

DESNOES & GEDDES LIMITED

Unaudited Operating Results

For the 3rd Quarter Ended 31st March 2002

Highlights

	F2002	F2001	Change
	\$M	\$M	%
Turnover	4,266	3,839	+11.00%
Profit before Tax	1,069	990	+8.00%
Profit after Tax	1,069	733	+46.00%
Earnings per Share	38.04 cents	37.16 cents	+2.00%

Operating Results

Strong sales performance was maintained in the 3rd quarter. Operating profits showed an increase of 8% against last year, primarily due to the increased sales.

Other income fell primarily because of reductions in exchange gains during the period. The increase in General and Administrative expenses was mainly attributable to an increase in personnel cost related to inflation and accruals for a new incentive scheme designed to motivate staff to drive volumes and reduce costs.

	YTD Growth % vs F2001
Domestic Volumes	
Red Stripe	+11.00%
Guinness	+9.00%
Heineken	+6.00%
Dragon	+17.00%
Malta	+7.00%

Domestic sales volume continued to grow at 10% Y.O.Y. with all brands performing well.

Export sales to the USA were good with volume 35% greater than last year.

Balance Sheet

The Balance sheet continues to be strong with Cash Resources amounting to \$1.6 billion.

Positive cash flow was achieved despite capital expenditure of \$177 million, primarily associated with the installation of the new bottling line.

Bottling Line

The new bottling line has arrived and installation is progressing well.

Dividend

An interim dividend of \$0.15 per share for the six months to December 31, 2001 was declared on April 23rd , 2002.

GROUP STATEMENT OF CHANGES IN EQUITY

9 months ended March 31, 2002

	Share Capital \$ 000	Share Premium \$ 000	Capital Reserves \$ 000	Retained Earnings \$ 000	Total \$ 000
Balances at June 30,2000	547,597	770,394	935,583	883,240	3,136,814
Net profit for the period	-	-		606,685	606,685
Translation gains			414		414
Dividends	-		-		-
Bonus shares issued (note 10)	433,077	-		(438,077)	-
Balances at March 31, 2001	985,674	770,394	935,997	1,051,848	3,743,913
Balances at					

June 30, 2001	985,674	770,394	935,997	508,633	3,200,698
Net profit for the period	-	-		1,068,554	1,068,554
Translation gains					-
Dividends (Note 9)	-				
Bonus shares issued (note 10)	418,911	-	-	(418,911)	-
Balances at March 31, 2002	1,404,585	770,394	935,997	1,158,276	4,269,252

GROUP STATEMENT OF CASH FLOWS

9 months ended March 31, 2002

	Unaudited 31/03/02	Unaudited 31/03/01
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	1,068,554	989,622
Adjustment to reconcile profit for the period to net cash provided/(used) by operating activities:		
Depreciation	149,873	152,515
Loss/(Profit) on sale of fixed assets	(4,098)	33,038
Deferred taxation charge	0	0
Translation gains	0	0
	<u>1,214,329</u>	<u>1,175,175</u>
(Increase)/decrease in current asset		
Securities purchased under agreements to resell	0	0
Accounts receivable	(95,109)	(6,616)
Inventories	(173,846)	14,720
Increase/(decrease) in current liabilities		

Accounts payable	(195,002)	(27,384)
Taxation payable	(143,004)	(67,030)
Guinness group companies	304,808	(35,370)
Net cash provided by operating activities	<u>912,176</u>	<u>1,053,495</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(176,972)	(98,609)
Proceeds from disposal of fixed assets	9,087	10,270
Proceeds from disposal of investments	265	(633)
Dividend payments	(591,404)	(657,116)
Net cash used by investment activities	<u>(759,024)</u>	<u>(746,088)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	0	0
Long term liabilities repaid	(3,414)	(3,414)
Net cash used by financing activities	<u>(3,414)</u>	<u>(3,414)</u>
Net increase in cash balances	<u>149,738</u>	<u>303,993</u>
Net cash at beginning of period	<u>1,494,164</u>	<u>1,449,379</u>
Net cash at end of period	<u>1,643,902</u>	<u>1,753,372</u>
Comprised of.-		
Cash	379,295	287,372
Short-term deposits	<u>1,264,607</u>	<u>1,466,000</u>

