

DESNOES & GEDDES LIMITED 2000

UNAUDITED OPERATING RESULTS

FOR THE 1ST QUARTER

ENDED 30 SEPTEMBER, 2000

Highlights

	2000	Brewed	Soft Drinks	1999	% Variance	
	Brewed			Total	Brewed	Total
Turnover	1,226	1,137	312	1,448	7.8%	(15.3%)
Profit before Interest, Tax and Exceptional Items	290	256	(68)	188	13.3%	54.3%
Earnings per Share	19.94			15.5		28.7%

Operating Results

The volume performance continues to build on the solid base established during the last 12 months. Once again, Red Stripe and Heineken sales have underpinned this good performance.

Guinness, Dragon and Malta remain in decline, however a lot of effort is going into rectifying this situation. Red Stripe Light has enjoyed a positive response from consumers and volumes are on target.

Export volumes to the USA continue to go from strength to strength, whilst there was some good progress on other exports, albeit from a small base.

<u>Domestic</u>	<u>Year on Year</u> <u>% Increase/ (Decrease)</u>
Red Stripe	+9.2%
Guinness	(2.6%)
Heineken	+8.6%
Dragon	(6.9%)
Malta	(3.1%)

<u>Export</u>	<u>Year on Year</u> <u>% Increase/ (Decrease)</u>
Red Stripe - USA	+21.3%
Other	+13.3%
TOTAL COMPANY VOLUMES	+8.0%

Financial

Turnover for the brewing business (continued operations) increased by 7.8%, which is in line with the volume increase.

Operating profit before interest, tax and exceptional items, was \$290 million which is 13.2% up on last year. However, the year on year improvements will be less marked during the remainder of the year due to increased costs of doing business. Fixed General and Administration costs remain in line with last year due to our continued efforts to reduce our fixed cost base, which will be supported by the recent changes in our organisational structure going forward.

Balance Sheet

Positive working capital ratios reflect the reduced levels required post soft drinks disposal.

Cash and sort term deposits stand at \$1.7 billion.

GROUP PROFIT AND LOSS ACCOUNT Quarter ended September 30, 2000

	30.09.00 \$M	30.09.00 \$M
TURNOVER	1,226	1,448
OPERATING PROFIT	322	187
After charging:		
Depreciation	51	72
Interest Income / (Expense)	32	<u>(1)</u>
Redundancy Costs	<u>(4)</u>	<u>(17)</u>
PROFIT BEFORE TAXATION	318	170
Taxation	<u>(100)</u>	<u>-</u>
PROFIT AFTER TAXATION	218	170
Retained Earnings B/fwd	<u>883</u>	<u>1,418</u>

RETAINED EARNINGS	<u>1,102</u>	<u>1,588</u>
Number of Stock Units issued	1,095,193,476	1,095,193,476
Earnings per Stock Unit after exceptional item (Cents)	19.94	15.50

**GROUP PROFIT AND LOSS ACCOUNT
FIRST QUARTER ENDED SEPTEMBER 30, 2000**

	2000		1999	
	Continued	Continued	Discontinued	Total
TURNOVER	1,226	1,137	312	1,448
OPERATING PROFIT	322	270	(83)	187
After charging:				
Depreciation	51	62	10	72
Interest Income / (Expense)	32	14	(15)	(1)
Redundancy Costs	<u>(4)</u>	<u>(17)</u>	<u>-</u>	<u>(17)</u>
PROFIT BEFORE TAXATION	318	253	(83)	170
Taxation	<u>(100)</u>	<u>(53)</u>	<u>-</u>	<u>(53)</u>
Profit After Tax	<u>218</u>	<u>200</u>	<u>(83)</u>	<u>117</u>

GROUP BALANCE SHEET
Year ended September 30, 2000

	30.9.00 \$M	30.9.00 \$M
NET ASSETS EMPLOYED		
Fixed Assets	2,341	2,971
Investments	29	47
	2,370	3,018
CURRENT ASSETS		
Inventories	646	1,022
Receivables	477	631
Short Term Deposits	1,708	215
Cash and Bank	38	194
Taxation Recoverable	0	0
	2,869	2,062
CURRENT LIABILITIES		
Payables,	395	725
Guinness Group Companies	88	(15)
Bank Borrowings	88	14
Taxation	316	1
Proposed Dividend	657	183
	1,544	908
NET CURRENT ASSETS	1,325	1,154
National Housing Trust	1	1
	3,696	4,173
FINANCED BY		
Share Capital	548	183
Capital Reserves	1,706	2,010
Retained Earnings	1,102	1,588

SHAREHOLDERS EQUITY	3,356	3,781
Deferred Taxation	313	362
Long Term Liabilities	19	23
Minority Interest	<u>7</u>	<u>7</u>
	<u>3,696</u>	<u>4,173</u>
