267,792</u>
<b>OTHER INFORMATION</b>								
Segment assets	5,581,076	4,120,412	708,703	605,111	-	-	6,289,779	4,725,523
Unallocated corporate assets							3,579,841	4,860,212
Total consolidated assets							<u>9,869,620</u>	<u>9,585,735</u>
Segment liabilities	(692,555)	(578,244)	(37,055)	(64,168)	-	-	<u>(729,610)</u>	<u>(642,412)</u>
Unallocated corporate liabilities							<u>(1,054,855)</u>	<u>(1,561,484)</u>
Total consolidated liabilities							<u>(1,784,465)</u>	<u>(2,203,896)</u>
Capital expenditure	173,028	19,737	2,288	(8)			175,316	19,729
Unallocated capital expenditure							45,625	15,249
Total capital expenditure							<u>220,941</u>	<u>34,978</u>
Depreciation	62,914	53,354	588	387			63,502	53,741
Unallocated depreciation							4,569	2,962
Total depreciation							<u>68,071</u>	<u>56,703</u>