

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action to take, you are recommended to seek your own personal advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services Act 1986 immediately.

If you have sold or otherwise transferred all of your holding of Camellia Shares please pass this document and the accompanying documents, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee except that neither this document nor the accompanying documents should be forwarded to or transmitted by you or your agents into any jurisdiction where to do so may contravene local securities laws or regulations.

A copy of this document, which comprises listing particulars relating to Camellia Plc and has been prepared in accordance with the listing rules made pursuant to Section 142 of the Financial Services Act 1986, has been delivered to the Registrar of Companies in England and Wales for registration in accordance with Section 149 of that Act.

Application has been made to the London Stock Exchange for the New Camellia Shares to be admitted to the Official List. Application has also been made to list the New Camellia Shares on the Luxembourg Stock Exchange. It is expected that admission to the Official List and to the Luxembourg Stock Exchange will become effective, and that dealings will commence, on the first dealing day following the Effective Date, which is expected to be on 11 October 1999.

Camellia Plc



**Circular to Camellia Plc Shareholders and Listing Particulars relating to
the issue of 371,730 new ordinary shares of
10p each of Camellia Plc in connection with the
scheme of arrangement to acquire the outstanding shares of**

Lawrie Group Plc

and

Notice of Extraordinary General Meeting

Notice of an Extraordinary General Meeting of Camellia to be held at 10 Snow Hill, London EC1A 2AL at 12.00 noon on 15 July 1999 (or as soon thereafter as the Annual General Meeting of Camellia convened for the same date and place shall have been concluded or adjourned) is set out at the end of this document. Shareholders are asked to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Camellia's registrars, IRG plc, Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ by not later than 12.00 noon on 13 July 1999.

Arthur Andersen Corporate Finance, a division of Arthur Andersen, which is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales, is acting exclusively for Camellia Plc and no-one else in connection with the Scheme and will not regard any other person as its client or be responsible to any other person for providing the protections afforded to clients of Arthur Andersen or for giving advice to any such person in relation to the Proposal.

The New Camellia Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, nor under the securities laws of any state of the United States of America, any provinces or territories of Canada, Japan, Australia, or the Republic of Ireland. Subject to the terms of the Scheme, the New Camellia Shares may not be offered, sold, delivered or transferred within the United States of America, Canada, Japan, Australia or the Republic of Ireland.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of form of proxy for the Camellia EGM	12.00 noon on 13 July 1999
Lawrie Court Meeting	10.00 am on 15 July 1999
Camellia Annual General Meeting	11.30 am on 15 July 1999
Camellia EGM	12.00 noon on 15 July 1999†
Court Hearing*	4 October 1999
Record Date and last day of dealings in Lawrie Shares*	7 October 1999
Effective Date of the Scheme*	8 October 1999
Admission and first dealing date of New Camellia Shares*	11 October 1999
CREST Stock Accounts credited with New Camellia Shares*	by 22 October 1999
Despatch of certificates in respect of New Camellia Shares to Scheme Shareholders*	by 22 October 1999

Note:

† or as soon thereafter as the Annual General Meeting of Camellia has concluded or adjourned.

* These dates will depend, inter alia, on the date on which the Court sanctions the Scheme.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Act”	Companies Act 1985 (as amended)
“AIM”	the Alternative Investment Market of the London Stock Exchange
“Arthur Andersen Corporate Finance”	the corporate finance division of Arthur Andersen
“Business Day”	any day (excluding Saturdays or Sundays) on which banks are open for business in London
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form
“Camellia” or “the Company”	Camellia Plc
“Camellia Directors” or “Camellia Board”	the directors of Camellia, as set out in paragraph 1 of Part VI of this document
“Camellia EGM”	the extraordinary general meeting of Camellia convened for 12.00 noon on 15 July 1999 (or as soon thereafter as the Annual General Meeting of Camellia convened for the same date and place shall have been concluded or adjourned), or any adjournment thereof, notice of which is set out at the end of this document
“Camellia Group”	Camellia and its subsidiary and associated undertakings
“Camellia Shareholders”	holders of Camellia Shares
“Camellia Shares”	ordinary shares of 10p each in the capital of Camellia
“Closing Price”	the closing middle-market quotation of a Lawrie Share or a Camellia Share, as the case maybe, as derived from the Official List
“Code”	The City Code on Takeovers and Mergers
“Court”	the High Court of Justice in England and Wales
“Court Hearing”	the hearing of the Petition by the Court to sanction the Scheme
“CREST”	the relevant system (as defined in the Regulations) in respect of which CRESTCo is the Operator (as defined in the Regulations)
“CRESTCo”	CRESTCo Limited
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms
“Enlarged Group”	the Camellia Group, as enlarged by the implementation of the Proposal
“IRG”	IRG plc, Camellia’s registrars
“London Stock Exchange”	London Stock Exchange Limited
“Lawrie” or “Lawrie Group”	Lawrie Group Plc

“Lawrie Court Meeting”	the meeting of Scheme Shareholders convened by order of the Court to consider the Scheme, notice of which meeting is set out at the end of the Scheme Document
“Lawrie Directors”	the directors of Lawrie, as set out in paragraph 1 of Part VIII of the Scheme Document
“Lawrie Shareholders”	holders of Lawrie Shares
“Lawrie Shares”	ordinary shares of £1 each in the capital of Lawrie
“New Camellia Shares”	371,730 new Camellia Shares to be issued, credited as fully paid, pursuant to the Scheme
“Official List”	the Official List of the London Stock Exchange
“Panel”	the Panel on Takeovers and Mergers
“Proposal”	the proposal set out in this document for Lawrie to become a wholly owned subsidiary of Camellia by means of the Scheme
“Proposed Directors”	the Lawrie Directors, who will comprise the board of the Enlarged Group, as described in Part I of this document
“Record Date”	the Business Day immediately preceding the Effective Date
“Regulations”	the Uncertificated Securities Regulations 1995 (SI 1995 No.95/3272)
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under section 425 of the Act as set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court
“Scheme Document”	the document dated 16 June 1999 addressed to Lawrie Shareholders setting out the details of the Scheme
“Scheme Shareholders”	holders of the Scheme Shares
“Scheme Shares”	the Lawrie Shares in issue at the date of this document, other than those in which Camellia is beneficially interested
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST

PART I

LETTER FROM THE CHAIRMAN OF CAMELLIA

Camellia

public limited company

(Registered in England and Wales with number 29559)

Directors:

G. Fox (Chairman)
D.M. Bacon (Managing Director)
D.F.H. Geen (Non-Executive Director)
D.W. Jöhr (Non-Executive Director)

Registered Office and Head Office:

25 Upper Brook Street
London
W1Y 1PD

16 June 1999

To Camellia Shareholders

Dear Shareholder,

Proposal for Lawrie to become a wholly owned subsidiary of Camellia

1. Introduction

On 4 May 1999, the boards of Camellia and Lawrie jointly announced that they were in preliminary discussions concerning the possibility of exchanging the issued ordinary shares in Lawrie not held by Camellia for new shares in Camellia by means of a scheme of arrangement.

Subsequently on 1 June 1999, the boards of Camellia and Lawrie jointly announced that they had reached agreement on the terms by which Camellia is offering to acquire the issued ordinary shares in Lawrie which it does not already own, representing 14.9 per cent. of the issued share capital of Lawrie and that this offer is to be effected by way of a scheme of arrangement under section 425 of the Act.

I am writing to you to explain the reasons for the Scheme and to seek your approval for the resolutions that will be proposed at the Camellia EGM to be held on 15 July 1999. A copy of the Scheme Document, which is being posted to Lawrie Shareholders today, is enclosed for your information.

The Proposal values the whole of the existing ordinary share capital of Lawrie at approximately £85.9 million and the Scheme Shares at approximately £12.8 million. The implementation of the Scheme will involve the issue of 371,730 New Camellia Shares, representing approximately 13.1 per cent. of the enlarged issued share capital of Camellia, and will result in Camellia having 2,836,855 Camellia Shares in issue.

It is intended that, on completion of the Proposal, all of the Lawrie Directors will join the Camellia Board and that Keith FitzGerald, the current Chairman of Lawrie, will be appointed Chairman of Camellia. At that time I and my colleagues, David Bacon, Donald Geen and Dieter Jöhr will all retire from the Camellia Board.

The resolutions that will be proposed at the Camellia EGM are being unanimously supported and recommended by the Camellia Directors.

2. Reasons for and intentions following implementation of the Scheme

Prior to 1990, Camellia owned 49.9 per cent. of the issued ordinary share capital of Lawrie. In 1990, proposals were approved by the shareholders of Lawrie and Camellia at that time which resulted in Camellia holding 70.8 per cent. of Lawrie's issued ordinary share capital. Since then,

Camellia has increased its shareholding in Lawrie both through the purchase of Lawrie Shares and as a consequence of Lawrie purchasing its own shares, such that as at 15 June 1999 (the last Business Day prior to the posting of this document), Camellia held 85.1 per cent. of the existing issued ordinary share capital of Lawrie. Therefore, 14.9 per cent. of Lawrie's issued share capital is now held in public hands.

On completion of the Proposal, Lawrie will become a wholly owned subsidiary of Camellia and given the significance of Lawrie to the Enlarged Group it is considered appropriate that the Lawrie Directors should then be appointed to the Camellia Board.

It is the view of the Camellia Directors that the Proposal is in the best interests of the Camellia Shareholders, for the following reasons:

- It is intended that, following the implementation of the Scheme, Camellia Shareholders will receive significantly increased dividends as a result of aligning the dividend policy of Camellia with that of Lawrie (discussed more fully below), ensuring that the dividend of Lawrie is at least maintained. In respect of the year ending 31 December 1999, the Enlarged Group should pay a total dividend of at least 80p per Camellia Share.
- The Proposal will unify the operating structure of the Camellia Group under a single board, comprising the Proposed Directors.
- The Camellia Directors believe that certain cost savings should, in due course, arise from the successful implementation of the Proposal. These include the avoidance of duplicated administration costs and public company related expenditure, such as additional professional costs and AIM listing fees.
- The Proposal will enlarge the shareholder base of Camellia, and this is expected to lead to an increased marketability and liquidity of the Camellia Shares.
- The consolidated shareholding in Lawrie's subsidiary, Linton Park Plc, will be in excess of 75 per cent., potentially enabling certain tax benefits to be achieved in the future.

The Camellia Board has recommended a final dividend of 28p per Camellia Share (as I have mentioned in my statement included in the Camellia 1998 results), which in conjunction with the interim dividend of 19p per Camellia Share, means that the total dividend for the year ended 31 December 1998 is 47p per Camellia Share. Lawrie has separately paid an interim dividend and recommended a final dividend in respect of the year ended 31 December 1998, totalling 105p per Lawrie Share.

Under the Proposal and assuming the Scheme becomes effective in accordance with its terms, it is the current intention of the Proposed Directors that Camellia will increase its total dividend in respect of the year ending 31 December 1999 compared with that in respect of the year ended 31 December 1998, by not less than 33p per Camellia Share, so that Camellia Shareholders will receive a total dividend in respect of the year ending 31 December 1999 of at least 80p per Camellia Share. However, you should note that a final decision as to such dividend will only be taken when the results for the full year are known.

With the exception of this intended change to the dividend policy, the Proposed Directors have confirmed that their intention will be to continue all existing strategic and management policies of the Camellia Group.

If the Scheme becomes effective, Camellia intends to apply for the cancellation of Lawrie's listing on AIM without further notice. Upon the Scheme becoming effective, certificates for Scheme Shares will cease to be of value and should, if so requested by Lawrie, be sent to Lawrie for cancellation. Lawrie proposes that the Record Date will be the last date for dealings in Lawrie Shares on AIM. On or shortly after the Effective Date, the Scheme Shares will, pursuant to the Scheme, be transferred to Camellia or its nominee.

3. The Scheme

The Scheme, which is subject to the conditions and further terms set out in the Scheme Document, is being proposed on the following basis:

for every three Scheme Shares

four New Camellia Shares

and so in proportion for any greater or lesser number of Scheme Shares held. Fractions of New Camellia Shares will not be allotted or issued to Scheme Shareholders but will be aggregated and sold in the market and the net proceeds of sale distributed pro rata to persons entitled thereto.

On the basis of the Closing Price of a Camellia Share of £34.50 on 15 June 1999 (being the last Business Day immediately preceding the posting of this document), the Proposal values the whole of the existing issued ordinary share capital of Lawrie at approximately £85.9 million and the Scheme Shares at approximately £12.8 million. The Proposal values each Scheme Share at a premium of approximately 22.7 per cent. over the Closing Price of a Lawrie Share of £37.50 on 30 April 1999 (being the last Business Day immediately preceding the preliminary announcement concerning the possibility of the Proposal).

4. Terms and conditions of the Scheme

The Scheme is a procedure under which, subject to the approval of the Court, the Scheme Shares will be acquired by Camellia and the New Camellia Shares will be issued to the Scheme Shareholders. The Scheme requires approval by the Scheme Shareholders at the Lawrie Court Meeting and the subsequent sanction of the Court.

At the Lawrie Court Meeting, voting will be on a poll whereby Scheme Shareholders will be entitled to one vote for each Scheme Share held. The resolution will be passed if a majority in number of the Scheme Shareholders, present and voting either in person or by proxy, representing at least 75 per cent. in nominal value of the Scheme Shares voted, vote in favour of the Scheme. It should be noted that Camellia is not entitled to vote at the Lawrie Court Meeting. If the Scheme becomes effective, it will be binding on all holders of Scheme Shares, including any holders who did not vote to approve the Scheme.

In summary, implementation of the Scheme is conditional, *inter alia*, upon:

- Camellia Shareholders passing the Resolutions, which are summarised in paragraph 11 below, at the Camellia EGM on 15 July 1999. The notice of the Camellia EGM is set out at the end of this document;
- Scheme Shareholders approving the Scheme at the Lawrie Court Meeting;
- the Scheme being sanctioned by the Court; and
- permission being granted for the New Camellia Shares to be admitted to the Official List and such permission not being withdrawn.

The Scheme is subject to those other conditions set out in Part II of this document, certain of which are capable of waiver by Camellia. The Scheme can only become effective if all conditions to the Scheme, including shareholder approvals and the sanction of the Court, have been satisfied (or where permissible waived). The Scheme will only become effective upon delivery to the Registrar of Companies of an office copy of the Order of the Court sanctioning the Scheme.

5. Proposed changes to Articles of Association

Camellia's current Articles of Association were adopted in 1983 and since that time there have been a number of changes in company law and practice and the London Stock Exchange has published new listing rules. The Camellia Board therefore believes that it is appropriate that the current Articles of Association should be amended and a summary of the material amendments proposed to be made is set out in Part V of this document.

The proposed amended Articles of Association will be available for inspection at the registered office of Camellia, at the offices of Travers Smith Braithwaite, 10 Snow Hill, London EC1A 2AL and at the offices of the Luxembourg listing agent during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of dispatch of this document until the close of the Camellia EGM and at the place of the Camellia EGM for a period of at least 15 minutes prior to the meeting and during the meeting itself.

6. Management and employees

As referred to in paragraph 1 above, it is proposed that, if the Scheme is sanctioned by the Court, all of the Lawrie Directors will join the Board of Camellia and that Keith FitzGerald, the current Chairman of Lawrie, will be appointed Chairman of Camellia. At that time I and my colleagues, David Bacon, Donald Geen and Dieter Jöhr will all retire from the Board of Camellia. Keith FitzGerald and Nick Grant, two of the Proposed Directors, will be retiring as directors of the Enlarged Group after an appropriate transitional period in each case so as to give their successors sufficient time to assume their new responsibilities. The generational change presently taking place across the Camellia Group has been many years in the planning and I can assure Camellia Shareholders that every aspect has been meticulously considered. It is envisaged that Keith FitzGerald's eventual successor as Chairman of Camellia will be Malcolm Perkins, who joined Linton Park Plc (a member of the Camellia Group) 27 years ago.

The Proposed Directors have confirmed that the existing employment rights, including pension rights, of Lawrie employees will be fully safeguarded.

7. Current trading and prospects

On 1 June 1999, Camellia announced its results for the financial year ended 31 December 1998 and the report and accounts for this period are being posted to you today. Financial information in relation to Camellia for the three years ended 31 December 1998 is set out in Part III of this document.

During the current financial year, the Camellia Group's UK activities have been performing satisfactorily, although some of the engineering companies are suffering from the high exchange value of sterling and lack of orders from the offshore oil industry. Production on the Camellia Group's tea estates in Kenya, however, has been affected by very dry weather, and the start of the season in India and Bangladesh has also been inhibited by a lack of rainfall. As the year progresses some of the current crop shortfalls may be made good and market prices may respond to the prospect of lower production, but these possibilities can be no more than conjectural at the present time.

8. Control of Camellia

As Camellia Shareholders will be aware, a private stiftung (foundation) named the Libra Foundation ("the Foundation") which is resident in Liechtenstein, has held a controlling interest in Camellia for many years. The Foundation is a private foundation associated with me whose income is utilised for charitable, educational and humanitarian causes at the discretion of the trustees (none of whom is a director of either Camellia or Lawrie Group, save for Dieter Jöhr who is a director of Camellia), on my recommendation. The Foundation, through Camellia Holding AG, currently holds 1,414,500 Camellia Shares representing 57.4 per cent. of the issued ordinary share capital of Camellia and 58.9 per cent. of the voting rights exercisable at general meetings of Camellia. The latter percentage reflects the fact that 62,500 Camellia Shares, representing 2.5 per cent. of Camellia's issued ordinary share capital, are held by subsidiaries of Lawrie, and thus of Camellia, and, under the Act, no voting rights are exercisable in respect of those Camellia Shares whilst they remain so held.

Upon implementation of the Scheme, the proportion of the enlarged issued share capital of Camellia represented by the Foundation's holding will fall to 49.9 per cent., representing 51.0 per cent. of the voting rights then exercisable at general meetings of Camellia. The Proposed Directors

do not intend that the Camellia Shares held by subsidiaries should be disposed of to persons outside the Enlarged Group, and accordingly the Foundation will continue to have voting control of Camellia. Provided that control remains within the Foundation, the Panel has confirmed that, as a result of this voting control, the Foundation will be allowed to purchase further Camellia Shares without incurring any obligation to make a mandatory offer to other Camellia Shareholders under Rule 9 of the Code. I intend to make arrangements to retain this control by the Foundation or a similar entity on a long-term basis.

