

DESNOES AND GEDDES LIMITED 1998

UNAUDITED OPERATING RESULTS

THIRD QUARTER ENDED MARCH 31, 1999

The highlights for the unaudited results for the third quarter ended March 31, 1999 when compared to the same period last year are as follows:

- Turnover down by (0.96%) to \$4,714 million
- Operating Profit up by 3.45% to \$630 million
- Profit Before Tax up by 19.2% to \$532 million

Operating profit for both periods included one off income which when adjusted for comparative purposes reflects Operating Profit up by 9.98% and Profit Before Tax up by 32.6%.

The Beer volumes lost during the period to December have been recovered in the run - up to Spring Break and Carnival bringing volumes in line with last year.

Export volume continue to grow, up by 10% over the same period last year.

Soft Drink volumes however are tracking behind last year by (1%). Lower year on year volumes combined with increase competitive pricing in the Soft Drink segment resulted in turnover within that segment being down on last year by (13.7%).

The Cost Reduction initiatives continued within the business and resulted in redundancy charges of \$98 million (\$163 million in 1998), and interest expense of \$34 million, reflecting a savings of \$84 million over the same period last year.

The results of the period show an improvement on last year, however trading conditions remain difficult.

PAUL SOUTTER
VP. Finance

UNAUDITED GROUP BALANCE SHEET

AS AT 31ST MARCH, 1999

| | 31.3.99 | 31.3.98 |
|--------------------------|--------------|--------------|
| | \$M | \$M |
| NET ASSETS EMPLOYED | | |
| Fixed Assets | 2,875 | 2,690 |
| Investments | 24 | 35 |
| | 2,899 | 2,725 |
| CURRENT ASSETS | | |
| Inventories | 1,066 | 1,044 |
| Receivables | 757 | 492 |
| Short Term Deposits | 154 | 1 |
| Cash and Bank | 3 | 10 |
| Taxation Recoverable | 20 | 11 |
| | <u>1,999</u> | <u>1,558</u> |
| CURRENT LIABILITIES | | |
| Payables | 968 | 602 |
| Guinness Group Companies | 117 | 178 |
| Bank Borrowings | 40 | 269 |

| | | |
|------------------------|---------------------|---------------------|
| Taxation | <u>-</u> | <u>-</u> |
| | 1,126 | 1,049 |
| NET CURRENT ASSETS | 874 | 509 |
| National Housing Trust | <u>1</u> | <u>1</u> |
| | <u>3,774</u> | <u>3,235</u> |

FINANCED BY

| | | |
|---------------------|---------------------|---------------------|
| Share Capital | 183 | 183 |
| Capital Reserves | 2,022 | 2,024 |
| Retained Earnings | <u>1,279</u> | <u>752</u> |
| SHAREHOLDERS EQUITY | 3,483 | 2,959 |
| Deferred Taxation | 283 | 271 |
| Minority Interest | <u>7</u> | <u>5</u> |
| | <u>3,774</u> | <u>3,235</u> |