

Desnoes & Geddes Limited Release Full Year Results, Announce Revenue Up 14%

Kingston, Jamaica – 21st August 2015 - The Directors of Desnoes & Geddes Limited (D&G), producers of Jamaica's Red Stripe Beer, and distributors of leading international beer and spirits brands Guinness, Heineken, Smirnoff & Johnnie Walker, released the group's financial results for the twelve-month period ended June 30, 2015.

Commenting on the company's performance, Managing Director Cedric Blair said, "These results validate the strength of the strategy we created three years ago – investing in our brands, generating profitable export growth, and driving end to end efficiencies. Grounded in our performance ambition, it is delivering good results and is setting us up to be a great company, well poised to beat the competition and achieve our goal to become the largest and most respected total beverage alcoholic company in Jamaica."

Finance Director Bruce Kidner remarked, "Revenue increased by 14% for the fiscal year to \$13,086m. Revenue from our domestic portfolio of brewed beverages grew by 14% driven by a combination of volume, mix and price. Export sales revenue also saw double digit growth of 15%. Operating profit for the period increased 10%, driven by the strong performance in both segments. Organic profit after tax, which excludes last year's profit on sale of investments of \$974 million, grew by 7%."

	Results Summary		
	12 Months	GROWTH BEFORE	REPORTED
	Jun 2015	EXCEPTIONALS	GROWTH
Net Sales (J\$'m)	13,086	-	+14%
Marketing Spend (J\$'m)	1,374	-	+37%
Operating Profit (J\$'m)	2,988	-	+10%
Profit After Tax	2,334	+7%	(26%)
Operating Margin	22.8%	-	-
EPS	83.07	+7%	(26%)

Domestic Performance

Investment behind our brands increased substantially, up 37% to \$1,370m. Red Stripe renewed its sponsorship of the Red Stripe Premier League early in the year which provided a strong platform for the brand over the course of the season. Investments also supported the launch of two Red Stripe innovations, Sorrel and Lemon Paradise, which received rave reviews from customers. Both Guinness and the Heineken brands benefited from the launch of new contemporary

packaging renovations as well as sponsorship of Guinness Street Football and Heineken Happy Hour. The Dragon Stout brand appeal continues to broaden out to an increasing number of consumers and this was reflected in its performance.

Export Performance

Exports continued to be a key strategic priority and the export segment recorded 15% net sales growth. This performance continued to be fueled by the growth of core brands and portfolio expansion in existing and new markets.

Profit

Increase in cost of sales per case was kept below inflation despite the rise in cost of imported goods resulting from the Jamaican Dollar depreciation. Operating profit year on year grew by 10%, driven mainly by the strong top line growth.

Chairman Richard Byles added “With the continued investment behind our brands and brewery operation, the business has delivered another solid performance. We will continue to support our strategy through significant focus on innovation, grow our core brands and enhancing our route to consumer and in so doing promote the delivery of our Performance Ambition ‘to be the best performing, most trusted and respected consumer products company in Jamaica’ .”

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About Desnoes and Geddes

D&G which trades as Red Stripe Jamaica, is a leading Jamaican brewer and beverage manufacturer. It was formed in 1918 by Eugene Peter Desnoes and Thomas Hargreaves Geddes and has been listed on the Jamaican Stock Exchange since 1970.

Brands from the stables of D&G include Red Stripe, Guinness Foreign Extra Stout, Heineken, Dragon Stout and D&G Malta.

D&G is a member company of Diageo Plc; the world’s leading premium drinks business with an outstanding collection of brands such as Smirnoff, Johnnie Walker, Ciroc, J&B and Baileys, amongst others.

For our global resource that promotes responsible drinking through the sharing of best practice tools, information and initiatives, visit www.DRINKIQ.com.