The activities of the Camellia Group are conducted independently of the Foundation. As referred to above, Dieter Jöhr and myself are the only Camellia Directors who are currently connected with the Foundation and none of the Proposed Directors is currently connected with the Foundation. It is contemplated that in the future one or more of the Proposed Directors could be invited to become officers also of the Foundation, but the Proposed Directors and the Foundation will ensure that following the implementation of the Scheme at least a majority of the directors of Camellia will at all times be independent of and unconnected with the Foundation.

While the Foundation will have and maintain its rights as a shareholder, it has not participated in, and has confirmed to the board of Camellia that it has no intention of participating in, the day-to-day running of the business of the Camellia Group. The Foundation has also confirmed its agreement that where any director of Camellia is for the time being connected with the Foundation, he should not exercise any voting rights as a director of Camellia in relation to any matter concerning the Camellia Group's shareholding in Siegfried AG or any other assets in which the Foundation also has a material interest otherwise than through Camellia. Since the Foundation is a non-trading entity, no other transactions or relationships between the Camellia Group and the Foundation are envisaged, but the board of Camellia will not in any event conduct any transaction or relationship with the Foundation other than on an arm's length and normal commercial basis. Additionally, both the current Articles of Association of Camellia and the proposed amended Articles of Association include usual provisions in relation to any director's ability to vote where he has a material interest in the matter under consideration.

9. Settlement and dealings

Application has been made to the London Stock Exchange for the New Camellia Shares to be admitted to the Official List. It is expected that admission will become effective and dealings in the New Camellia Shares will commence on the first dealing day following the Effective Date, which, subject to the approval of the Court, is expected to be on 11 October 1999. Application has also been made to list the New Camellia Shares on the Luxembourg Stock Exchange.

Temporary documents of title will not be issued pending the despatch by post of definitive certificates for the New Camellia Shares in accordance with the terms of the Scheme. Pending the issue of definitive certificates for the New Camellia Shares, transfers will be certified against the register held by IRG.

Subject to the Scheme becoming effective, the issue of New Camellia Shares to Scheme Shareholders will be made no later than 14 days after the Effective Date, in the following manner:

(a) Scheme Shares in uncertificated form (that is, in CREST)

Where Scheme Shares are held in uncertificated form any New Camellia Shares to which a Scheme Shareholder is entitled will be issued to such shareholder in uncertificated form. Camellia will procure that CRESTCo is instructed to credit the appropriate stock account in CREST of the Scheme Shareholder concerned with such shareholder's entitlement to New Camellia Shares.

Camellia reserves the right to settle all or any part of the consideration referred to above, for all or any accepting Scheme Shareholder(s), in the manner referred to in paragraph (b) below. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST, or of any part of CREST, or on the part of the facilities and/or system operated by the registrars in connection with CREST.

(b) Scheme Shares in certificated form

Where Scheme Shares are held in certificated form, the New Camellia Shares to which the Scheme Shareholder is entitled will be issued in certificated form. Definitive certificates for the New Camellia Shares will be despatched (but not in or into the United States of America, Canada, Japan, Australia or the Republic of Ireland) by first class post (or by such other method as the Panel may approve).

All communications, notices, remittances, certificates and documents of title sent by, to, or from Scheme Shareholders or their appointed agents will be sent at their own risk and may be sent by post.

10. Information on Camellia

Information on Camellia is set out in Part III of this document.

11. Extraordinary General Meeting

Certain matters relating to the implementation of the Scheme require the approval of Camellia Shareholders. Resolutions will be proposed at the Camellia EGM in order to:

- authorise the Camellia Directors, pursuant to section 80 of the Act, to allot up to £37,173 nominal amount of the authorised but unissued share capital of Camellia in connection with the Scheme; and
- amend the current Articles of Association of Camellia.

The Camellia EGM will be held at 12.00 noon on 15 July 1999 (or as soon thereafter as the Annual General Meeting of Camellia convened for the same date and place shall have been concluded or adjourned) at 10 Snow Hill, London EC1A 2AL. The notice of the Camellia EGM is set out at the end of this document.

12. Action to be taken

Camellia Shareholders will find enclosed a form of proxy to be used in connection with the Camellia EGM. Whether or not you intend to be present at the meeting, please complete and sign the form of proxy and return it in accordance with the instructions printed thereon to Camellia's registrar, IRG plc, Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ so as to arrive as soon as possible and in any event no later than 12.00 noon on 13 July 1999. The completion and return of a form of proxy will not preclude you from attending the meeting and voting in person if you so wish.

13. Recommendation

The Camellia Directors, who have been advised by Arthur Andersen Corporate Finance in connection with the Scheme, consider the terms of the Scheme to be in the best interests of Camellia and the Camellia Shareholders as a whole. In providing advice to the Camellia Directors, Arthur Andersen Corporate Finance has relied on the Camellia Directors' commercial and financial assessment of the Scheme.

Accordingly, the Camellia Directors unanimously recommend that you vote in favour of the resolutions that will be proposed at the Camellia EGM, as they intend to do in respect of their own beneficial holdings, which amount in aggregate to 98,510 Camellia Shares representing 4.0 per cent. of the issued Camellia Shares.

In addition, Camellia Holding AG (which currently holds 1,414,500 Camellia Shares, representing approximately 57.4 per cent. of the issued Camellia Shares), and with which, as described above, I am associated, has confirmed to Camellia that it intends to vote in favour of all of the resolutions that will be proposed at the Camellia EGM.

Yours faithfully,

G. Fox
Chairman

PART II

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE PROPOSAL

The Proposal is conditional upon the Scheme becoming effective by not later than 31 December 1999, or such later date as Lawrie and Camellia may agree and the Court may approve.

1. The Scheme will become effective following:-
 - 1.1 approval by a majority in number representing at least 75 per cent. in nominal value of the holders of Scheme Shares held by those present and voting, either in person or by proxy, at the Court Meeting or at any adjournment thereof;
 - 1.2 any resolutions of Camellia Shareholders required in connection with the approval and implementation of the Scheme being passed at the Camellia EGM or any adjournment thereof;
 - 1.3 permission being granted for the New Camellia Shares to be admitted to the Official List and such permission not being withdrawn; and
 - 1.4 sanction (with or without modification) of the Scheme by the Court ("Court Sanction") and an office copy of the Order of the Court being delivered to the Registrar of Companies in England and Wales.
2. Lawrie and Camellia have agreed that, subject as stated in paragraph 3 below, an Order of the Court to sanction the Scheme will only be sought if:-
 - 2.1 all authorisations, orders, grants, recognitions, confirmations, consents, clearances, certificates, licences, permissions and approvals necessary or reasonably considered by Camellia to be appropriate for, or in respect of, the Proposal and the implementation of the Scheme have been obtained, in terms and in a form reasonably satisfactory to Camellia and, where the absence of any thereof would, in the reasonable opinion of Camellia, have a material adverse effect on the Enlarged Group taken as a whole, these remain in full force and effect, and no intimation of an intention to revoke or not renew any of these is received, and all necessary filings have been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction have expired or have been terminated (as appropriate) and all necessary statutory and regulatory obligations in connection with the Proposal in any jurisdiction have been complied with;
 - 2.2 (a) no government or governmental, quasi-governmental, supranational, statutory or regulatory body, central bank, trade agency, association, institution or professional or environmental body or any court or any other similar person or body in any jurisdiction (each an "Authority") has taken, instituted, implemented or threatened prior to the Relevant Time (as defined in 2.2(b) below) any action, proceeding, suit, investigation or enquiry, or enacted, made or proposed any statute, regulation or order, or taken any other step that would or might in any respect which would be material to the Camellia Group taken as whole:-
 - (i) require the divestiture by any member of the Enlarged Group of all or any portion of its businesses, assets or properties; or
 - (ii) require any member of the Enlarged Group to make an offer to acquire any shares owned by any third party in any subsidiary of Lawrie; or
 - (iii) impose any limitation on the ability of any of them to conduct their respective businesses or to own their respective assets or properties; or
 - (iv) that would or might make the Proposal or the Scheme, or their respective implementation, void or unenforceable in any jurisdiction; and

- (b) for the purposes of the condition in 2.2(a):-
 - (i) the "Relevant Time" shall in the case of any Authority be 5.30 pm on the Business Day immediately preceding the date of the Court Hearing;
 - (ii) such condition shall be deemed satisfied at the Relevant Time unless prior notice that it has not been satisfied has been given by Camellia to Lawrie.
- 3. Camellia reserves the right in its absolute discretion, to waive all or any of the conditions in 2.1 or 2.2(a) inclusive, in whole or in part.

PART III

INFORMATION ON CAMELLIA

1. Introduction

Camellia is the holding company of an agricultural, industrial and financial services operating group. The principal activities of Camellia, its subsidiaries and its associated undertakings comprise:

- (a) Agriculture and horticulture – The production of tea, coffee, citrus fruits, edible nuts, other horticultural produce and general farming.
- (b) Private and merchant banking services.
- (c) Food storage and distribution.
- (d) Trading and agency.
- (e) Engineering – Metal finishing, heat treatment, fabrication and precision engineering.
- (f) Chemical and pharmaceutical production.
- (g) Property leasing.
- (h) Dealing in fine art.
- (i) The holding of investments.

2. Audited financial information

2.1 Nature of financial information

The financial information contained in this Part III of this document does not constitute statutory accounts within the meaning of section 240 of the Act but has been extracted, without material adjustment, (other than the re-statement of results for the years ended 31 December 1997 and 1996 to reflect activities discontinued in the year ended 31 December 1998, the re-statement of results for the year ended 31 December 1997 such that results of acquisitions in that year are shown as part of continuing operations and the re-statement of results for the year ended 31 December 1996 to show the share of results of associates, all of which is in accordance with Financial Reporting Standard (“FRS”) 3 and FRS9) from the audited consolidated financial statements of Camellia for the three financial years ended 31 December 1998.

An unqualified report within the meaning of section 235 of the Act has been given in respect of the accounts for each of the three financial years ended 31 December 1998. Such reports did not contain a statement under section 237(2) and (3) of the Act. Copies of the statutory accounts have been filed at Companies House for each of the two years ended 31 December 1996 and 31 December 1997. The statutory accounts for the year ended 31 December 1998 are proposed to be filed at Companies House after the conclusion of the Annual General Meeting of Camellia convened for 15 July 1999.

Moore Stephens, Registered Auditors, of St Paul’s House, Warwick Lane, London EC4P 4BN, were the auditors of Camellia in respect of the three financial years ended 31 December 1998 and are currently the auditors of Camellia.

For the purposes of this Part III, references to the “Group” shall be construed as references to Camellia and its subsidiary undertakings, unless the context requires otherwise.

2.2 Consolidated profit and loss account

		<i>For the year ended 31 December</i>		
	<i>Notes</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Turnover – continuing operations		237,987	217,899	193,549
– discontinued operations		9,471	15,984	18,783
		<hr/>	<hr/>	<hr/>
Cost of sales	2.8.1(a)	247,458	233,883	212,332
		179,068	174,148	164,060
		<hr/>	<hr/>	<hr/>
Gross profit		68,390	59,735	48,272
Net operating expenses	2.8.2	36,797	34,402	32,341
		<hr/>	<hr/>	<hr/>
Operating profit – continuing operations		31,506	25,815	15,638
– discontinued operations		87	118	293
		<hr/>	<hr/>	<hr/>
		31,593	25,333	15,931
Share of results of associates		6,765	5,896	2,355
		<hr/>	<hr/>	<hr/>
Total operating profit		38,358	31,229	18,286
Investment income		554	727	1,050
Loss on disposal of subsidiary undertaking	2.8.3	(553)	–	–
Provision for loss on disposal of property	2.8.4	–	(543)	–
Profit on disposal of fixed asset investments		31	1,091	1,092
		<hr/>	<hr/>	<hr/>
		38,390	32,504	20,428
		<hr/>	<hr/>	<hr/>
Net interest payable and similar charges	2.8.5	6,103	6,293	5,844
		<hr/>	<hr/>	<hr/>
Profit on ordinary activities				
before taxation	2.8.1(b)	32,287	26,211	14,584
Taxation on profit on ordinary activities	2.8.7	10,538	7,545	4,041
		<hr/>	<hr/>	<hr/>
Profit on ordinary activities after taxation		21,749	18,666	10,543
Interest of minority shareholders		8,781	7,449	4,976
		<hr/>	<hr/>	<hr/>
Profit attributable to members of Camellia		12,968	11,217	5,567
Dividends	2.8.8	1,159	1,085	1,054
		<hr/>	<hr/>	<hr/>
Retained profit for the year	2.8.22	11,809	10,132	4,513
		<hr/>	<hr/>	<hr/>
Earnings per share	2.8.9	525.92p	454.08p	223.13p
		<hr/>	<hr/>	<hr/>
Dividends per share		47.00p	44.00p	42.50p
		<hr/>	<hr/>	<hr/>

2.3 Consolidated balance sheet

		<i>As at 31 December</i>		
	<i>Notes</i>	<i>1998</i> <i>£'000</i>	<i>1997</i> <i>£'000</i>	<i>1996</i> <i>£'000</i>
Fixed assets				
Tangible assets	2.8.10	164,094	158,620	151,520
Goodwill	2.8.11	(1,302)	—	—
Investments	2.8.12	65,488	60,222	51,948
		<u>228,280</u>	<u>218,842</u>	<u>203,468</u>
Current assets				
Stocks	2.8.13	31,807	29,871	28,945
Debtors	2.8.14	57,580	61,288	67,214
Investments		73	128	15
Cash at banks and in hand	2.8.15	143,902	149,813	128,892
		<u>233,362</u>	<u>241,100</u>	<u>225,066</u>
Creditors: amounts falling due within one year	2.8.16	<u>200,037</u>	<u>199,784</u>	<u>185,412</u>
Net current assets		<u>33,325</u>	<u>41,316</u>	<u>39,654</u>
Total assets less current liabilities		<u>261,605</u>	<u>260,158</u>	<u>243,122</u>
Creditors: amounts falling due after more than one year	2.8.17	35,476	43,130	33,187
Provisions for liabilities and charges	2.8.18	1,859	1,847	1,847
Net assets		<u>224,270</u>	<u>215,181</u>	<u>208,088</u>
Equity capital and reserves				
Called up share capital	2.8.19	247	247	248
Share premium account	2.8.21	481	481	481
Revaluation reserve	2.8.21	31,145	31,780	27,450
Profit and loss account	2.8.21	113,785	102,337	97,983
Shareholders' equity		<u>145,658</u>	<u>134,845</u>	<u>126,162</u>
Minority shareholders' interest		<u>78,612</u>	<u>80,336</u>	<u>81,926</u>
		<u>224,270</u>	<u>215,181</u>	<u>208,088</u>

2.4 Consolidated cash flow statement

		<i>For the year ended 31 December</i>		
		<i>1998</i>	<i>1997</i>	<i>1996</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Net cash flow from operating activities	2.8.27	37,685	31,511	21,677
Dividends received from associates		811	724	683
Returns on investments and servicing of finance				
Interest received		1,314	761	731
Interest paid		(6,747)	(6,506)	(5,860)
Income from investments		515	727	784
Dividends paid to minority interests		(2,618)	(2,558)	(2,129)
		(7,536)	(7,576)	(6,474)
Taxation				
UK corporation tax paid		(283)	(1,406)	(1,050)
Overseas tax paid		(8,305)	(3,378)	(2,536)
		(8,588)	(4,784)	(3,586)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(19,565)	(14,174)	(13,688)
Sale of tangible fixed assets		3,069	1,337	956
Purchase of investments		(1,808)	(2,335)	(2,068)
Sale of investments		1,185	2,736	2,566
		(17,119)	(12,436)	(12,234)
Acquisitions and disposals				
Disposal/(acquisitions) of subsidiaries	2.8.30	456	(302)	(1,284)
Purchase of additional Siegfried AG shares	2.8.30(b)	(1,705)	(5,612)	—
Purchase of minority interests		(5,728)	(3,271)	(859)
Contribution by minority interests		—	—	7
Capital reduction by associate		362	—	—
		(6,615)	(9,185)	(2,136)
Equity dividends paid		(1,110)	(1,052)	(1,033)
Cash outflow before financing		(2,472)	(2,798)	(3,103)
Financing				
Loan repayments		(13,106)	(8,183)	(4,476)
New loans		10,274	16,854	8,159
Capital element of finance lease rental payments		(810)	(849)	(576)
		(3,642)	7,822	3,107
Purchase of own shares		(28)	(348)	(474)
(Decrease)/increase in cash in the year	2.8.28	(6,142)	4,676	(470)

2.5 Statement of total recognised gains and losses

	<i>For the year ended 31 December</i>		
	<i>1998</i>	<i>1997</i>	<i>1996</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Profit for the year – includes associates £4,168,000 (1997 – £3,757,000, 1996 – £1,207,000)	12,968	11,217	5,567
Unrealised surplus on revaluation of tangible fixed assets	–	4,045	–
Profit arising from sale by an associate of its own shares	–	204	–
Currency translation differences on foreign currency net investments – includes associates' gains £850,000 (1997 – £1,051,000 loss, 1996 – £6,250,000 loss)	(1,848)	(2,505)	(10,281)
Total recognised gains and losses for the year	<u>11,120</u>	<u>12,961</u>	<u>(4,714)</u>

2.6 Reconciliation of movement in shareholders' funds

	<i>For the year ended 31 December</i>		
	<i>1998</i>	<i>1997</i>	<i>1996</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Profit for the year	12,968	11,217	5,567
Dividends	(1,159)	(1,085)	(1,054)
Retained profit for the year	<u>11,809</u>	<u>10,132</u>	<u>4,513</u>
Currency translation differences on foreign currency net investments	(1,848)	(2,505)	(10,281)
Purchase of own shares	(28)	(348)	(474)
Goodwill transferred to profit for the year	880	(433)	–
Goodwill on acquisitions	–	(2,412)	2,465
Surplus on revaluation of tangible fixed assets	–	4,045	–
Profit arising from sale by an associate of its own shares	–	204	–
Negative goodwill arising from new associate	–	–	16,250
Net addition in shareholders' funds	<u>10,813</u>	<u>8,683</u>	<u>12,473</u>
Opening shareholders' funds	<u>134,845</u>	<u>126,162</u>	<u>113,689</u>
Closing shareholders' funds	<u>145,658</u>	<u>134,845</u>	<u>126,162</u>

2.7 Accounting policies

The following paragraphs describe the main accounting policies of the Camellia Group.

