

DESNOES & GEDDES LIMITED 2000

UNAUDITED OPERATING RESULTS FOR FOR THE 2nd QUARTER ENDED 31st DECEMBER 2000

Highlights

	2000	1999		Variance		
	Brewed	Brewed Soft Drink	Total	Brewed	Total	
	\$M	\$M	\$M	%	%	
Turnover	2,692	2,514	613	3,127	7.1	(13.9)
Profit before Interest, Tax and Exceptional Items	696	590	86	676	18.0	3.0
Earnings per share	27.4 c		25.8c			22.c

Operating Results

Volume performances remain ahead of last year, although the second quarter improvement was less marked than the first. Red Stripe and Heineken continue to underpin this strong performance. Red Stripe Light continues to gain in strength and is ahead of plan although bottle shortages in the run up to Christmas did hamper December sales.

Guinness, Dragon and Malta all showed slight improvement in this quarter, however on a year to date position, all three brands remain down on last year.

Export volumes to the USA fell significantly in the second quarter although the YTD position remains healthy at +14.9%.

<u>Domestic</u>	<u>1st Quart</u>	<u>2nd Quart</u>	<u>Year to Date</u>
Red Stripe	+9.2%	+8.7%	+8.9%
Guinness	(2.6%)	(2.4%)	(2.5%)
Heineken	+8.6%	+4.9%	+6.5%
Dragon	(6.9%)	+1.2%	(2.4%)
Malta	(3.1%)	+0.1%	(1.4%)

Export

Domestic	1st Quarter	2nd Quarter	Year to Date
Red Stripe - USA	+21.2%	+8.7%	+14.9%
Other	+13.3%	+61.7%	+35.7%
Total Company Volumes	+8.0%	+6.8%	+7.4%

Financial

Turnover for the brewing business increased by 7% which is in line with volume performance. Operating profit before interest, tax and exceptional items was \$696M which is 18% up on last year. The continued focus on reducing our cost base has driven this improvement, although there are some timing issues related to marketing expenditure, which will come through in the second half.

Balance Sheet

No major capital investment has been implemented in the first half.

Working capital levels reflect the lower business requirements.

Cashflow

Operating cashflow remains strong, driven primarily by improved trading, better working capital management and reduced capital expenditure.

Dividend

A final ordinary dividend of 60c per stock unit was paid on 1st December 2000 to all Shareholders on the Company's Register at the close of Business on the 17 November, 2000.

An interim dividend for the six months to December 31, 2000 will be agreed at the next Board Meeting to be held on January 30, 2001 and will be subjected to a separate announcement.

Bonus Issue

A bonus issue of 4 shares for every 5 held was distributed to all shareholders registered as holders at the close of business on December 28, 2000.

GROUP BALANCE SHEET As at December 31, 2000

	31.12	31.12
	\$M	\$M
NET ASSETS EMPLOYED		
Fixed Assets	2,301	2,482
Investments	29	47
	2,330	2,529
CURRENT ASSETS		
Inventories	611	569
Receivables	579	903

Short Term Deposits	1,647	1,557
Cash and Bank	14	3
Taxation Recoverable	<u>0</u>	<u>0</u>
	2,851	3,032

CURRENT LIABILITIES

Payables	597	806
Guinness Group Companies	125	(15)
Bank Borrowings	0	132
Taxation	388	151
Proposed Dividend	<u>0</u>	<u>821</u>
	1,110	1,894

NET CURRENT ASSETS **1,741** **1,137**

National Housing Trust	<u>1</u>	<u>1</u>
	<u>4,072</u>	<u>3,667</u>

FINANCED BY

Share Capital	986	548
Capital Reserves	1,706	1,408
Retained Earnings	<u>985</u>	<u>1,342</u>

SHAREHOLDERS EQUITY **3,677** **3,298**

Deferred Taxation	313	362
Long Term Liabilities	75	0
Minority Interest	<u>7</u>	<u>7</u>
	<u>4,072</u>	<u>3,667</u>

GROUP PROFIT AND LOSS ACCOUNT
Quarter ended December 31, 2000

	31.12	31.12
	\$M	\$M
TURNOVER	2,692	3,127
OPERATING PROFIT	783	537
After charging		
Depreciation	101	105
Interest Income / (Expense)	<u>87</u>	<u>13</u>
Redundancy Costs	(53)	(29)
OPERATING PROFIT AFTER REDUNDANCY	730	508
Exceptional Item	0	<u>152</u>
PROFIT BEFORE TAXATION	730	660
Taxation Charge	<u>(190)</u>	<u>(152)</u>
PROFIT AFTER TAXATION	540	508
Proposed Dividends	-	(219)
Retained Earnings B/fwd	883	1,418
Bonus Share Issue	<u>(438)</u>	<u>(365)</u>
RETAINED EARNINGS	<u>985</u>	<u>1,342</u>
Number of Stock Units issued	1,971,348,256	1,971,348,256
Earnings per Stock Unit after exceptional item (Cents)	27.39	25.77

SECOND QUARTER ENDED DECEMBER 31, 2000

	2,000		1999		
	Continued	Continued	Discontinued	Total	Variance
	\$M	\$M	\$M	\$M	%
TURNOVER	2,692	2,514	613	3,127	-16%
OPERATING PROFIT	783	628	61	689	12%
After charging:					
Depreciation	101	82	23	105	-4%
Interest Income/(Expense)	87	38	(25)	13	85%
Redundancy Costs	(53)	(29)	0	(29)	46%
PROFIT BEFORE TAXATION	730	599	61	660	10%
Taxation	(190)	(152)	0	(152)	20%
Profit After Tax	<u>540</u>	<u>(447)</u>	<u>61</u>	<u>508</u>	<u>6%</u>