GROUP PROFIT AND LOSS ACCOUNT

Quarter ended March 31, 2002

	Unaudited 3 months to March 31, 2002	Unaudited 3 months to March 31, 2001	Unaudited 9 months to March 31, 2002	Unaudited 9 months to March 31, 2001
	\$000's	\$000's	\$000's	\$000's
Turnover	<u>1,303,401</u>	<u>1,146,941</u>	<u>4,265,621</u>	<u>3,839,219</u>
Cost of Sales	(849,817)	(717,060)	(2,582,001)	(2,365,119)
Gross Profit	<u>453,684</u>	<u>429,881</u>	<u>1,683,620</u>	<u>1,474,100</u>
Other Operating Income (Expense)	136,022	73,768	106,574	134,895
Distribution Costs	(81,796)	(57,922)	(273,894)	(250,044)
Administration & General Expenses	(205,931)	(157,605)	(526,439)	(425,815)
Profit before interest expenses	<u>301,979</u>	<u>288,222</u>	<u>989,861</u>	<u>933,136</u>
Interest (expense)/income	17,757	44,082	78,693	131,525
Profit before exceptional item	<u>319,879</u>	<u>332,304</u>	<u>1,068,554</u>	<u>1,064,661</u>
Exceptional item	0	(75,039)	0	(75,039)
Profit before taxation	<u>319,636</u>	<u>257,265</u>	<u>1,068,554</u>	<u>989,622</u>
Taxation	<u>0</u>	<u>(257,000)</u>	<u>0</u>	<u>(257,000)</u>
Net profit for period, all dealt with in the financial statements of the company	<u>319,636</u> =====	<u>265</u> =====	<u>1,068,554</u> =====	<u>732,622</u> =====
Number of Stock Units issued	2,809,171,266	1,971,348,256	2,809,171,266	1,971,348,256
Earnings per Stock Unit -(cents)	<u>11.38</u>	<u>0.01</u>	<u>38.04</u>	<u>37.16</u>

GROUP BALANCE SHEET**As at March 31, 2002**

	Unaudited as at 31.03.02 \$M	Unaudited as at 31.03.01 \$M	Audited as at 30.06.01 \$M
NET ASSETS EMPLOYED			
Fixed Assets	2,279,210	2,272,635	2,257,100
Investments	28,457	29,428	28,722
	<u>2,307,667</u>	<u>2,302,063</u>	<u>2,285,822</u>
CURRENT ASSETS			
Luventories	<u>740,275</u>	<u>605,169</u>	<u>566,429</u>
Receivables	499,499	431,749	404,390
Short Term Deposits	1,264,607	1,466,000	1,423,055
Cash and Bank	379,295	287,000	71,109
Taxation Recoverable	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2,883,676</u>	<u>2,789,918</u>	<u>2,464,983</u>
CURRENT LIABILITIES			
Payables	<u>239,875</u>	<u>380,428</u>	<u>434,877</u>
Guiinness Group Companies	333,118	65,920	28,310
Bank Borrowings	0	0	0
Taxation	32,369	439,831	175,373
Current Portion LTL	4,553	0	4,553
Proposed Dividend	<u>0</u>	<u>296,000</u>	<u>591,404</u>
	<u>609,915</u>	<u>1,182,179</u>	<u>1,234,517</u>
NET CURRENT ASSETS	<u>2,273,761</u>	<u>1,607,739</u>	<u>1,230,466</u>
National Housing Trust	<u>1,026</u>	<u>1,026</u>	<u>1026</u>

	4,582,454	3,910,828	3,517,314
FINANCED BY	=====	=====	=====
Share Capital	<u>1,404,585</u>	<u>985,674</u>	<u>985,674</u>
Share Premium	770,394	770,394	770,394
Capital Reserves	935,997	935,997	935,997
Retained Earnings	<u>1,158,276</u>	<u>881,000</u>	<u>508,633</u>
SHAREHOLDERS EQUITY	<u>4,269,252</u>	<u>3,573,065</u>	<u>3,200,698</u>
Deferred Taxation	297,786	313,241	297,786
Long Term Liabilities	7,969	17,075	11,383
Minority Interest	<u>7,447</u>	<u>7,447</u>	<u>7,447</u>
	4,582,454	3,910,828	3,517,314
	=====	=====	=====
Stockholder's funds per ordinary stock unit(note 5)	<u>\$1.52</u>	<u>\$1.27</u>	<u>\$1.14</u>