(a) Accounting convention

The Group accounts are prepared in accordance with applicable accounting standards under the historical cost convention modified to include the revaluation of certain fixed assets.

(b) Basis of consolidation

The consolidated accounts comprise the accounts of Camellia and all of its subsidiary undertakings.

The results of subsidiary undertakings are accounted for in the profit and loss account using the acquisition method from the effective date of acquisition and to the effective date of disposal.

The accounts of Camellia and its subsidiary undertakings are made up to 31 December with the exception of Horizon Farms and SWF Citrus Inc., both of which operate in the USA and have accounting periods ending on 30 September, but are included on the basis of interim accounts to 31 December.

(c) Goodwill

Purchased goodwill arising prior to 1 January 1998 was written off directly to reserves and remains eliminated against reserves. It is transferred to the profit and loss account on the disposal or closure of the related businesses. Subsequent to that date, and in accordance with FRS10, where businesses or associates are acquired, any differences between the cost of acquisition and the fair value of the net assets acquired is capitalised as goodwill and written off on a straight line basis over the estimated useful economic life of up to 20 years.

(d) Fixed asset investments

- (i) In Camellia's accounts, shares in subsidiaries are stated at directors' valuation being the net asset value attributable to Camellia. The surpluses on revaluation are taken to the revaluation reserve and any deficits charged to the profit and loss account.
- (ii) Associated undertakings are entities in which the Group has a long-term investment and is in a position to exercise significant influence over the undertaking in which the investment is made. The Group's interest in the net assets of the associated undertakings is included as an investment in the consolidated balance sheet at the Group's share of net assets, after attributing fair values, at the date of acquisition plus the Group's share of retained profits. The Group's share of the profits less losses of associated undertakings is included in the consolidated profit and loss account.

Following the full adoption of FRS9 in 1998 interest recorded by associated undertakings has been recorded as interest in the Group's consolidated profit and loss account. 1997 and 1996 comparatives have been restated.

- (iii) Shares of listed and unlisted companies are stated at cost less provision for permanent diminution in value.
- (iv) Classical postage stamps, documents and manuscripts, antiques and objets d'art held as investments are stated at cost less amounts written off for permanent diminution in value.

(e) Foreign currencies

Assets, liabilities and trading results in foreign currencies are translated at the rates of exchange ruling at the respective accounting year end dates. Exchange differences arising on the retranslation of the opening net assets at the year end rates are taken directly to reserves. Exchange differences arising from trading transactions are included in the results for the year.

The transactions, assets and liabilities of subsidiary undertakings which operate in countries with high levels of inflation are reported in a stable currency.

(f) Depreciation

No depreciation is provided in respect of certain estates, listed freehold buildings, freehold land or works of art (see note 2.8.10). Depreciation of leasehold premises is provided over the term of each lease.

Depreciation of other tangible fixed assets is calculated at varying rates to reduce the cost or valuation to residual values over their expected useful lives at the following rates per annum:

Buildings	1 to 20 per cent.
Plant and machinery	4 to 33 per cent.
Vehicles	10 to 33 per cent.
Fixtures, tools and equipment	4 to 33 per cent.

(g) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost where appropriate includes a proportion of production and administrative overheads.

(h) Deferred taxation

Provision is made under the liability method at current rates for taxation deferred by timing differences between profits as stated in the accounts and as computed for taxation purposes, except to the extent that timing differences are expected to continue for the foreseeable future. In these cases no provision is made.

(i) Turnover

Turnover is based on proceeds receivable, agency income and sales at invoiced values excluding value added tax and inter-company dealings.

(j) Lease accounting

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the periods of the leases.

(k) Pension schemes

The cost of providing pensions for defined benefit schemes is charged to the profit and loss account systematically over the periods benefiting from the employees' services. The cost of providing pensions to defined contribution schemes and to overseas schemes is charged to the profit and loss account when payable. Pension arrangements are detailed in note 2.8.25.

2.8 Notes to the financial information

2.8.1(a) Analysis of consolidated turnover, profit and net operating assets

	Turnover			Operating profit			Net operating assets		
	1998	1997	1996	1998	1997	1996	1998	1997	1996
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
By activity									
Parent and subsidiary undertakings									
Agriculture and horticulture	109,878	97,170	79,074	26,990	19,466	11,080	128,243	128,500	122,707
Trading and agency	64,622	59,825	58,573	935	1,023	1,372	6,326	5,813	6,950
Food storage and distribution	43,330	40,491	37,057	4,437	4,840	4,034	34,630	29,519	29,129
Engineering	16,245	15,815	14,096	2,653	2,845	2,268	9,901	9,146	7,796
Fine art trading and philately	1,911	1,456	1,423	(29)	(141)	50	4,524	4,408	4,720
Property leasing	1,969	1,692	1,686	1,571	1,629	1,485	3,774	3,056	3,171
Central management and miscellaneous	32	1,450	1,640	(5,343)	(4,971)	(5,149)	8,770	12,735	12,839
	<u>237,987</u>	<u>217,899</u>	<u>193,549</u>	<u>31,214</u>	<u>24,691</u>	<u>15,140</u>	<u>196,168</u>	<u>193,177</u>	<u>187,312</u>
Discontinued	9,471	15,984	18,783	87	118	293	–	302	396
	<u>247,458</u>	<u>233,883</u>	<u>212,332</u>	<u>31,301</u>	<u>24,809</u>	<u>15,433</u>	<u>196,168</u>	<u>193,479</u>	<u>187,708</u>
Banking – note 2.8.1(c)	–	–	–	316	529	524	21,070	20,628	19,451
Less: Net interest from group companies	–	–	–	(24)	(5)	(26)	–	–	–
	<u>247,458</u>	<u>233,883</u>	<u>212,332</u>	<u>31,593</u>	<u>25,333</u>	<u>15,931</u>	<u>217,238</u>	<u>214,107</u>	<u>207,159</u>
Associated undertakings									
Agriculture and horticulture				184	185	22			
Textile and other manufacturing				33	183	259			
Insurance and leasing				625	512	515			
Chemical and pharmaceutical				5,869	4,952	1,102			
Other				54	64	332			
Operating profit				<u>38,358</u>	<u>31,229</u>	<u>18,161</u>			
By country of origin									
United Kingdom	125,597	126,019	122,591	4,228	5,406	4,565	83,692	80,973	78,360
Continental Europe	10,942	9,802	10,242	287	251	457	2,655	2,475	3,383
India	36,255	32,894	28,582	9,635	5,869	3,406	19,745	20,724	22,479
Kenya	27,126	23,455	19,331	7,315	7,255	4,174	47,680	44,242	39,413
Malawi	15,919	12,428	8,181	5,931	3,271	1,079	17,574	18,314	17,178
Bangladesh	8,995	10,080	7,949	2,899	3,453	1,114	18,313	17,736	17,429
North America	1,015	1,010	1,241	369	272	591	3,108	3,155	2,930
South America and Bermuda	2,021	1,624	1,518	(718)	(1,110)	(931)	5,991	6,175	5,815
Australia	18,500	15,882	12,016	1,512	596	1,522	12,333	13,792	15,064
South Africa	1,088	689	681	135	70	(46)	6,147	6,521	5,108
	<u>247,458</u>	<u>233,883</u>	<u>212,332</u>	<u>31,593</u>	<u>25,333</u>	<u>15,931</u>	<u>217,238</u>	<u>214,107</u>	<u>207,159</u>

	1998 £'000	1997 £'000	1996 £'000
Net operating assets			
Net operating assets are reconciled to net assets as follows:			
Net operating assets	217,238	214,107	207,159
Net borrowings	(50,976)	(50,739)	(48,063)
Investments	63,987	58,608	50,116
Dividend payable	(690)	(641)	(608)
Non-operating items	(5,289)	(6,154)	(516)
	<u>224,270</u>	<u>215,181</u>	<u>208,088</u>

By geographical market supplied

	1998 £'000	Turnover 1997 £'000	1996 £'000
United Kingdom	132,118	130,883	126,458
Continental Europe	20,995	20,137	16,948
India	29,527	27,667	24,280
Bangladesh	7,283	8,026	6,000
Other Asia	10,728	10,271	3,347
Africa	28,131	23,501	19,373
North America	5,041	3,461	2,385
South America	1,819	1,494	1,518
Australasia	11,816	8,443	12,023
	<u>247,458</u>	<u>233,883</u>	<u>212,332</u>

Discontinued operations were, by segmental activity – food storage and distribution, and by country of origin – United Kingdom. The cold storage, transport and warehousing and food trading segments are now combined.

(b) Profit on ordinary activities before taxation is stated after charging

	1998 £'000	1997 £'000	1996 £'000
Depreciation	8,082	7,784	7,789
Hire of plant and machinery	826	652	464
Rental on other operating leases	1,756	1,696	1,476
Auditors' remuneration	600	545	625

Other fees paid to Moore Stephens in respect of taxation and other advisory services were £36,378 (1997 – £34,031 and 1996 – £50,465).

(c) Profit of banking subsidiaries

	1998 £'000	1997 £'000	1996 £'000
Interest receivable – third parties	11,822	9,264	8,531
– group companies	67	42	55
	<u>11,889</u>	<u>9,306</u>	<u>8,586</u>
Interest payable – third parties	(8,976)	(6,742)	(6,225)
– group companies	(43)	(37)	(29)
	<u>(8,976)</u>	<u>(6,742)</u>	<u>(6,225)</u>
Net interest income	2,870	2,527	2,332
Other operating income	3,629	3,514	3,387
Operating expenses	(6,183)	(5,512)	(5,195)
	<u>(6,183)</u>	<u>(5,512)</u>	<u>(5,195)</u>
Profit – continuing operations	<u>316</u>	<u>529</u>	<u>524</u>

2.8.2 Net operating expenses

	1998 £'000	1997 £'000	1996 £'000
Distribution costs	11,317	8,109	8,376
Administrative expenses	26,931	28,112	25,530
Other operating income	(1,451)	(1,819)	(1,565)
	<u>36,797</u>	<u>34,402</u>	<u>32,341</u>

Cost of sales include £8,662,000 (1997 – £14,445,000; 1996 – £17,053,000), distribution costs include £44,000 (1997 – £96,000; 1996 – £87,000) and administrative expenses include £678,000 (1997 – £1,325,000; 1996 – £1,035,000) relating to discontinued activities.

2.8.3 Loss on disposal of subsidiary undertakings

	1998 £'000	1997 £'000	1996 £'000
Profit on disposal of subsidiary undertakings	327	–	–
Attributable goodwill transferred from reserves	(880)	–	–
	<u>(553)</u>	<u>–</u>	<u>–</u>

On 13 March 1998 the Group sold Duncan Lawrie Pension Consultants Limited to Abbey National Independent Consulting Group Limited realising a profit on disposal of £460,000. This profit is offset by attributable goodwill of £1,006,000 which was charged to reserves between 1991 and 1995.

On 7 August 1998 the Group sold J. Bennett (Billingsgate) Limited and Grant and May Limited to Jayben Limited, realising a loss on disposal of £133,000. This loss is offset by attributable goodwill of £126,000.

2.8.4 Provision for loss on disposal of property

During 1998 the Group closed an office which was formerly the Associated Fisheries Plc head office in London. The provision in 1997 comprised a charge of £976,000 to reduce the carrying value of the property to its anticipated net realisable value, offset by the attributable negative goodwill of £433,000. The minority interest in the results for 1997 reduced to £171,000 as a result of this provision.

2.8.5 Net interest payable and similar charges

	1998 £'000	1997 £'000	1996 £'000
Bank loans, overdrafts and other loans	6,816	6,324	6,031
Finance lease and hire purchase charges	132	130	135
Net exchange losses	32	281	291
	<u>6,980</u>	<u>6,735</u>	<u>6,457</u>
Share of interest of associates	628	396	186
	<u>7,608</u>	<u>7,131</u>	<u>6,643</u>
Less interest receivable – including for associates £141,000 (1997 – £79,000; 1996 – £61,000)	1,505	838	799
	<u>6,103</u>	<u>6,293</u>	<u>5,844</u>

The above figures do not include any amounts relating to the banking subsidiaries.

2.8.6 Employees, including directors

(a) Average number of employees by activity

	1998 Number	1997 Number	1996 Number
Agriculture and horticulture	83,746	81,926	80,243
Food storage and distribution	716	629	630
Engineering	349	353	348
Fine art trading and philately	5	5	5
Banking	85	78	79
Central management and miscellaneous	57	88	90
	<u>84,958</u>	<u>83,079</u>	<u>81,395</u>

(b) Employee costs

	1998 £'000	1997 £'000	1996 £'000
Wages and salaries	47,458	45,150	42,699
Social security costs	2,742	2,566	2,606
Pension costs	4,262	3,430	3,095
	<u>54,462</u>	<u>51,146</u>	<u>48,400</u>

(c) Directors

	1998 £	1997 £	1996 £
Emoluments of the directors of the parent company:			
Fees	20,438	20,496	18,988
Other emoluments	238,554	239,394	220,307
	<u>258,992</u>	<u>259,890</u>	<u>239,295</u>
The emoluments of the chairman were	<u>143,373</u>	<u>144,242</u>	<u>126,901</u>

The emoluments of the Camellia Directors for the years ended 31 December were as follows:

	1998 £	1997 £	1996 £
Executive directors			
G. Fox	143,373	144,242	126,901
D.M. Bacon	100,000	100,000	97,500
Non-executive directors			
D.F.H. Geen	5,800	5,800	5,800
D.W. Jöhr	9,819	9,848	9,094

None of the Camellia Directors received benefits in kind or bonuses.

2.8.7 Taxation on profit on ordinary activities

	1998 £'000	1997 £'000	1996 £'000
Overseas tax	8,796	5,866	2,780
UK corporation tax	3,672	3,106	2,847
Double taxation relief	(2,743)	(1,931)	(1,825)
Advance corporation tax	(147)	(336)	(155)
Tax credits on franked investment income	26	39	26
	<u>9,604</u>	<u>6,744</u>	<u>3,673</u>
Associated undertakings	1,240	1,377	376
Deferred taxation	2	(410)	240
Overprovision in respect of previous years	(308)	(166)	(248)
	<u><u>10,538</u></u>	<u><u>7,545</u></u>	<u><u>4,041</u></u>

2.8.8 Dividends

	1998 £'000	1997 £'000	1996 £'000
Interim dividend paid 19p per share			
(1997 – foreign income dividend 18p and 1996 – 18p)	469	444	446
Final proposed dividend 28p per share			
(1997 – foreign income dividend 26p and 1996 – 24.5p)	690	641	608
	<u><u>1,159</u></u>	<u><u>1,085</u></u>	<u><u>1,054</u></u>

2.8.9 Earnings per Share

Earnings per share have been calculated by dividing profit after tax and minority interest of £12,968,000 (1997 – £11,217,000 and 1996 – £5,567,000) by the weighted average number of shares in issue at 31 December 1998 of 2,465,781 (1997 – 2,470,255 and 1996 – 2,495,000).

