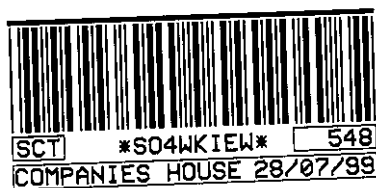


Lobex Limited

Directors' report and financial statements

For the 52 weeks ended 28 November 1998

Registered number Registered in Scotland No 67019



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Lobex Limited

Company Information

Directors RD Clegg
ND McLeod
MGT Long

Secretary RJC Peebles

Registered Bonar House
Faraday Street
Dundee
DD1 9JA

Auditors KPMG Audit Plc
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Lobex Limited

(A company limited by guarantee and not having a share capital)

Directors' report

The directors' have pleasure in submitting their annual report and accounts for the 52 weeks ended 28 November 1998.

Principal activity

The principal activity of the company is to undertake the office of and to act as trustee for superannuation and pension schemes.

Directors

The directors of the company at the date of this report are shown on page 1.

The interest in the share capital of Low & Bonar PLC of the person who was a director of the company but not a director of Low & Bonar PLC was as follows:-

	28 November 1998			Ordinary shares of 50p		
	Shares	Management Options	SAYE Options	Shares	30 November 1997 Management Options	SAYE Options
MGT Long (beneficial)	50,000	71,254	11,656	50,000	48,254	11,656
(non-beneficial)	539,000	-	-	539,000	-	-

By Order of the Board



RJC Peebles
Secretary

Dundee
16 March 1999



KPMG Audit Plc

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Report of the auditors to the members of Lobex Limited

We have audited the financial statements on page 4.

Respective responsibilities of the directors and auditors

The company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 November 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

Edinburgh
16 March 1999

Lobex Limited


Profit and loss account

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently in those years the company made neither a profit nor a loss.

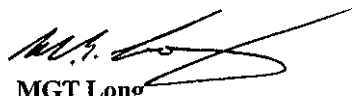
Balance sheet

at 28 November 1998

The company, which is a wholly owned subsidiary of Low & Bonar PLC, a company incorporated in Great Britain and registered in Scotland has no assets or liabilities. The consolidated accounts of Low & Bonar PLC are available to the public and may be obtained from Bonar House, Faraday Street, Dundee DD1 9JA.



ND McLeod
Director



MGT Long
Director

The accounts were approved by the directors on 16 March 1999.