

# DESNOES & GEDDES LIMITED

## UNAUDITED OPERATING RESULTS

FOR THE HALF YEAR

ENDED 31st DECEMBER 2001

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### Highlights

	F2001	F2000	Change
	\$m	\$m	%
Turnover	2,962	2,692	+11.00%
Profit before Redundancies	863	783	+10.00%
Profit before Tax	749	730	+3.00%
Earnings per Share	26.7 cents	19.2 cents	+39.00%

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### Operating Results

The strong trading performance continued in the second quarter, resulting in

profit growth of 10% for the first half. This was driven by volume growth combined with action to contain costs.

Domestic volumes grew by 10% in the first half, with all brands performing well. The highlight was Red Stripe's growth of 11% as a result of effective marketing and the success of Red Stripe Light.

Domestic Volumes	YTD Growth % vs F2000
Red Stripe	+11.00%
Guinness	+8.00%
Heineken	+5.00%
Dragon	+15.00%
Malta	+6.00%

Export volumes also grew by 10%, driven by increasing shipments to the USA. Exports to other markets were lower as sales in 2000 benefitted from local production problems in Antigua.

Production did an excellent job in November /December to ensure that sufficient stock was available to meet the peak season demand. Profit growth was also healthy as control over manufacturing and general overhead costs was maintained. There was an increase in marketing spend to support the domestic volume growth.

## **Balance Sheet**

The Balance Sheet shows a similar strong position to the last quarter.

Control has been maintained over working capital despite the increase in trading.

## Dividend

A final ordinary, dividend of 30 cents per stock unit was paid on November 27, 2001 to all shareholders on the Company's Register at the close of business on November 13, 2001, bringing the total dividend paid for the year to 45 cents.

An interim dividend for the six months to December 31, 2001 will be agreed by the Board and will be the subject of a separate announcement.

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## GROUP PROFIT AND LOSS ACCOUNT

### Half Year ended December 31, 2001

	31.12.01 \$M	31.12.00 \$M
<b>TURNOVER</b>	<b>2,962</b>	<b>2,692</b>
<b>PROFIT BEFORE TAXATION</b>	<b><u>749</u></b>	<b><u>730</u></b>
After charging		
Depreciation	102	101
Interest Income / (Expense)	61	87
Redundancy Cost	<u>(114)</u>	<u>(53)</u>
<b>TAXATION</b>	<b><u>0</u></b>	<b><u>(190)</u></b>
<b>PROFIT AFTER TAXATION</b>	<b>749</b>	<b>540</b>
Retained Earnings B/fwd.	509	883

Bonus Shares	<u>(419)</u>	<u>(438)</u>
<b>RETAINED EARNINGS</b>	<u>839</u>	<u>985</u>
Number of Stock Units issued	2,809,171,266	2,809,171,266
Earnings per Stock Unit after exceptional item (Cents)*	26.66	19.22

\* Restated to give effect to Bonus Issue in December 2001

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## GROUP BALANCE SHEET

As at December 31, 2001

	31.12.01 \$M	31.12.00 \$M
<b>NET ASSETS EMPLOYED</b>		
Fixed Assets	2,198	2,301
Investments	29	29
	2,227	2,330
<b>CURRENT ASSETS</b>		
Inventories	<u>649</u>	<u>611</u>
Receivables	535	579
Short Term Deposits	1,245	1,647
Cash and Bank	319	14

Taxation Recoverable	0	0
	<u>2,748</u>	<u>2,851</u>

**CURRENT LIABILITIES**

Payables	<u>490</u>	<u>597</u>
Guinness Group Companies	113	125
Bank Borrowings	0	0
Taxation	103	388
Proposed Dividend	<u>0</u>	<u>0</u>
	707	1,110

**NET CURRENT ASSETS**

National Housing Trust	<u>1</u>	<u>1</u>
	<b>4,270</b>	<b>4,072</b>

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**FINANCED BY**

Share Capital	<u>1,405</u>	<u>986</u>
Capital Reserves	1,706	1,706
Retained Earnings	<u>839</u>	<u>985</u>
SHAREHOLDERS EQUITY	3,950	3,677
Deferred Taxation	298	313
Long Term Liabilities	14	75
Minority Interest	<u>7</u>	<u>7</u>
	<b>4,270</b>	<b>4,072</b>

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