2.8.10 Tangible fixed assets

	<i>Estates</i> £'000	<i>Other land and buildings</i> £'000	<i>Plant and machinery</i> £'000	<i>Vehicles</i> £'000	<i>Fixtures, fittings, tools and equipment</i> £'000	<i>Assets in course of con- struction</i> £'000	<i>Total</i> £'000
Cost or valuation							
At 1 January 1996	58,810	69,567	51,640	12,522	11,331	2,048	205,918
Exchange differences	(5,981)	(3,977)	(2,251)	(586)	(483)	(285)	(13,563)
Reclassification	(929)	1,334	187	(2)	(68)	(522)	—
Additions	1,924	4,192	2,028	1,092	943	3,509	13,688
Subsidiaries joining the group	1,565	—	20	80	3	4	1,672
Disposals	(10)	(426)	(1,030)	(1,087)	(134)	(70)	(2,757)
At 31 December 1996	55,379	70,690	50,594	12,019	11,592	4,684	204,958
Exchange differences	(1,533)	(4,294)	(910)	(408)	(108)	(80)	(7,333)
Reclassification	734	1,118	1,749	18	73	(3,692)	—
Additions	2,813	3,342	4,508	1,727	1,092	1,646	15,128
Subsidiaries joining the group	—	—	—	57	3	—	60
Subsidiaries leaving the group	—	(19)	(44)	(46)	—	—	(109)
Surplus on revaluation	6,009	394	—	—	—	—	6,403
Disposals	—	(552)	(1,414)	(957)	(400)	—	(3,323)
At 31 December 1997	63,402	70,679	54,483	12,410	12,252	2,558	215,784
Exchange differences	(2,332)	(1,258)	(1,154)	(209)	(201)	(107)	(5,261)
Reclassification	(136)	452	1	38	162	(517)	—
Additions	1,563	6,280	7,559	1,010	1,785	1,807	20,004
Subsidiaries leaving the group	—	(55)	(11)	(32)	(246)	—	(344)
Disposals	(177)	(2,968)	(671)	(953)	(164)	—	(4,933)
At 31 December 1998	62,320	73,130	60,207	12,264	13,588	3,741	225,250
Depreciation							
At 1 January 1996	479	12,195	24,578	7,633	5,149	—	50,034
Exchange differences	(39)	(707)	(950)	(330)	(255)	—	(2,281)
Reclassification	—	—	50	(2)	(48)	—	—
Provision for the year	110	2,072	3,209	1,511	887	—	7,789
Disposals	—	(211)	(867)	(916)	(110)	—	(2,104)
At 31 December 1996	550	13,349	26,020	7,896	5,623	—	53,438
Exchange differences	33	(667)	(819)	(245)	(101)	—	(1,799)
Provision for the year	156	1,946	3,239	1,543	900	—	7,784
Subsidiaries joining the group	—	—	—	6	1	—	7
Subsidiaries leaving the group	—	(3)	(14)	(18)	—	—	(35)
Exceptional charge for the year	—	976	—	—	—	—	976
Adjustments on revaluation	—	(795)	—	—	—	—	(795)
Disposals	—	(184)	(1,007)	(832)	(389)	—	(2,412)
At 31 December 1997	739	14,622	27,419	8,350	6,034	—	57,164
Exchange differences	(22)	(377)	(644)	(133)	(131)	—	(1,307)
Reclassification	(54)	170	(85)	(9)	(22)	—	—
Provision for the year	174	2,828	3,217	873	990	—	8,082
Subsidiaries leaving the group	—	(54)	(11)	(32)	(175)	—	(272)
Disposals	—	(981)	(597)	(774)	(159)	—	(2,511)
At 31 December 1998	837	16,208	29,299	8,275	6,537	—	61,156

2.8.10 Tangible fixed assets (continued)

	<i>Estates £'000</i>	<i>Other land and buildings £'000</i>	<i>Plant and machinery £'000</i>	<i>Vehicles £'000</i>	<i>Fixtures, fittings, tools and equipment £'000</i>	<i>Assets in course of con- struction £'000</i>	<i>Total £'000</i>
Net book value							
At 31 December 1998	61,483	56,922	30,908	3,989	7,051	3,741	164,094
At 31 December 1997	62,663	56,057	27,064	4,060	6,218	2,558	158,620
At 31 December 1996	54,829	57,341	24,574	4,123	5,969	4,684	151,520
Cost or valuation at 31 December 1998 is represented by:							
Valuation in 1988	—	5,513	—	—	—	—	5,513
Valuation in 1991	9,425	—	—	—	—	—	9,425
Valuation in 1993	6,870	2,987	1,034	117	106	—	11,114
Valuation in 1997	25,678	11,501	—	—	—	—	37,179
Cost	20,347	53,129	59,173	12,147	13,482	3,741	162,019
Total cost or valuation	62,320	73,130	60,207	12,264	13,588	3,741	225,250
Cost or valuation at 31 December 1997 is represented by:							
Valuation in 1988	—	5,513	—	—	—	—	5,513
Valuation in 1991	10,170	—	—	—	—	—	10,170
Valuation in 1993	6,947	2,512	1,045	386	107	—	10,997
Valuation in 1997	25,441	11,395	—	—	—	—	36,836
Cost	20,844	51,259	53,438	12,024	12,145	2,558	152,268
Total cost or valuation	63,402	70,679	54,483	12,410	12,252	2,558	215,784
Cost or valuation at 31 December 1996 is represented by:							
Valuation in 1988	—	5,793	—	—	—	—	5,793
Valuation in 1991	10,469	—	—	—	—	—	10,469
Valuation in 1993	20,655	16,385	1,580	748	269	—	39,637
Cost	24,255	48,512	49,014	11,271	11,323	4,684	149,059
Total cost or valuation	55,379	70,690	50,594	12,019	11,592	4,684	204,958

Plant and machinery and vehicles includes assets held under finance leases. The depreciation charge for the year in respect of these assets was £450,000 (1997 – £572,000 and 1996 – £506,000) and their net book value was £2,031,000 (1997 – £2,577,000 and 1996 – £2,374,000).

Land and buildings at net book value comprise:

	<i>Estates</i>			<i>Other land and buildings</i>		
	<i>1998</i>	<i>1997</i>	<i>1996</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Freehold	24,813	25,230	26,459	37,073	38,247	36,111
Long leaseholds	36,670	37,433	27,995	18,371	16,281	19,895
Short leaseholds	—	—	375	1,478	1,529	1,335
	<u>61,483</u>	<u>62,663</u>	<u>54,829</u>	<u>56,922</u>	<u>56,057</u>	<u>57,341</u>

The historical cost of assets shown at valuation amounted to £25,020,000 (1997 – £37,003,000 and 1996 – £22,536,000) and the accumulated depreciation thereon would have been £4,662,000 (1997 – £11,230,000 and 1996 – £8,123,000).

Tangible fixed assets with a cost or valuation of £69,200,000 (1997 – £75,800,000 and 1996 – £70,000,000) have not been depreciated by the Camellia Group. This comprises estates and land, listed buildings, antique furniture and works of art.

Estates have not been depreciated where the cost of replanting and upkeep required to maintain estates at capitalised values is charged to revenue.

Listed buildings have not been depreciated as it is the Camellia Group's policy to maintain these properties in such condition that values are not impaired.

In both of the above cases the difference between carrying values and residual values is considered to be insignificant and therefore the depreciation thereon would be immaterial.

2.8.11 Goodwill

	<i>Positive Goodwill £'000</i>	<i>Negative Goodwill £'000</i>	<i>Total £'000</i>
Cost			
Additions	933	(2,303)	(1,370)
Amortisation			
Provision for the year	(47)	115	68
At 31 December 1998	<u>886</u>	<u>(2,188)</u>	<u>(1,302)</u>

Goodwill has arisen on the purchase of additional shares in subsidiary undertakings.

Positive and negative goodwill have not been disclosed separately on the face of the balance sheet due to immateriality.

2.8.12 Fixed asset investments

	<i>Associated undertakings £'000</i>	<i>Other investments £'000</i>	<i>Total £'000</i>
Cost or valuation			
At 1 January 1996	11,430	23,501	34,931
Additions	141	1,922	2,063
Disposals	(2)	(1,473)	(1,475)
Surplus arising on new associate	22,302	–	22,302
Share of retained post acquisition reserves	1,207	–	1,207
Reclassification	10,966	(10,950)	16
Exchange differences	(6,250)	(700)	(6,950)
At 31 December 1996	39,794	12,300	52,094
Additions	10,179	2,182	12,361
Disposals	–	(1,668)	(1,668)
Goodwill arising on additions	(5,171)	–	(5,171)
Share of retained post acquisition reserves	3,756	–	3,756
Reclassification	(174)	–	(174)
Exchange differences	(1,051)	179	(872)
At 31 December 1997	47,333	12,993	60,326
Additions	71	1,719	1,790
Disposals	–	(738)	(738)
Capital reduction	(362)	–	(362)
Share of retained post acquisition reserves	4,168	–	4,168
Exchange differences	849	(75)	774
At 31 December 1998	52,059	13,899	65,958
Provision for diminution in value			
At 1 January 1996	–	137	137
Additions	–	9	9
At 31 December 1996	–	146	146
Additions	7	10	17
Disposals	–	(59)	(59)
At 31 December 1997	7	97	104
Amounts written off in year	–	369	369
Exchange	(1)	(2)	(3)
At 31 December 1998	6	464	470
Net book value			
At 31 December 1998	52,053	13,435	65,488
At 31 December 1997	47,326	12,896	60,222
At 31 December 1996	39,794	12,154	51,948

2.8.12 Fixed asset investments (continued)

	Associated undertakings			Other investments		
	1998	1997	1996	1998	1997	1996
	£'000	£'000	£'000	£'000	£'000	£'000
Cost comprises:						
Listed investments	37,882	37,433	33,419	9,616	8,819	8,096
Unlisted investments	222	224	388	1,620	1,577	1,674
Collections	—	—	—	2,663	2,597	2,530
	<u>38,104</u>	<u>37,657</u>	<u>33,807</u>	<u>13,899</u>	<u>12,993</u>	<u>12,300</u>
Market value of listed investments	<u>67,619</u>	<u>77,837</u>	<u>58,536</u>	<u>12,541</u>	<u>12,787</u>	<u>10,912</u>

Associated undertakings include Siegfried AG, a listed company incorporated in Switzerland. On 31 December 1998 the Camellia Group held 90,368 registered shares, representing 32.3 per cent. (1997 – 32.3 per cent. and 1996 – 27.7 per cent.) of the issued shares. The consolidated capital and reserves of Siegfried AG on 31 December 1998 were £124,614,000 (1997 – £109,963,000 and 1996 – £101,581,000) and consolidated profit after tax for the year ended 31 December 1998 was £13,916,000 (1997 – £13,472,000 and 1996 – £10,648,000).

On 9 August 1996 the Camellia Group's interest in Siegfried AG was consolidated into one holding under the direct control of Linton Park Plc. As from this date Siegfried AG has been treated as an associated undertaking.

The Camellia Group's share of the results and balance sheet of Siegfried AG were:

	1998	1997	1996
	£'000	£'000	£'000
Profit and loss account:			
Turnover	<u>48,004</u>	<u>37,656</u>	<u>11,542</u>
Operating profit	5,869	4,952	1,181
Net interest (payable)/receivable	(451)	(271)	53
Profit before taxation	5,418	4,681	1,234
Taxation	(926)	(1,249)	(257)
Profit after taxation	<u>4,492</u>	<u>3,432</u>	<u>977</u>
Balance sheet:			
Fixed assets	33,256	28,944	19,412
Current assets	30,733	26,444	22,928
Liabilities due within one year	(8,702)	(8,689)	(6,541)
Liabilities due after one year	(15,069)	(11,209)	(7,639)
Group share of net assets	<u>40,218</u>	<u>35,490</u>	<u>28,160</u>

Collections comprise the Camellia Group's and Camellia's investments in fine art, documents and manuscripts and classical postage stamps.

Other investments include 62,500 (1997 and 1996 – 62,500) ordinary shares of 10p each in Camellia held by certain subsidiaries of Lawrie, at cost of £400,000 (1997 and 1996 – £400,000) and having a market value of £2,156,250 (1997 – £1,906,250 and 1996 – £1,406,250).

2.8.13 Stocks

	1998	1997	1996
	£'000	£'000	£'000
Tea and other produce	11,273	9,442	8,218
Other trading stocks	5,620	5,297	6,104
Raw materials and consumables	5,994	5,960	5,319
Fine art and antiquities	3,128	3,310	3,816
Philatelic items	1,289	1,175	997
Work in progress and growing crops	4,503	4,687	4,491
	<u>31,807</u>	<u>29,871</u>	<u>28,945</u>

As stocks of fine art, antiquities and philatelic items are largely unique the directors consider the determination of replacement values inappropriate. In respect of other stocks there was no material difference between the replacement cost and the values shown above.

2.8.14 Debtors

	1998	1997	1996
	£'000	£'000	£'000
Amounts falling due within one year:			
Amounts due from customers of banking subsidiaries	16,882	18,125	20,354
Trade debtors	25,289	28,191	26,481
Amounts owed by associated undertakings	702	933	915
Other debtors	6,303	5,207	5,709
Taxation	3,093	3,510	6,846
Prepayments and accrued income	3,281	3,006	2,968
	<u>55,550</u>	<u>58,972</u>	<u>63,273</u>
Amounts falling due after more than one year:			
Amounts due by associated undertakings	—	—	57
Other debtors	2,030	2,061	3,201
Taxation	—	255	683
	<u>57,580</u>	<u>61,288</u>	<u>67,214</u>

2.8.15 Cash at banks and in hand

Included in cash at banks and in hand of £143,902,000 (1997 – £149,813,000 and 1996 – £128,892,000) are cash and short-term funds, time deposits with banks and building societies and certificates of deposit amounting to £131,550,000 (1997 – £137,744,000 and 1996 – £120,386,000) which are held by banking subsidiaries and which are an integral part of the banking operations of the Camellia Group.

2.8.16 Creditors

	1998 £'000	1997 £'000	1996 £'000
Amounts falling due within one year:			
Amounts due to customers of banking subsidiaries	131,316	139,135	125,496
Trade creditors	18,034	17,615	16,102
Bank loans and overdrafts (secured)	14,576	13,098	16,551
Bank loans and overdrafts (unsecured)	15,788	9,897	6,360
Hire purchase and finance leases	463	741	752
Bills of exchange payable	312	419	402
Amounts owed to associated undertakings	28	25	118
Dividend	690	641	608
Corporate taxation	4,148	4,446	7,052
Other taxation and social security payable	1,492	1,815	1,380
Other creditors	4,829	3,819	3,478
Accruals and deferred income	7,599	7,226	7,113
Deferred purchase consideration	762	907	—
	<u>200,037</u>	<u>199,784</u>	<u>185,412</u>

2.8.17 Creditors

	1998 £'000	1997 £'000	1996 £'000
Amounts falling due after more than one year:			
Bank loans	29,152	35,258	28,429
Other loans	2,639	2,993	3,740
Hire purchase and finance leases	710	821	737
Other creditors	689	431	281
Deferred purchase consideration	2,286	3,627	—
	<u>35,476</u>	<u>43,130</u>	<u>33,187</u>

Creditors include the following amounts secured on certain group assets:

	1998 £'000	1997 £'000	1996 £'000
Bank loans	36,042	32,593	36,418
Other loans	2,587	2,776	3,617
Finance leases	1,173	1,562	1,489
Deferred purchase consideration	3,048	4,534	—
	<u>42,850</u>	<u>41,465</u>	<u>41,524</u>

	1998 £'000	1997 £'000	1996 £'000
Bank and other loans include the following amounts repayable over more than five years by instalments:			
Aggregate amount of loans	22,773	25,104	20,292
Amounts due beyond five years	<u>11,425</u>	<u>12,672</u>	<u>12,850</u>

2.8.17 Creditors (continued)

The repayments of bank loans and overdrafts, finance leases and other loans fall due as follows:

	1998 £'000	1997 £'000	1996 £'000
Within 12 months or on demand (included in Creditors: amounts falling due within one year)	30,827	23,736	23,663
Between 1 - 2 years	5,342	9,264	5,093
Between 2 - 5 years	15,734	17,136	14,963
After 5 years	11,425	12,672	12,850
	<u>63,328</u>	<u>62,808</u>	<u>56,569</u>

The rates of interest payable at 31st December 1998 vary between 2 per cent. and 30 per cent. (1997 - 5 per cent. to 32 per cent. and 1996 - 6 per cent. to 29 per cent.).

2.8.18 Provisions for liabilities and charges

	1998 £'000	1997 £'000	1996 £'000
Deferred taxation:			
At 1 January	1,847	1,847	1,504
Exchange differences	10	(13)	-
Profit and loss account	2	(410)	240
Advance corporation tax	-	420	103
Subsidiaries joining the group	-	3	-
At 31st December	<u>1,859</u>	<u>1,847</u>	<u>1,847</u>
The balance at the end of the year comprises:			
Accelerated capital allowances	1,129	1,114	1,155
Other timing differences	368	364	750
Sale of subsidiary	362	369	362
Advance corporation tax	-	-	(420)
	<u>1,859</u>	<u>1,847</u>	<u>1,847</u>
Total potential liability:			
Accelerated capital allowances	10,095	8,064	7,774
Other timing differences	1,216	851	1,120
Taxation losses	-	(896)	(623)
Advance corporation tax	-	-	(420)
Sale of subsidiary	362	369	362
	<u>11,673</u>	<u>8,388</u>	<u>8,213</u>

2.8.19 Called up share capital

	1998	1997	1996
Authorised			
3,000,000 ordinary shares of 10p each	<u>£300,000</u>	<u>£300,000</u>	<u>£300,000</u>
Allotted and fully paid:	£	£	£
Ordinary shares of 10p each			
At 1 January	246,600	248,000	250,000
Purchase of own shares	(87)	(1,400)	(2,000)
At 31 December	<u>246,513</u>	<u>246,600</u>	<u>248,000</u>

2.8.20 Transactions involving officers of Duncan Lawrie Limited, the banking subsidiary

Duncan Lawrie Limited, the banking subsidiary, has carried out transactions with officers of the bank during the year on similar terms to those offered to other customers.

The aggregate amount of loans and agreements of a type described in section 232 of the Companies Act 1985 to officers of the bank outstanding at 31 December, and the number of persons concerned, were as follows:

	<i>Aggregate amount outstanding</i>	<i>Number of persons</i>
Loans – 1998	<u>£122,290</u>	<u>5</u>
Loans – 1997	<u>£78,772</u>	<u>4</u>
Loans – 1996	<u>£11,914</u>	<u>3</u>

2.8.21 Reserves

	<i>Share premium account £'000</i>	<i>Revaluation reserve £'000</i>	<i>Profit and loss account £'000</i>
At 1 January 1996	481	28,387	84,571
Exchange adjustments	–	(1,412)	(8,869)
Purchase of own shares	–	–	(472)
Goodwill on acquisitions	–	475	18,240
Retained profit for the year	–	–	4,513
At 31 December 1996	<u>481</u>	<u>27,450</u>	<u>97,983</u>
Exchange adjustments	–	(254)	(2,251)
Revaluation of fixed assets	–	4,045	–
Purchase of own shares	–	–	(347)
Profit arising on sale by an associate of its own shares	–	–	204
Goodwill on acquisitions	–	539	(3,384)
Retained profit for the year	–	–	10,132
At 31 December 1997	<u>481</u>	<u>31,780</u>	<u>102,337</u>
Exchange adjustments	–	(635)	(1,213)
Purchase of own shares	–	–	(28)
Goodwill transferred to profit for the year	–	–	880
Retained profit for the year	–	–	11,809
At 31 December 1998	<u>481</u>	<u>31,145</u>	<u>113,785</u>

Goodwill transferred to profit for the year was that attributable to companies sold in the year, which were Duncan Lawrie Pension Consultants Limited, J. Bennett (Billingsgate) Limited and Grant and May Limited. Since 1986 goodwill on acquisitions written off amounted to £5,787,000 (1997 – £6,793,000) and negative goodwill on acquisitions credited to reserves amounted to £20,423,000 (1997 – £20,549,000). It is impractical to obtain information for earlier years.

The Camellia Group profit and loss account reserve includes £38,086,000 (1997 – £28,622,000 and 1996 – £22,130,000) which would require exchange control permission for remittance.

No tax has been provided on surpluses arising on revaluation of fixed assets as it is not the board's intention to sell those assets.

Camellia Group reserves include £13,955,000 (1997 – £9,676,000 and 1996 – £5,987,000) attributable to associated undertakings which are not available for distribution.

2.8.22 Commitments of the Camellia Group for capital expenditure

	1998	1997	1996
	£'000	£'000	£'000
Contracted for	<u>1,169</u>	<u>1,198</u>	<u>2,391</u>

2.8.23 Group leasing commitments

	1998	1997	1996
	£'000	£'000	£'000
Annual commitments in respect of operating leases			
Land and buildings - operating leases expiring:			
Within 1 year	13	12	36
Between 2 - 5 years	72	92	60
After 5 years	<u>576</u>	<u>646</u>	<u>757</u>
	<u>661</u>	<u>750</u>	<u>853</u>
Other assets - operating leases expiring:			
Within 1 year	129	72	58
Between 2 - 5 years	1,328	1,381	1,006
After 5 years	<u>505</u>	<u>152</u>	<u>315</u>
	<u>1,962</u>	<u>1,605</u>	<u>1,379</u>

2.8.24 Guarantees

The Camellia Group's banking subsidiaries have given guarantees in the normal course of business which at 31 December 1998 amounted to £6,375,000 (1997 - £6,822,000 and 1996 - £8,574,000). In 1997 Camellia Group companies had guaranteed bank loans and overdrafts amounting to £208,000 (1996 - £417,000) in respect of fellow subsidiaries and £75,000 (1996 - £317,000) to fishing vessel partnerships.

2.8.25 Pensions

Certain Camellia Group subsidiaries operate defined contribution and defined benefit pension schemes principally in the UK. The assets of the schemes are administered by trustees and are kept separate from those of the Camellia Group.

In the UK the pension cost for defined benefit schemes is assessed in accordance with the advice of independent qualified actuaries using various recognised methods. Actuarial surpluses and deficiencies are recognised over the expected average remaining service lives of the employees.

Valuations are prepared every three years. At the last valuations the following growth rate assumptions were used:

Investment return	8.5% to 8.9% per annum
Salary inflation	6.5% to 7.0% per annum
Pension increases	4.5% to 5.0% per annum

At the dates of the latest actuarial valuations the market value of the assets of the UK schemes was £60,920,000 which represented 115 per cent. of the benefits accrued to members allowing for expected future increases in earnings. Actuarial valuations for all material UK schemes were completed in 1995 and 1997. The actuarial valuation in respect of the scheme last valued in 1995 is currently being prepared by the scheme's actuaries.

The pension costs charged were £1,118,000 (1997 - £1,277,000 and 1996 - £1,257,000) in respect of defined benefit schemes and £1,520,000 (1997 - £987,000 and 1996 - £939,000) in respect of defined contribution schemes. Costs in respect of overseas schemes amounted to £1,624,000 (1997 - £1,166,000 and 1996 - £1,043,000).

2.8.26 Related party transactions

On 9 August 1996, 18,000 shares held in Siegfried AG by certain wholly owned subsidiaries of Lawrie, and 6,000 shares held in Siegfried AG by Camellia were transferred to Linton Park Plc. The consideration of £13,711,000 was satisfied by the issue of 3,666,056 new ordinary shares of Linton Park Plc. The transactions were approved by the shareholders of the respective companies at Extraordinary General Meetings in July 1996.

On 18 December 1997 Affish Limited, a wholly owned subsidiary of Linton Park Plc, purchased 7,833 registered shares in Siegfried AG, from Sigamed AG, a wholly owned subsidiary of the group's associate undertaking, Siegfried AG. The total consideration was £6,201,000. £1,667,000 was paid on completion and the Swiss Franc balance of £4,534,000 is payable in five equal annual instalments commencing December 1998. The deferred consideration is secured by a charge on 7,833 Siegfried shares and interest is payable on the deferred consideration at the 6-month London Interbank Offer Rate for Swiss Francs plus 0.7 per cent. per annum.

Under an agreement between Linton Park Plc on one hand and Sigamed AG and others (who include Dr. B.A. Siegfried, a director of Siegfried AG and a non-executive director of Linton Park Plc), both parties have the first right of refusal to buy Siegfried AG shares offered for sale by the other party.

On 6 April 1998 Lawrie entered into an agreement with its subsidiary company, Linton Park Plc, whereby procedures were established for implementation in circumstances involving a conflict of interest between the two companies.

During the year ended 31 December 1998 Linton Park Plc repaid £1,705,000 of the deferred consideration which arose on the purchase of 7,833 registered shares in Siegfried AG. The balance remaining at 31 December 1998 of £3,048,000 is payable by four equal annual instalments commencing December 1999.

2.8.27 Reconciliation of operating profit to net cash flow from operating activities

	1998	1997	1996
	£'000	£'000	£'000
Operating profit	31,593	25,333	15,932
Depreciation	8,082	7,784	7,789
Profit on sale of fixed assets	(647)	(426)	(328)
Amortisation of goodwill	(68)	—	—
(Increase)/decrease in stocks	(2,174)	(963)	620
Decrease in debtors	339	3,293	2,454
(Decrease)/increase in creditors	(4,467)	15,395	(6,461)
Net decrease/(increase) in funds of banking subsidiaries	6,194	(17,358)	4,296
Currency adjustment	(1,167)	(1,547)	(2,625)
	<u>37,685</u>	<u>31,511</u>	<u>21,677</u>

The cash flows of businesses acquired in 1996, 1997 and 1998 were not material.

2.8.28 Reconciliation of net cash flow to movements in net debt

	1998 £'000	1997 £'000	1996 £'000
(Decrease)/increase in cash in the period	(6,142)	4,676	(470)
Cash outflow/(inflow) from increase in debt and financing	3,642	(7,822)	(3,107)
Change in net debt resulting from cash flows	(2,500)	(3,146)	(3,577)
Loans acquired with subsidiaries	–	(326)	–
New finance leases	(439)	(953)	–
Cash balances of businesses sold and acquired	930	196	–
Translation differences	1,772	1,553	3,143
Change in net debt in the period	(237)	(2,676)	(434)
Net debt at 1 January	(50,739)	(48,063)	(47,629)
Net debt at 31 December	(50,976)	(50,739)	(48,063)

2.8.29 Analysis of net debt

	Cash at banks and in hand £'000	Overdrafts £'000	Debts due within one year £'000	Debts due after one year £'000	Finance leases £'000	Net debt £'000
1 January 1996	7,775	(17,608)	(5,150)	(30,576)	(2,070)	(47,629)
Cash flows	1,294	(1,764)	(297)	(3,386)	576	(3,577)
Exchange movements	(563)	1,565	343	1,793	5	3,143
At 31 December 1996	8,506	(17,807)	(5,104)	(32,169)	(1,489)	(48,063)
Cash flows	3,313	1,363	7,708	(16,379)	849	(3,146)
Acquisitions/disposals	196	–	(196)	(130)	–	(130)
Other non-cash movements	–	–	(9,533)	9,533	(953)	(953)
Exchange movements	54	374	200	894	31	1,553
At 31 December 1997	12,069	(16,070)	(6,925)	(38,251)	(1,562)	(50,739)
Cash flows	604	(6,746)	(2,478)	5,310	810	(2,500)
Disposals	(7)	937	–	–	–	930
Other non-cash movements	–	488	(488)	–	(439)	(439)
Exchange movements	(314)	673	245	1,150	18	1,772
At 31 December 1998	12,352	(20,718)	(9,646)	(31,791)	1,173	(50,976)

	1998 £'000	1997 £'000	1996 £'000
Cash at banks and in hand consists of:			
Cash at banks and in hand	143,902	149,813	128,892
Less: held by banking subsidiaries (note 2.8.15)	(131,550)	(137,744)	(120,386)
	12,352	12,069	8,506

During the year, the Camellia Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £439,000 (1997 – £953,000 and 1996 – nil).

2.8.30 Acquisitions and disposals

(a) Subsidiaries

	<i>Disposals</i> <i>1998</i> <i>£'000</i>	<i>Acquisitions</i> <i>1997</i> <i>£'000</i>	<i>Disposal</i> <i>1997</i> <i>£'000</i>	<i>Acquisitions</i> <i>1996</i> <i>£'000</i>
Fair value of assets and liabilities:				
Tangible fixed assets	72	52	75	1,672
Investments	—	3	—	—
Cash and deposits	7	210	14	—
Stocks	238	42	79	47
Debtors	2,836	1,323	270	—
Creditors	(1,884)	(1,051)	(414)	—
Net amount due to group undertaking	(100)	—	—	—
Short term loans	(937)	(196)	—	—
Long term loans	—	(130)	—	—
Provision for liabilities and charges	(3)	(5)	(2)	—
Minority interests	—	(17)	—	(466)
	<u>229</u>	<u>231</u>	<u>22</u>	<u>1,253</u>
Goodwill transferred from/to reserves	880	93	—	31
Loss on disposal	(553)	—	—	—
	<u>556</u>	<u>324</u>	<u>22</u>	<u>1,284</u>
Satisfied by:				
Cash consideration and costs	456	324	22	1,284
Deferred consideration	100	—	—	—
	<u>556</u>	<u>324</u>	<u>22</u>	<u>1,284</u>
Net inflow/(outflow) of cash in respect of acquisitions and disposals of businesses:				
Cash consideration and costs	456	(324)	22	(1,284)
Cash balances of businesses acquired	—	210	—	—
Overdraft/(cash) balances of businesses sold	930	—	(14)	—
	<u>1,386</u>	<u>(114)</u>	<u>8</u>	<u>(1,284)</u>

The fair values are the same as the net book values to the acquired businesses and acquisition accounting has been adopted.

(b) Purchase of additional shares in Siegfried AG

In 1997 the cash flow statement did not include the £4,534,000 deferred purchase consideration relating to the purchase of Siegfried AG shares in 1997. In 1998 £1,705,000 of deferred purchase consideration has been paid and is included in the cash flow statement as acquisition expenditure.

2.8.31 Principal subsidiary and associated undertakings

Subsidiary undertakings

Listed below are the principal subsidiaries at 31 December 1998. Except where otherwise stated, all the subsidiaries were registered in England.

	<i>Class of Capital</i>	<i>% Held</i>	<i>Principal Country of Operation</i>
<i>Agriculture and horticulture</i>			
Amgoorie India Ltd. (Incorporated in India)	Equity Shares	{ 52 34†	India
Bonathaba Farms (Pty) Ltd. (Incorporated in South Africa)	Ordinary Shares	100	South Africa
Die Baken Farms (Pty) Ltd. (Incorporated in South Africa)	Ordinary Shares	100	South Africa
E P Lawrie Agropecuaria e Participacoes Ltda. (Incorporated in Brazil)	Quotas	100	Brazil
Eastern Produce Kenya Ltd. (Incorporated in Kenya)	Ordinary Shares	81.6	Kenya
Eastern Produce Malawi Ltd. (Incorporated in Malawi)	Ordinary Shares	100	Malawi
Goodricke Group Ltd. (Incorporated in India)	Equity Shares	{ 74 8†	India
Hacienda Chada S.A. (Incorporated in Chile)	Ordinary Shares	75	Chile
Horizon Farms (a United States of America general partnership)	Partners' Capital	80	U.S.A.
Kakuzi Ltd. (Incorporated in Kenya)	Stock Units	50.01	Kenya
Koomber Tea Company Ltd. (Incorporated in India)	Equity Shares	{ 51 34†	India
Longbourne Holdings Ltd.	Ordinary Shares	100	Bangladesh
Stewart Holl (India) Ltd. (Incorporated in India)	Equity Shares	{ 74 18†	India
SWF Citrus Inc. (Incorporated in U.S.A.)	Ordinary Stock	100	U.S.A.
Tiru Tea Company Ltd. (Incorporated in India)	Equity Shares	100†	India
Yandilla Park Ltd. (Incorporated in Australia)	"A"&"B" Ordinary Shares	86.8	Australia
	Redeemable Participating Preference Shares	100	
<i>Food storage and distribution</i>			
Affish BV (Incorporated in Holland)	Ordinary Shares	100	Holland
Associated Cold Stores & Transport Ltd.	Ordinary Shares	100	U.K.
W G White Ltd.	Ordinary Shares	100	U.K.
Wylax International BV (Incorporated in Holland)	Ordinary Shares	100	Holland
	Preference Shares	100	

	<i>Class of Capital</i>	<i>% Held</i>	<i>Principal Country of Operation</i>
<i>Trading and agency</i>			
British Traders & Shippers Ltd.	Ordinary Shares	100	U.K.
Highland Fuels Ltd. (Registered in Scotland)	Ordinary Shares	100	U.K.
Lawrie Plantation Services Ltd.	Ordinary Shares	100	U.K.
<i>Engineering</i>			
AJT Engineering Ltd. (Registered in Scotland)	Ordinary Shares	100	U.K.
Unochrome Industries Ltd.	Ordinary Shares	100	U.K.
<i>Fine art and philately</i>			
JPL Fine Arts Ltd.	Shares	100*	U.K.
Lumley Cazalet Ltd.	Shares	75*	U.K.
David Field Ltd.	Shares	100*	U.K.
<i>Property</i>			
W.D.G. Properties Ltd.	Ordinary Shares	100	U.K.
<i>Banking and financial services</i>			
Duncan Lawrie Ltd.	Shares	100	U.K.
Duncan Lawrie International Holdings Ltd. (Incorporated in Isle of Man)	Shares	100	Isle of Man
<i>Investment/holding</i>			
Assam-Dooars Holdings Ltd.	Ordinary Shares	100	U.K.
Associated Fisheries Ltd.	Ordinary Shares	100	U.K.
Bordure Ltd.	Ordinary Shares	100	U.K.
East African Coffee Plantations Ltd. (Incorporated in Australia)	Ordinary Shares	67.3	Australia
Lawrie (Bermuda) Ltd. (Incorporated in Bermuda)	Shares	100	Bermuda
Lawrie Group Plc	Ordinary Shares	85.06*	U.K.
Lawrie International Ltd. (Incorporated in Bermuda)	Shares	100	Bermuda
Linton Park Plc	Ordinary Shares	{ 72.50 4.77*	U.K.
Sterling Industrial Securities Ltd.	Ordinary Shares	100	U.K.
Walter Duncan & Goodricke Ltd.	Shares	100	U.K.
Western Dooars Tea Holdings Ltd.	Ordinary Shares	100	U.K.

	<i>Class of Capital</i>	<i>% Held</i>	<i>Principal Country of Operation</i>
<i>Associated undertakings</i>			
Listed below are the principal associated undertakings at 31 December 1998			
<i>Chemical and pharmaceutical</i>			
Siegfried AG (Incorporated in Switzerland)	Registered Shares	32.3	Switzerland
<i>Textiles</i>			
British Mohair Holdings Plc	Ordinary Shares	29.8	U.K.
<i>Other</i>			
International Factors Corporation (Incorporated in Canada)	Common Shares	20*	Canada
United Insurance Company Ltd. (Incorporated in Bangladesh)	Ordinary Shares	31.9	Bangladesh
United Leasing Company Ltd. (Incorporated in Bangladesh)	Ordinary Shares	40.1	Bangladesh

† Indicates held by Indian subsidiaries of Lawrie

* Indicates held directly by Camellia

PART IV

INDEBTEDNESS AND WORKING CAPITAL

1. Indebtedness

At the close of business on 7 May 1999, borrowing and indebtedness in the nature of borrowing of the Camellia Group was as follows:

	<i>£000's</i>
Unsecured loans and overdrafts	34,851
Secured loans and overdrafts	28,396
Hire purchase and finance lease obligations	1,067
	<hr/>
	64,314
	<hr/>

At 7 May 1999 the Camellia Group had contingent liabilities totalling £6,338,000, mainly comprising bank guarantees and bank indemnities.

Save as disclosed above, and apart from intra-group indebtedness and guarantees, neither Camellia nor any of its subsidiaries had at the close of business on 7 May 1999 any loan capital outstanding or created but unissued, any term loans, mortgages, charges or any other borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, obligations under finance leases, guarantees or other contingent liabilities.

At the close of business on 7 May 1999, Camellia had cash at banks and in hand of £146,705,000. This includes cash and short-term funds, time deposits with banks and building societies and certificates of deposits amounting to £135,726,000, which are held by banking subsidiaries and which are an integral part of the banking operations of the Group.

2. Working capital

Camellia is of the opinion that, taking into account available banking facilities, the working capital available to the Camellia Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.

PART V

SUMMARY OF MATERIAL AMENDMENTS TO CAMELLIA'S ARTICLES OF ASSOCIATION

CREST

The amended Articles of Association ("Amended Articles") will be consistent with CREST membership and, among other things, allow for the holding and transfer of shares in uncertificated form and for the payment of dividends through the CREST system.

Article 45 – Alteration of Share Capital

The Amended Articles provide the Camellia Board with power to sell fractions of shares arising from a consolidation of shares and to distribute the proceeds proportionately among the shareholders entitled, save where the proceeds do not exceed £3 per holding, in which case because the cost of distribution would be disproportionate to the amounts involved, the Company shall be entitled to retain such proceeds.

Article 52 – Convening Extraordinary General Meetings

The Amended Articles provide that a meeting requisitioned by members must be convened for a date not later than 28 days after the notice convening the meeting. This conforms with the new provision introduced into the Act by the Companies Act 1989.

Article 53 – Notices

If as a result of any suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by notice advertised on the same date in at least one national newspaper and such notice shall be deemed to be duly served on all members entitled thereto at noon on the day the advertisement appears.

Article 57 – Quorum

The Amended Articles provide that two members present or by representative (in the case of a corporate member) or by proxy and entitled to vote shall be a quorum for all purposes.

Articles 60, 61 and 62 – Orderly Conduct of General Meetings

The Amended Articles allow the board and the chairman of a general meeting powers in order to permit the orderly conduct of the business of the meeting, including implementing such security arrangements as are thought to be appropriate and, in circumstances where the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled or wishing to attend, to allow the meeting to proceed provided that adequate facilities are available to ensure that any member who is unable to be accommodated is none the less able to participate in the business of the meeting and to hear and see all persons present who speak (whether by use of microphones, loud speakers or other audio visual communications or otherwise).

Article 74 – Suspension of Rights Where Non-disclosure of Interests

Where a shareholder is in default in complying with the prescribed period (which, in a case where the shareholding represents at least 0.25 per cent. in nominal value of the issued shares of their class, is 14 days and in any other case, 28 days) with a notice served under section 212 of the Act, requiring the disclosure of interests in shares, the Amended Articles empower the board to impose sanctions on the shareholder. These sanctions include, *inter alia*, withdrawing the right of such holder to attend or to vote at meetings.

Additionally, where such shares represent not less than 0.25 per cent. in nominal value of the issued shares of their class, any dividend or other monies payable in respect of the shares can be withheld by the Company and no transfer, other than an excepted transfer (as defined in the Amended Articles) of any shares held by the holder shall be registered, save in certain specified circumstances. Such sanctions may be withdrawn by the Company at any time and shall, in any event, be deemed withdrawn at the end of the period of seven days (or such shorter period as the directors may determine) following receipt by the Company of the information required by the section 212 notice.

Article 85 – Valid but Conflicting Proxies

The Amended Articles provide that, if two or more valid (but differing) proxies are lodged in respect of the same shares for use at the same meeting, the proxy delivered last in time will be treated as replacing the others. If the Company cannot determine which proxy was last delivered, none of them will be treated as valid.

Article 87 – Number of Directors

The Amended Article provides that there shall be a maximum number of 12 directors.

Article 92 – Appointment of Directors

The current Articles of Association provide that when a person is to be proposed for election as a director (and that person is not a director retiring by rotation or a person recommended by the directors), then notice of not less than seven nor more than 30 days must be given prior to the meeting. In line with the listing rules of the London Stock Exchange, the Amended Articles provide that this period is not less than seven nor more than 42 days.

Article 95 – Remuneration of Directors

The Amended Articles provide that the board may determine the remuneration (by way of fee) of the directors (other than alternate directors) up to an aggregate maximum amount for all the directors of £250,000 per annum. If the board wishes to determine such remuneration at an amount greater than this then the prior approval of the Company by ordinary resolution must be obtained.

Article 109 – Participation in Meetings by Telephone

The Amended Articles will enable the board and board committee members to participate in board or board committee meetings by means of conference telephone or other communications equipment which enables all participants to hear and speak to each other throughout the meeting.

Article 115 – Disqualification of Directors

The Amended Articles provide that a director is to vacate his office if, in addition to the other circumstances set out in the Amended Articles, written notice is received from all the other directors removing him from office.

Articles 119 and 120 – Directors' Interests

The Amended Articles contain no right for the Company to suspend or relax by ordinary resolution of the shareholders the prohibition on a director from voting on a matter in which he has a material interest.

Article 129 – The Seal

Under section 36A of the Act a company need not have a seal and, whether it has a seal or not, can validly execute a document by way of a director and the secretary, or two directors signing the document and it being expressed to be executed by the company. The Amended Articles allow for the execution of documents by the Company in such manner.

Article 133 – Summary Financial Statements

The Amended Articles allow the Company (to the extent permitted by applicable legislation) to send to members summary financial statements.

Articles 164 to 168 – Untraced Shareholders

The Amended Articles permit, subject to compliance with their terms, the Company to sell, at the best price reasonably obtainable, the shares of a shareholder whose dividends have remained uncashed for a period of 12 years provided that at least three cash dividends have become payable on those shares during that period and the Company has advertised its intention to sell, in both a leading national newspaper and a newspaper circulating in the area of the shareholder's last known address. If such a sale is made, the Company becomes indebted to the former holder for an amount equal to the net proceeds of sale.

Article 172 – Insurance

The Amended Articles provide that the Company may maintain insurance against the personal legal liability of the directors and other officers of the Company. The Act makes it clear that the Company may validly do this so long as the necessary authority is conferred by its Articles of Association.

PART VI

ADDITIONAL INFORMATION

1. Responsibility

- (a) The Camellia Directors and the Proposed Directors, whose names appear in paragraphs (b) and (c) below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Camellia Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

- (b) The Camellia Directors and their respective responsibilities are as follows:

Gordon Fox	Chairman
David Michael Bacon	Managing Director
Donald Frank Henry Geen	Non-executive Director
Dieter Wilhelm Jöhr	Non-executive Director

The business address of all of the Camellia Directors is 25 Upper Brook Street, London W1Y 1PD.

- (c) The Proposed Directors and their respective responsibilities are as follows:

Haughton Keane ("Keith") FitzGerald	Chairman
Satish Kumar Bhasin	Non-executive Director
Nicholas Airth Grant	Director
Peter Alan Leggatt	Director
Anil Kumar Mathur	Director
Malcolm Courtney Perkins	Director
Charles Philip Talbot Vaughan-Johnson	Non-executive Director

The business address of all of the Proposed Directors is Wrotham Place, Wrotham, Sevenoaks, Kent TN15 7AE.

- (d) The companies and partnerships of which each Camellia Director has been a director or partner at any time in the previous five years are as follows. Directorships of subsidiaries have not been disclosed, in accordance with the listing rules of the London Stock Exchange.

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Previous Directorships/Partnerships</i>
Gordon Fox	Camellia Charter Capital Corporation International Factors Corporation Jetinga Holdings Incorporated Midland-King Investments Limited Tyleno Investments Limited	Whitehall Investments Limited
David Michael Bacon	Camellia The Chicken Shed Property Company Limited County Country and Town Properties Ltd Sumerian Investments Limited	Sportspartner Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Previous Directorships/ Partnerships</i>
Donald Frank	Camellia	Fitstat Limited
Henry Geen	Wolseley Fine Arts Plc	Gillenev Limited
Dieter Wilhelm Jöhr	Camellia Camellia Holding AG Prahmendienst AG Winterthur Holding	None

- (e) The companies and partnerships of which each Proposed Director has been a director or partner at any time in the previous five years are as follows. Directorships of subsidiaries have not been disclosed, in accordance with the listing rules of the London Stock Exchange.

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Previous Directorships/ Partnerships</i>
Haughton Keane FitzGerald	Lawrie	None
Satish Kumar Bhasin	Lawrie	Reece (India) PVT Limited
Nicholas Airth Grant	Lawrie The Arvon Foundation Limited	None
Peter Alan Leggatt	Lawrie Gorkha Lawrie (PVT) Limited Himalaya Goodricke (PVT) Limited Lebong Investments Limited Reece (India) PVT Limited Surmah Valley Tea Company Limited The Tea Council Limited United Leasing Company Limited	Alliance Credit & Investment Limited
Malcolm Courtney Perkins	Lawrie	None
Charles Philip Talbot Vaughan-Johnson	Lawrie Fribsal Investments Limited (Guernsey) Retfin Bermuda Limited Triumph Investment Fund Limited William R. Storie & Company Limited	The Bank of Bermuda Limited Prudential Money Funds Limited Steamship Mutual Underwriting Association Trustees (Bermuda) Limited
Anil Kumar Mathur	Lawrie	None

Malcolm Perkins was a director of Otmerstag Securities Limited, which was a Camellia Group company, until 9 May 1995. On 12 June 1995, a liquidator was appointed to Otmerstag Securities Limited pursuant to a creditors voluntary liquidation. The only creditor of Otmerstag Securities Limited was the sole shareholder, being a Camellia Group company.

2. Camellia

Camellia was incorporated and registered in England and Wales on 15 August 1889 with registered number 29559 as a private company limited by shares with the name The Sephinjuri Bheel Tea Company Limited. On 12 March 1982, Camellia re-registered as a public limited company with the name Camellia Investments Public Limited Company. On 14 August 1991, Camellia changed its name to Camellia Public Limited Company. The principal legislation under which Camellia operates is the Act. The registered office of Camellia is at 25 Upper Brook Street, London W1Y 1PD.

3. Share and loan capital

There have been the following changes to the issued share capital of Camellia, Lawrie and Linton Park Plc in the three years preceding the date of this document:

(a) *Camellia*

- (i) On 8 October 1996, Camellia purchased 20,000 Camellia Shares by way of market purchases at a price per share of £23.50.
- (ii) During the period from 4 February 1997 to 23 June 1997, Camellia purchased in aggregate 14,000 Camellia Shares by way of market purchases, as follows:

<i>Date</i>	<i>Number of Camellia Shares purchased</i>	<i>Price per Camellia Share</i>
4 February 1997	600	£24.00
13 February 1997	200	£23.50
19 February 1997	225	£24.50
21 February 1997	150	£24.50
28 February 1997	489	£25.00
5 March 1997	300	£25.00
19 March 1997	1,164	£25.00
25 March 1997	160	£25.00
3 April 1997	1,500	£24.50
8 April 1997	2,212	£25.00
18 June 1997	5,000	£25.00
23 June 1997	2,000	£25.00

- (iii) On 8 October 1998, Camellia purchased 875 Camellia Shares by way of market purchases at a price per share of £32.00.

Lawrie

At the date of this document the authorised share capital of Lawrie is £2,255,307 divided into 2,255,307 ordinary shares of £1.00 each, of which 1,867,045 ordinary shares of £1.00 each (with an aggregate nominal value of £1,867,045) have been issued, fully paid. There have been no changes during the three years preceding the date of this document in the issued share capital of Lawrie.

Linton Park Plc

At the date of this document the authorised share capital of Linton Park Plc is £10,000,000 divided into 20,000,000 ordinary shares of 50p each, of which 19,134,031 ordinary shares of 50p each (with an aggregate nominal value of £9,567,015.50) have been issued, fully paid.

- (i) On 9 August 1996, Linton Park Plc issued 3,666,056 ordinary shares of 50p each, credited as fully paid, in consideration for the purchase of 24,000 Siegfried AG shares, as follows:
 - 916,514 ordinary shares of 50p each were issued to Camellia, credited as fully paid, in respect of the transfer to Linton Park Plc of 6,000 Siegfried AG shares;
 - 1,222,019 ordinary shares of 50p each were issued to Lawrie International Limited, credited as fully paid, in respect of the transfer to Linton Park Plc of 8,000 Siegfried AG shares; and
 - 1,527,523 ordinary shares of 50p each were issued to Stewart Holl Investments Limited, credited as fully paid, in respect of the transfer to Linton Park Plc of 10,000 Siegfried AG Shares.

- (ii) On 18 November 1998, Linton Park Plc purchased 434,254 of its own ordinary shares of 50p each by way of market purchases at a price per share of £3.42.
- (iii) On 11 December 1998, Linton Park Plc purchased 165,016 of its own ordinary shares of 50p each by way of market purchases at a price per share of £3.00.
- (iv) On 11 February 1999, Linton Park Plc purchased 142,701 of its own ordinary shares of 50p each by way of market purchases at a price per share of £3.00.
- (b) At the Camellia EGM, a resolution will be proposed pursuant to which the Camellia Directors will be authorised, pursuant to section 80 of the Act, to allot up to £37,173 nominal amount of the authorised but unissued share capital of Camellia in connection with the Scheme.
- (c) At the date of this document the authorised share capital of Camellia is £300,000 divided into 3,000,000 ordinary shares of 10p each, of which 2,465,125 ordinary shares of 10p each (with an aggregate nominal value of £246,512.50) have been issued, fully paid.
- (d) The authorised share capital of Camellia immediately following implementation of the Scheme will be £300,000 divided into 3,000,000 ordinary shares of 10p each of which 2,836,855 ordinary shares of 10p each will have been issued, credited as fully paid.
- (e) The authorised but unissued share capital of Camellia immediately following the implementation of the Scheme will be £16,314.50, representing approximately 5.4 per cent. of the authorised share capital.
- (f) The provisions of section 89(1) of the Act (to the extent not disapplied pursuant to section 95 of the Act) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 94(2) of the Act) which are, or are to be, paid up in cash and will apply to the authorised but unissued share capital of Camellia.
- (g) Save as disclosed in this paragraph 3, there has been no issue of shares or loan capital of Camellia or any of the other members of the Camellia Group (other than intra-Camellia Group issues by wholly owned subsidiaries) in the three years immediately preceding the date of this document and (other than pursuant to the Scheme) no such issues are proposed.
- (h) No commissions, discounts, brokerages or other special terms have been granted by Camellia or any of its subsidiary undertakings in connection with the issue or sale of any share or loan capital of Camellia or any of its subsidiaries in the three years immediately preceding the date of this document.
- (i) No share or loan capital of Camellia or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.
- (j) Other than pursuant to the Scheme, none of the New Camellia Shares have been sold or are available in whole or in part to the public in conjunction with the application for the New Camellia Shares to be admitted to the Official List.
- (k) The existing issued Camellia Shares, and all of the New Camellia Shares, will be in registered form and may be held in uncertificated form. No temporary documents of title will be issued.
- (l) Based on the Closing Price of a Camellia Share of £34.50 on 15 June 1999 (being the last Business Day immediately preceding the posting of this document), the New Camellia Shares are being issued pursuant to the Scheme at a premium of £34.40 over their nominal value of 10p each.
- (m) Fractions of New Camellia Shares will not be allotted or issued to Scheme Shareholders but will be aggregated and sold in the market and the net proceeds of sale distributed *pro rata* to persons entitled thereto.

- (n) The New Camellia Shares will be issued credited as fully paid, and will be identical to and will rank *pari passu* in all respects with the existing issued Camellia Shares, including the right to receive and retain all dividends and other distributions declared, made or paid thereafter, save that they will not entitle the holder to receive Camellia's final dividend of 28p per Camellia Share in respect of the financial year ended 31 December 1998.

4. Memorandum and Articles of Association

The Memorandum of Association of Camellia provides that Camellia's principal objects are to act as an investment and property holding company. The objects of Camellia are set out in full in clause 4 of its Memorandum of Association, which is available for inspection at the address specified at paragraph 16 of this Part VI.

The Articles of Association of Camellia to be amended pursuant to the resolutions proposed at the Camellia EGM (the "Articles") contain provisions, *inter alia*, to the following effect:

(a) Voting Rights

- (i) Subject to any terms as to voting upon which any share(s) may be issued or may for the time being be held and to the provisions of the Articles, every holder of a share present in person shall have one vote on a show of hands and, on a poll, every such holder shall have one vote for every share of which he is the holder.
- (ii) The duly authorised representative of a corporate member may exercise the same powers on behalf of that corporation as it could exercise if it were an individual member. On a poll, votes may be made in person or by proxy.
- (iii) A member is not entitled to vote unless all calls or other sums payable by him in respect of shares in Camellia have been paid, unless the Camellia Board determines otherwise.

(b) Suspension of Rights

Where a member or any other person who appears to be interested in shares held by a member has been duly served with a notice under section 212 of the Act and has failed to supply Camellia with the information thereby required within the period specified in such notice (being not less than 14 days where such shares represent at least 0.25 per cent. of the issued shares of their class and, in any other case, 28 days from the date of service of such notice), or has supplied information which is false or misleading in any material particular, the Camellia Board may serve the holder of the relevant shares (the "disenfranchised member") with a disenfranchisement notice whereupon:

- (i) such disenfranchised member shall not, with effect from the service of the disenfranchisement notice, be entitled to attend meetings or vote in respect of the relevant shares; and
- (ii) where such shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:
 - (aa) any dividends or other monies payable in respect of such relevant shares may be withheld by Camellia; and
 - (bb) no transfer, other than an excepted transfer, of shares held by the disenfranchised member in certificated form shall be registered unless the disenfranchised member can establish that he is not in default in supplying the information and can establish to the satisfaction of the Camellia Board that no person in default in supplying the information is interested in the shares. An excepted transfer is defined in the Articles as a transfer pursuant to acceptance of an offer made to all holders of shares or any class of shares, a transfer in consequence of a sale made through a

recognised investment exchange or any stock exchange outside the UK in which Camellia's shares are normally traded or a transfer which is shown to the satisfaction of the Camellia Board to be made in consequence of a *bona fide* sale of the whole of the beneficial interest in the shares in question to a person who is unconnected with the holder of such shares and with any other person appearing to be interested in such shares.

Such disentitlement will apply for a period ending not later than 7 days after the date on which the notice from Camellia is complied with.

(c) Dividends

- (i) Subject to the Act and any other statute concerning companies for the time being in force (the "Statutes"), Camellia may by ordinary resolution declare dividends to be paid out of profits available for distribution to members according to their rights and priorities but no dividend shall be declared in excess of the amount recommended by the Camellia Board. Subject to the Statutes, the Camellia Board may from time to time pay to the members such interim dividends as appear to the Camellia Board to be justified by the profits available for distribution and the position of Camellia.
- (ii) Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be declared and paid *pro rata* according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. All dividends unclaimed for a period of 12 years after having become due for payment shall be forfeited and shall revert to Camellia. The Camellia Board may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) payable by him to Camellia on account of calls or otherwise in relation to shares in Camellia.
- (iii) The Camellia Board may, if authorised by an ordinary resolution of Camellia, offer the holders of the Camellia Shares the right to elect to receive additional Camellia Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend specified by the ordinary resolution. The additional Camellia Shares when allotted shall rank *pari passu* in all respects with fully paid Camellia Shares then in issue except that they will not be entitled to participate in the relevant dividend.
- (iv) No dividend or other monies payable in respect of a share shall bear interest against Camellia unless expressly provided by the rights attached to the share.

(d) Distribution of Assets on a Winding Up

- (i) On a winding up, any surplus assets will be divided between the holders of the Camellia Shares according to the respective number of shares held by them, subject to the rights of any shares which may be issued with special rights or privileges.
- (ii) On a winding up of Camellia, the liquidator may, with the sanction of an extraordinary resolution of Camellia and subject to the Insolvency Act 1986, divide among the members of Camellia *in specie* the whole or any part of the assets of Camellia such a division to be in accordance with the existing rights of members. The liquidator may vest the whole or any part of the assets in trustees on such trusts for the benefit of the members as the liquidator, with the sanction of an extraordinary resolution of Camellia, shall determine. No member shall be compelled by the liquidator to accept any assets in respect of which there is a liability.

(e) Transfer of Shares

Any member may transfer all or any of his shares by an instrument of transfer in the usual form or

in such other form as the Camellia Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the holder until the name of the transferee is entered in the register. There is no restriction on the registration of a transfer of shares provided the transfer:

- (i) is duly stamped (if the Statutes so require) and lodged with Camellia, accompanied by the relevant share certificate(s) and such other evidence (if any) of the right of the transferor to make the transfer as the Camellia Board may reasonably require;
- (ii) is in respect of only one class of share; and
- (iii) is in favour of not more than four transferees.

If any of the above conditions is not complied with, the Camellia Board may refuse to register the transfer in question. The Camellia Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any transfer of shares, all or any of which are not fully paid provided that where any such shares are admitted to the Official List of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Camellia Board may also decline to register any transfer of a share, not being a fully paid share, on which Camellia has a lien. If the Camellia Board refuses to register a transfer, it shall within two months after the date on which the instrument of transfer was lodged with Camellia send to the transferee notice of that refusal.

The Camellia Board has discretion to implement arrangements in order for any class of share to be a participating security and to accept transfers of shares in uncertificated form subject only to the requirements of the Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272) and the facilities and requirements of the relevant system concerned including any modification thereof or any regulations in substitution thereof. The Regulations permit the Camellia Board to refuse to register a transfer of uncertificated shares in certain circumstances.

(f) Variation of Rights

Whenever the capital of Camellia is divided into different classes of shares, subject to the Statutes, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not Camellia is being wound up, either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of the affected class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class. The quorum at any such general meeting is two persons holding or representing by proxy at least one third in nominal value of the issued shares of the class in question and, at any adjourned meeting, the quorum is one holder present in person or by proxy. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class in question shall, on a poll, be entitled to one vote for every share of the class held by him. The rights or privileges attaching to any class of shares shall not, subject to the terms on which such shares may be issued, be deemed to be varied or abrogated by the creation or issue of new shares ranking *pari passu* with or subsequent to those already issued.

(g) Share Capital and Changes in Capital

- (i) Subject to the provisions of the Statutes and without prejudice to any special rights previously conferred on the holders of any existing shares or class of share, any share may be issued with such rights or restrictions as Camellia may from time to time determine by ordinary resolution or, if Camellia has not so determined, as the Camellia Board may determine. Subject to the provisions of the Statutes and to any rights conferred on the holders of any other shares, Camellia may issue redeemable shares. Subject to the provisions of the Articles and the Statutes, the power of Camellia to allot

and issue shares shall be exercised by the Camellia Board at such time, for such consideration and upon such terms and conditions as the Camellia Board may determine.

- (ii) Camellia may by ordinary resolution increase its share capital, consolidate all or any of its share capital into shares of larger amount and, subject to the provisions of the Statutes, sub-divide its shares or any of them into shares of smaller amount, cancel any shares which, at the date of the passing of the resolution, have not been subscribed for or agreed to be subscribed for by any person, and diminish the amount of its authorised share capital by the amount of the shares so cancelled. Whenever, as a result of a consolidation of shares, any members would become entitled to fractions of a share, the Camellia Board may deal with the fractions as it thinks fit.
- (iii) Subject to the Statutes and to the rights attached to any class of shares, Camellia may by special resolution reduce its share capital, any capital redemption reserve, any share premium account and any other non-distributable reserves in any way.
- (iv) Subject to the Statutes and to the rights attached to any class of shares, Camellia may purchase or enter into a contract under which it will or may purchase all or any of its own shares of any class (including any redeemable shares).

(h) Camellia Directors

- (i) Save as mentioned below, a director shall not vote at a meeting of the Camellia Board or of a committee of the Camellia Board on any resolution concerning a matter in which he has together with any interest of any person connected with him, directly or indirectly, a material interest (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, Camellia) or a duty which conflicts or may conflict with the interests of Camellia. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is barred from voting.
- (ii) A director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
 - (aa) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or by any other person at the request of or for the benefit of, Camellia or any of its subsidiary undertakings;
 - (bb) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of Camellia or any of its subsidiary undertakings, for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (cc) any proposal concerning his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by Camellia or any of its subsidiary undertakings for subscription, purchase or exchange;
 - (dd) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he does not hold an interest in shares (as that term is used in Part VI of the Act) representing one per cent. or more of either any class of the equity share capital of such company or of the voting rights available to members of such company (any such interest being deemed to be a material interest in all circumstances);
 - (ee) any proposal concerning any scheme or arrangement for the benefit of employees of the Camellia Group from which the director benefits in a similar manner to such

employees and which does not accord to him any privilege or benefit not awarded to employees to whom such scheme or arrangement relates;

- (ff) any proposal concerning any insurance which Camellia is empowered to purchase and/or maintain for or for the benefit of any directors of Camellia provided that for this purpose "insurance" means only insurance against liability incurred by a director in respect of any act or omission by him in any execution and/or discharge of the duties of his office and/or in the exercise of his powers and/or otherwise in relation thereto or any other insurance which Camellia is empowered to purchase and/or maintain for or for the benefit of any Camellia Group of persons consisting of or including directors of Camellia.
- (iii) Subject to the Statutes and provided that he has disclosed to the Camellia Board the nature and extent of any material interest, a director:
 - (aa) may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with Camellia (or in which Camellia is otherwise interested) and may be a member or director or other officer of, or employed by, any body corporate promoted by Camellia or in which Camellia is otherwise interested and shall not be accountable to Camellia for any benefit which he derives from any such transaction, arrangement, office, employment or interest;
 - (bb) may act in a professional capacity for Camellia (otherwise than as auditor), for which he or his firm shall be entitled to remuneration.
- (iv) The directors of Camellia shall be paid such remuneration (by way of fee) for their services as may be determined by the Camellia Board, save that, unless otherwise approved by ordinary resolution of Camellia in general meeting, the aggregate of the remuneration (by way of fee) of all the directors of Camellia shall not exceed £250,000 per annum. The directors of Camellia shall also be entitled to be repaid all travel, hotel and other expenses of travelling to and from Camellia Board meetings, committee meetings, general meetings or otherwise incurred while engaged on the business of Camellia. Any director who, by request of the Camellia Board, performs special services or goes or resides abroad for any purposes on behalf of Camellia may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Camellia Board may decide.
- (v) The Camellia Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of any past director who held executive office or employment with Camellia or with a body corporate which is or has been a subsidiary undertaking (or a predecessor in business of any of them) or to or for the benefit of any member of his family (including a spouse and a former spouse) or dependants.
- (vi) At each annual general meeting all of the directors of Camellia shall retire from office and shall be eligible for re-election. Any director appointed by the Camellia Board shall hold office only until the next annual general meeting, when he shall be eligible for election.
- (vii) There is no age limit for directors of Camellia and sub-sections (1) to (6) of section 293 of the Act do not apply to Camellia.
- (viii) Unless and until otherwise determined by ordinary resolution of Camellia, the directors of Camellia (other than alternate directors of Camellia) shall not be less than 2 and not more than 12 in number.
- (ix) A director shall not be required to hold any qualification shares.

(i) Borrowing Powers

The Camellia Board may exercise all the powers of Camellia to borrow money and to mortgage or charge its undertakings, property and assets (present and future) and uncalled capital and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of Camellia or of any third party provided that the Camellia Board shall restrict the borrowings (as defined in the Articles) of Camellia and exercise all voting and other rights or powers of control exercisable by Camellia in relation to its subsidiary undertakings so as to secure (so far as the Camellia Board is able in the case of Camellia's subsidiary undertakings) that the aggregate amount for the time being outstanding of all borrowings by the Camellia Group (excluding amounts borrowed by any member of the Camellia Group from any other member of the Camellia Group) shall not at any time, without the previous sanction of an ordinary resolution of Camellia, exceed an amount equal to one and a half times the adjusted capital and reserves of the Camellia Group, as calculated in accordance with the Articles.

5. Camellia Directors' and other interests

- (a) The interests of the Camellia Directors and their immediate families in the share capital of Camellia which have been notified to Camellia pursuant to sections 324 to 328 of the Act or which are required to be entered in the register of Camellia Directors' interests maintained under the provisions of section 325 of the Act or which are interests of a person connected with a Camellia Director (within the meaning of section 346 of the Act) which would, if the connected person were a director, be required to be disclosed pursuant to the sections of the Act detailed above, and the existence of which is known to or could with reasonable diligence be ascertained by, that Camellia Director, as at the date of this document and as they will be, immediately following the implementation of the Scheme, are as follows:

	At Present			After Scheme		
	Number of Camellia Shares		Percentage of existing issued share capital beneficially owned	Number of Camellia Shares		Percentage of enlarged issued share capital beneficially owned
	Beneficial	Non-Beneficial		Beneficial	Non-Beneficial	
<i>Camellia Director</i>						
Gordon Fox	—	1,414,500 ¹	—	—	1,414,500	—
David Michael Bacon ²	86,000	8,000	3.49	86,000	8,000	3.03
Donald Frank Henry Geen	10,010	—	0.41	10,010	—	0.35
Dieter Wilhelm Jöhr	2,500	—	0.10	2,500	—	0.09

Notes:

- 1 As described in paragraph 8 of Part I of this document, the non-beneficial interest of Gordon Fox in 1,414,500 Camellia Shares (representing 57.4 per cent. of the existing issued ordinary share capital of Camellia) arises through his association with the Libra Foundation, which holds such shares through Camellia Holding AG, a company which is wholly owned by the Libra Foundation. Camellia Holding AG also holds 50,000 ordinary shares of 50p each in Linton Park Plc (representing 0.3 per cent. of the existing issued share capital of Linton Park Plc). Additionally Jetinga Holdings Inc. (which is 50 per cent. owned by International Factors Corporation, a company which, as referred to in paragraph 8 below, is 80 per cent. owned by Gordon Fox) holds 50,000 ordinary shares of 50p each in Linton Park Plc (representing 0.3 per cent. of the existing issued share capital of Linton Park Plc).
- 2 As at the date of this document, David Michael Bacon has a beneficial interest in 5,000 ordinary shares of 50p each in Linton Park Plc and a non-beneficial interest in 2,500 ordinary shares of 50p each in Linton Park Plc (representing 0.04 per cent. of the existing issued share capital of Linton Park Plc).

- (b) Save as disclosed in paragraph 5(a) above, no Camellia Director, or any immediate family member of any Camellia Director, or any person connected with him for the purposes of section 346 of the Act has any interest, whether beneficial or non-beneficial, in the share capital of Camellia or any of its subsidiary undertakings.

- (c) In addition to the interests of Camellia Directors disclosed in paragraph 5(a) above, in so far as is known to Camellia, the following person is interested, directly or indirectly, in 3 per cent. or more of the issued share capital of Camellia:

<i>Name</i>	<i>At Present</i>		<i>After Scheme</i>	
	<i>Number of Camellia Shares</i>	<i>Percentage of existing issued share capital</i>	<i>Number of Camellia Shares</i>	<i>Percentage of enlarged issued share capital</i>
St. James's Place Capital Plc	91,002	3.69	91,002	3.21

Note: The above table assumes that the Camellia Shareholder referred to is not a holder of Scheme Shares and that therefore no New Camellia Shares will be issued to it on the implementation of the Scheme.

- (d) Save as disclosed in paragraphs 5(a) and 5(c) above, the Camellia Directors are not aware of any person who is interested (within the meaning of the Act) directly or indirectly in 3 per cent. or more of the issued share capital of Camellia or could directly or indirectly, jointly or severally, exercise control over Camellia.
- (e) No Camellia Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Camellia Group and which were effected by any member of the Camellia Group in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.
- (f) There are no outstanding loans granted by any member of the Camellia Group to any of the Camellia Directors nor has any guarantee been provided by any member of the Camellia Group for the benefit of any Camellia Director.

6. Directors' terms of service

- (a) Save as referred to in paragraph 6(b) below, there are no existing or proposed service agreements between the Camellia Directors or Proposed Directors and any member of the Camellia Group with 12 months or more left to run.
- (b) Malcolm Perkins has a service agreement dated 19 December 1996 with Linton Park Plc, which is terminable on twelve months notice by either party. Under the service agreement, Malcolm Perkins is currently entitled to a basic annual salary of £176,904. The service agreement also provides for the provision of a company car; private medical insurance for himself and his immediate dependent family under the age of 24; provision of a fully expensed mobile phone and payment of the rental on one telephone at his private residence and 50 per cent. of all business calls in the United Kingdom and 100 per cent. of international business calls; and a pension contribution of up to 17 per cent. of salary.
- (c) Under the terms of their appointments as non-executive Camellia Directors, Messrs Fox, Geen and Jöhr are currently entitled to a basic annual fee of US\$8,000, £5,800 and £5,000 per annum respectively, together with such additional fees as may be agreed in respect of any additional services provided and all reasonable travel and other expenses incurred in carrying out their duties. Under the terms of his service, David Bacon is entitled to a current annual salary of £100,000 and his appointment is terminable by the Company on not less than 12 months notice.
- (d) In the financial year ended 31 December 1998, the aggregate of the remuneration paid and benefits in kind granted to the Camellia Directors by all members of the Camellia Group was £258,992.

- (e) Upon the appointment of the Proposed Directors to the board of the Enlarged Group, the Camellia Directors will at that time retire. None of the Camellia Directors will receive any compensation for loss of office by reason of such retirement. Gordon Fox will continue to act as a director of Lawrie International Limited and Lawrie (Bermuda) Limited and will continue to receive the basic annual fee and additional fees and expenses referred to in paragraph 6(c) above. David Bacon will continue to be employed by the Camellia Group for an indefinite period and will continue to receive the annual salary referred to in paragraph 6(c) above. He will have responsibility for the collectables and owned art of the Camellia Group and will also continue to act as chairman of Lumley Cazalet Limited and JPL Fine Arts Limited.
- (f) Save as referred to in paragraph 6(e) above, there will be no variation in emoluments received by the Camellia Directors and the Proposed Directors as a consequence of the Proposal.

7. Camellia Group and its subsidiaries

Camellia is the holding company of the Camellia Group and its principal subsidiaries are shown below:

<i>Name and Nature of Business</i>	<i>Registered Office</i>	<i>Issued Share Capital</i>	<i>Percentage of Share Capital Held</i>	<i>Principal Country of Operation</i>
Agriculture and horticulture				
Amgoorie India Ltd (Incorporated in India)	c/o Koomber Tea Warehouse P.O. Jawaharnagar NH37 Guwahati, Assam, India, 781022	Equity Shares	52 34†	India
Bonathaba Farms (Pty) Ltd (Incorporated in South Africa)	Boland Bank Building, Breda Street, Paarl, South Africa	Ordinary Shares	100	South Africa
Die Baken Farms (Pty) Ltd (Incorporated in South Africa)	7th Floor, Sinbell Building, Old Paarl Road 2, Belville, South Africa	Ordinary Shares	100	South Africa
E.P.Lawrie Agropecuaria e Participacoes Ltda (Incorporated in Brazil)	Almeda Santos 1470-Conj 207-208 Sao Paulo CEP01418-100, Brazil	Quotas	100	Brazil
Eastern Produce Kenya Ltd (Incorporated in Kenya)	3rd Floor, New Rehema House, Rhapta Road, Westlands, Nairobi, Kenya	Ordinary Shares	81.6	Kenya
Eastern Produce Malawi Ltd (Incorporated in Malawi)	Kwalibi House, Mini Mini Estate, PO Box 53, Mulanje, Malawi	Ordinary Shares	100	Malawi
Goodricke Group Ltd (Incorporated in India)	Camellia House, 14 Gurusaday Road, Calcutta 700019, India	Equity Shares	74 8.9†	India
Hacienda Chada S.A. (Incorporated in Chile)	Camino Huelquen s/n, Paine, Chile	Ordinary Shares	100	Chile
Horizon Farms (a United States of America general partnership)	1470 West Herndon Ave, Fresno, California 93711, USA	Partners' Capital	80	USA
Kakuzi Ltd (Incorporated in Kenya)	3rd Floor, New Rehema House, Rhapta Road, Westlands, Nairobi, Kenya	Stock Units	50.63	Kenya
Koomber Tea Company Ltd (Incorporated in India)	Kumbhir, Cachar, Assam, India	Equity Shares	51 34†	India

<i>Name and Nature of Business</i>	<i>Registered Office</i>	<i>Issued Share Capital</i>	<i>Percentage of Share Capital Held</i>	<i>Principal Country of Operation</i>
Longbourne Holdings Ltd	(See Note 1)	Ordinary Shares	100	Bangladesh
Stewart Holl (India) Ltd (Incorporated in India)	c/o Koomber Tea Warehouse P.O. Jawaharnagar NH37 Guwahati, Assam, India, 781022	Equity Shares	74 18†	India
SWF Citrus Inc (Incorporated in USA)	1470 West Herndon Ave, Fresno, California 93711, USA	Ordinary Stock	100	USA
Tiru Tea Company Ltd. (Incorporated in India)	Camellia House, 14 Gurusaday Road, Calcutta 700019, India	Equity Shares	100†	India
Yandilla Park Ltd (Incorporated in Australia)	Chowilla Street, Renmark 545341, Australia	"A" & "B" Ordinary Shares Redeemable Participating Preference Shares	86.8 100	Australia
Food storage and distribution				
Affish BV (Incorporated in Holland)	Trade Register, Wouldrichem, Holland	Ordinary Shares	100	Holland
Associated Cold Stores & Transport Ltd	(See Note 2)	Ordinary Shares	100	UK
WG White Ltd	(See Note 2)	Ordinary Shares	100	UK
Wylax International BV (Incorporated in Holland)	Trade Register, Rotterdam, Holland	Ordinary Shares Preference Shares	100 100	Holland
Trading and agency				
British Traders & Shippers Ltd	(See Note 2)	Ordinary Shares	100	UK
Highland Fuels Ltd (Registered in Scotland)	Affric House, Beechwood Park, Inverness IV2 3BW	Ordinary Shares	100	UK
Lawrie Plantation Services Ltd	(See Note 1)	Ordinary Shares	100	UK
Engineering				
AJT Engineering Ltd (Registered in Scotland)	Craigshaw Crescent, West Tullos, Aberdeen AB9 2TB	Ordinary Shares	100	UK
Unochrome Industries Ltd	(See Note 2)	Ordinary Shares	100	UK
Fine art and philately				
JPL Fine Arts Ltd	25 Upper Brook Street, London W1Y 1PD	Shares	100*	UK
Lumley Cazalet Ltd	33 Davies Street, London W1Y 1FW	Shares	75*	UK
David Field Ltd	25 Upper Brook Street, London W1Y 1PD	Shares	100*	UK
Property				
W.D.G. Properties Ltd	2 Hobart Place, London SW1W 0HU	Ordinary Shares	100	UK
Banking and financial services				
Duncan Lawrie Ltd	1 Hobart Place London SW1W 0HU	Shares	100	UK
Duncan Lawrie International Holdings Ltd (Incorporated in Isle of Man)	14/15 Mount Havelock, Douglas, Isle of Man	Shares	100	Isle of Man

<i>Name and Nature of Business</i>	<i>Registered Office</i>	<i>Issued Share Capital</i>	<i>Percentage of Share Capital Held</i>	<i>Principal Country of Operation</i>
Investment/holding				
Assam-Dooars Holdings Ltd	(See Note 1)	Ordinary Shares	100	UK
Associated Fisheries Ltd	(See Note 2)	Ordinary Shares	100	UK
Bordure Ltd	(See Note 2)	Ordinary Shares	100	UK
East African Coffee Plantations Ltd (Incorporated in Australia)	c/o Yandilla Park Ltd, Chowilla Street, Renmark, SA 545341, Australia	Ordinary Shares	69.55	Australia
Lawrie (Bermuda) Limited (Incorporated in Bermuda)	Vallis Building Parla-Ville Road Hamilton HM11, Bermuda	Shares	100	Bermuda
Lawrie Group Plc	(See Note 1)	Ordinary Shares	85.06	UK
Lawrie International Ltd (Incorporated in Bermuda)	Vallis Building Parla-Ville Road Hamilton HM11, Bermuda	Shares	100	Bermuda
Linton Park Plc	(See Note 2)	Ordinary Shares	73.04 4.81 (See Note 3)	UK
Sterling Industrial Securities Ltd	2 Hobart Place, London SW1W 0HU	Ordinary Shares	100	UK
Walter Duncan & Goodricke Ltd	2 Hobart Place, London SW1W 0HU	Shares	100	UK
Western Dooars Tea Holdings Ltd	(See Note 1)	Ordinary Shares	100	UK

† Indicates held by Indian subsidiaries of Lawrie

* Indicates held directly by Camellia

Notes:

1. Registered office is Wrotham Place, Wrotham, Sevenoaks, Kent TN15 7AE

2. Registered office is Linton Park, Linton, Nr Maidstone, Kent ME17 4AB

3. Camellia Holding AG holds 50,000 ordinary shares of 50p each in Linton Park Plc, representing 0.3 per cent. of the existing issued share capital of Linton Park Plc

8. Associated undertakings

The principal associated undertakings of the Camellia Group are as follows:

Siegfried AG

As at the date of this document, the Camellia Group owns (through Linton Park Plc) 90,368 registered shares of Sw.fr. 50 in Siegfried AG representing 32.3 per cent. of the issued share capital. Siegfried AG is a company incorporated and based in Switzerland, whose registered office is at CH4800, Zofringen, Switzerland and whose shares are quoted on the Zurich Stock Exchange. The principal activity of Siegfried AG is a developer and producer of specialist chemical and pharmaceutical products. Financial information in relation to Siegfried AG and in relation to the Camellia Group's share of the results and balance sheet of Siegfried AG are included within Note 2.8.12 in Part III of this document.

Linton Park Plc has entered into an agreement dated 10 September 1996 with Sigamed AG and others (including Dr. B.A. Siegfried who is a director of Siegfried AG and also a non-executive director of Linton Park Plc), pursuant to which the parties have the first right of refusal to buy Siegfried AG shares offered for sale by the other parties.

The Libra Foundation (which is associated with Mr. Gordon Fox) owns, through Camellia Holding AG (which is wholly owned by the Libra Foundation), 3,000 registered shares of Sw.fr. 50 in Siegfried AG, representing 1.1 per cent. of the issued share capital of Siegfried AG.

International Factors Corporation

As at the date of this document, the Camellia Group owns 20 common shares and 738,800 'B' preferred shares in International Factors Corporation, representing 20 per cent. of the issued share capital. The balance of the issued share capital is held by Gordon Fox. International Factors Corporation is incorporated in Canada and its registered office is at 3636 Du Musée, Montreal, Canada H3G 2 C9. The principal activity of International Factors Corporation is the holding of investments.

British Mohair Holdings Plc

As at the date of this document, the Camellia Group owns 3,955,000 shares in British Mohair Holdings Plc, representing 29.8 per cent. of the issued share capital. British Mohair Holdings Plc is a company incorporated in England and Wales, whose registered office is at PO Box 58, Midland Mills, Bradford, Yorkshire BD1 4RL and whose shares are listed on the Official List. The principal activity of British Mohair Holdings Plc is the production of yarns for weaving and knitting and the manufacture of specialised engineering products.

United Insurance Company Limited

As at the date of this document, the Camellia Group owns 191,530 shares of TK100 each in United Insurance Company Limited, representing 31.9 per cent. of the issued share capital. United Insurance Company Limited is a company incorporated in Bangladesh and its registered office is at Camellia House, 22 Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh. The principal activity of United Insurance Company Limited is general commercial insurance.

United Leasing Company Limited

As at the date of this document, the Camellia Group owns 282,378 shares of TK100 each in United Leasing Company Limited, representing 40.3 per cent. of the issued share capital. The Camellia Group has conditionally agreed to acquire a further 60,000 shares of TK100 each in United Leasing Company Limited, representing an additional 8.6 per cent. of the issued share capital, subject to the consent of the Bangladesh Bank. United Leasing Company Limited is a company incorporated in Bangladesh and its registered office is at Camellia House, 22 Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh. The principal activity of United Leasing Company Limited is lease finance for all types of plant, machinery and vehicles for industrial and commercial purposes.

9. Principal establishments

- (a) Camellia's head office and principal place of business is at 25 Upper Brook Street, London W1Y 1PD.
- (b) Save as referred to below, none of the establishments of the Camellia Group accounts for more than 10 per cent. of net turnover or production of the Camellia Group:

<i>Company</i>	<i>Location</i>	<i>Nature of Property</i>	<i>Approximate Area (Sq. ft.)</i>	<i>Tenure</i>
Associated Cold Stores & Transport Limited	Estate Road No. 2 South Humberside Industrial Estate Grimsby DN31 2TD	Offices	6,000	Freehold
Highland Fuels Limited	Affric House Beechwood Park Inverness IV2 3BW	Offices	6,500	Freehold

10. Taxation

The following paragraphs, which are intended as a general guide only, are based on current legislation and Inland Revenue practice. They summarise certain limited aspects of the UK taxation treatment of acceptance of the terms of the Scheme, and they relate only to the position of Camellia Shareholders who are absolute beneficial owners of their Camellia Shares and hold their Camellia Shares as an investment.

If you are in any doubt as to your taxation position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult the appropriate professional adviser without delay.

Impact of the Scheme

Existing Camellia Shareholders should not suffer any UK tax liability as a result of the transfer to Camellia of Lawrie Shares pursuant to the Scheme.

No UK stamp duty or stamp duty reserve tax ("SDRT") liability will be payable by existing Camellia Shareholders as a result of the transfer to Camellia of Lawrie Shares pursuant to the Scheme. Any future dealings in existing or New Camellia Shares will be subject to stamp duty/SDRT in the normal way.

Taxation of dividends received by holders of existing and New Camellia Shares

Taxation treatment of UK resident non-corporate shareholders

Individual shareholders resident in the United Kingdom will generally be entitled to a tax credit in respect of any dividend paid by Camellia which they can offset against their total income tax liability in the tax year in which that dividend is paid. The value of the tax credit attaching to the dividend will be equal to 10 per cent. of the sum of the dividend plus the tax credit. The income tax charge in respect of the dividend for lower and basic rate taxpayers will be at the Schedule F ordinary rate of 10 per cent. and such shareholders will have no further liability to income tax on that dividend. The higher rate of income tax on that dividend will be 32.5 per cent. so for a higher rate taxpayer the additional income tax will be 22.5 per cent. of the aggregate of the dividend and the tax credit. Individual shareholders or charities whose income tax liability is less than the tax credit will generally not be entitled to repayment of all or any part of the tax credit. Charities may be entitled to governmental transitional relief payment.

Treatment of UK resident corporate shareholders

Generally a UK resident corporate shareholder will not be liable for corporation tax on a dividend paid by Camellia. The abolition of Advance Corporation Tax will mean that any dividend paid after 5 April 1999 will not be treated as franked investment income.

Tax treatment of non-UK resident shareholders

The tax credit value of 10 per cent. of the dividend plus tax credit will apply also to non-UK resident shareholders able to claim all or part of the tax credit under the terms of a double tax treaty with the UK or otherwise. In practice, however, this will mean that in many cases only either a nominal amount or no amount may be claimed under the relevant double tax treaty.

There is no longer any obligation on Camellia to account for Advance Corporation Tax on the payment of any dividend.

Tax treatment of Camellia

With the exception of stamp duty/SDRT (as to which see below) Camellia should not suffer any UK tax liability as a result of its acquisition of Lawrie Shares pursuant to the terms of the Scheme.

A liability to UK stamp duty and/or SDRT will arise on the acquisition of Lawrie Shares by Camellia. The conveyance or transfer on sale of Lawrie Shares to Camellia will generally be subject to stamp duty at the rate of 50p per £100 (or part thereof) on the amount or value of the consideration and/or SDRT at the rate of 0.5 per cent. of the amount or value of the consideration.

The above paragraphs are intended as a general guide to current United Kingdom tax law and practice. If you are in any doubt as to your taxation position or if you require more detailed information than that outlined above you should consult an appropriate independent professional adviser without delay.

11. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Camellia and its subsidiary undertakings during the period commencing on 4 May 1997 (the date beginning two years before the preliminary announcement concerning the possibility of the Proposal) until the publication of this document and which are or may be material:

- (i) An agreement dated 8 December 1997 made between Sigamed AG (a wholly owned subsidiary of the Camellia Group's associated undertaking, Siegfried AG) and others (1) Affish Limited (a wholly owned subsidiary of Linton Park Plc) (2) and Dr. B.A. Siegfried (a non-executive director of Linton Park Plc) and others (3) pursuant to which on 18 December 1997 Affish Limited purchased, in aggregate, 10,833 registered shares in Siegfried AG. The total consideration was £8,672,386, of which £4,534,000 was deferred. In the financial year ending 31 December 1998, the sum of £1,705,000 was paid in respect of this deferred consideration and the balance is payable by four equal annual instalments commencing December 1999. The deferred consideration is secured by a charge on 7,833 Siegfried AG registered shares and interest is payable on the deferred consideration at the six-month London Interbank Offer Rate for Swiss Francs plus 0.7 per cent. per annum.
- (ii) A deed of undertaking between Camellia Holding AG and Affish Limited dated 9 December 1997 pursuant to which Camellia Holding AG has agreed to vote its shares in Siegfried AG in accordance with the instructions of Affish Limited.
- (iii) On 6 April 1998 Lawrie entered into an agreement with its subsidiary company, Linton Park Plc, whereby procedures were established for implementation in circumstances involving a conflict of interest between the two companies.

12. Litigation

Neither Camellia nor any of its subsidiaries is or has been involved in any legal or arbitration proceedings which may have, or have had during the twelve months preceding the date of this document, a significant effect on the Camellia Group's financial position nor are there any such proceedings pending or threatened by or against any member of the Camellia Group of which Camellia is aware.

13. Significant change

Save as disclosed in paragraph 7 of Part I of this document, there has been no significant change in the financial or trading position of the Camellia Group since 31 December 1998, the date to which the last audited consolidated accounts of the Camellia Group were drawn up.

14. Year 2000 compliance

The Camellia Directors are aware of the possible issues relating to computer systems and other micro chip based equipment that may impact in the Year 2000. Reviews of the potential risks have been completed at each Camellia Group location, both with regard to internal systems and in connection with relationships with third parties, and the Camellia Directors are satisfied that sufficient action has been taken to eliminate all significant problems in advance of the year end. The total cost, including amounts to be spent in future periods, of ensuring Year 2000 compliance has not yet been fully quantified, but is not expected to be material.

15. General

- (a) The total costs and expenses (exclusive of VAT) payable by the Camellia Group in connection with the Scheme are estimated to amount to £800,000.
- (b) Moore Stephens, Registered Auditors of St. Paul's House, Warwick Lane, London EC4P 4BN have given and have not withdrawn their written consent to the issue of this document with the inclusion herein of their name in the form and context in which it is included.
- (c) Arthur Andersen Corporate Finance of 1 Surrey Street, London WC2R 2NT is the corporate finance division of Arthur Andersen which is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales. Arthur Andersen Corporate Finance has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included.
- (d) Banque Générale du Luxembourg of 50, avenue J.F. Kennedy, L-2951, Luxembourg, has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included.
- (e) The financial information set out in this document relating to the Camellia Group does not constitute statutory accounts within the meaning of section 240 of the Act. Moore Stephens, Registered Auditors of St. Paul's House, Warwick Lane, London EC4P 4BN, have given unqualified audit reports on the statutory accounts of Camellia for each of the three financial years ended 31 December 1998, within the meaning of section 235 of the Act. None of these reports contained any statements under section 237(2) or (3) of the Act. Statutory accounts of Camellia for each of the two financial years ended 31 December 1996 and 1997 have been delivered to the Registrar of Companies in England and Wales pursuant to section 242 of the Act. The statutory accounts of Camellia for the financial year ended 31 December 1998 are proposed to be delivered to the Registrar of Companies after the conclusion of the Annual General Meeting of Camellia to be held on 15 July 1999.
- (f) There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- (g) The Camellia Shares currently in issue are listed on the London Stock Exchange and the Luxembourg Stock Exchange.
- (h) Camellia has appointed Banque Générale du Luxembourg S.A. as its transfer and paying agent in Luxembourg and to act as replacement agent in respect of share certificates. The legal notice will be filed with the Chief Registrar of the District Court of Luxembourg and will be made available at the office of the Luxembourg listing agent, Banque Générale du Luxembourg S.A.. Annual reports and accounts will be available in the city of Luxembourg from the offices of the Banque Générale du Luxembourg S.A., and at the registered office of Camellia each year, not less than 21 days before the Annual General Meeting of Camellia. The half-yearly report of Camellia will also be available at these offices not later than four months after the end of the period to which it relates. Notices of meetings (including the agenda) will be sent by post to the registered holders of Camellia Shares at least 14 days before the meetings and in the case of Annual General Meetings and certain other meetings at least 21 days before these meetings, and will be published at the time of posting in one newspaper in Luxembourg, being at present the "Luxembourg Wort".

16. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Travers Smith Braithwaite, 10 Snow Hill, London EC1A 2AL and at the offices of Banque Générale du Luxembourg S.A., 50, avenue J. F. Kennedy, L-2951, Luxembourg until the Effective Date or the date the Scheme lapses or is withdrawn, whichever is the earlier:-

- (a) the Memorandum of Association of Camellia and the Articles of Association of Camellia;
- (b) the audited consolidated accounts of Camellia for the two financial years ended 31 December 1998;
- (c) the Scheme Document and these listing particulars;
- (d) the service agreement for Malcolm Perkins referred to in paragraph 6(b) above;
- (e) the material contracts referred to in paragraph 11 above; and
- (f) the letters of consent referred to in paragraphs 15(b),(c) and (d) above.

Dated 16 June 1999—

CAMELLIA PLC

(Registered in England and Wales with number 29559)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Camellia will be held at 10 Snow Hill, London EC1A 2AL at 12.00 noon on 15 July 1999 (or as soon thereafter as the Annual General Meeting of the Company convened for the same date and place shall have been concluded or adjourned) for the purposes of considering, and if thought fit, passing the following resolutions, of which the resolution numbered 1 will be proposed as an ordinary resolution and the resolution numbered 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. That, without prejudice to any existing general authority of the directors of the Company for the purposes of section 80 of the Companies Act 1985 ("the Act"), the directors of the Company be and are hereby specifically and unconditionally authorised (for the purposes of section 80 of the Act and so that any expression used in this resolution shall bear the same meaning as in the said section 80) to exercise all the powers of the Company to allot relevant securities up to a maximum nominal amount equal to £37,173 in connection with the scheme of arrangement under section 425 of the Act to be implemented by Lawrie Group Plc ("the Scheme"), as more particularly described in the circular and listing particulars dated 16 June 1999 accompanying this notice of meeting, and pursuant to and in accordance with the terms of the Scheme and so that such authority shall expire (unless previously revoked or varied by the Company in general meeting) on the date which is five years from the passing of this resolution.

SPECIAL RESOLUTION

2. That, pursuant to section 9 of the Act, the Articles of Association of the Company be deleted in their entirety and the regulations contained in the document submitted to the Meeting and for the purpose of identification signed by the Chairman be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

Registered office:
25 Upper Brook Street
London W1Y 1PD

BY ORDER OF THE CAMELLIA BOARD
P.E. Hill
Company Secretary

16 June 1999

Notes:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (who need not be a member of Camellia) to attend and, on a poll, vote in his/her place.
2. To be valid, a form of proxy, duly signed, together with the power of attorney or authority (if any) under which it is signed (or a certified copy of such power of authority) must be lodged with Camellia's registrar IRG plc, Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ, by not later than 12.00 noon on 13 July 1999. Completion of the form of proxy will not affect the right of a member to attend and vote at the meeting.
3. Pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, Camellia gives notice that only those shareholders entered on the register of members of Camellia at 6.00 pm on 13 July 1999 will be entitled to attend or vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned, the time by which person must be entered in the register of members in order to have the right to attend or vote at the adjourned meeting is 6.00 pm on the day preceding the date fixed for the adjourned meeting. Changes to entries in the register after the relevant time will be disregarded in determining the right of any person to attend or vote at the meeting.