

DESNOES & GEDDES LIMITED 2001

UNAUDITED OPERATING RESULTS

FOR THE 1ST QUARTER

ENDED 30 SEPTEMBER, 2001

Highlights

	2001 \$m	2000 \$M	Change %
Turnover	1,379	1,226	13
Profit before Redundancies	366	322	14
Profit before Tax	274	318	(14)
Earnings per Share	13.90 cents	11.06 cents	26

Operating Results

The strong trading performance evident in the last quarter of last year has continued, in Quarter 1 of this year with good progress on both volume growth and cost control

Domestic volumes grew 10% over last year, with a notable performance by Red Stripe in particular and very effective consumer promotional activity in general.

While the September 11 attack on the WTC did adversely impact sales to the tourist sector, it has not materially affected reported volumes in this quarter. The impact of this tragic event on disposable income for the remainder of the year is, however, uncertain.

Domestic	% v F2000
Red Stripe	+13
Guinness	+7
Heineken	+5
Dragon	+14
Malta	+5

Very strong shipments to the, USA drove a 41% increase in Export volumes over last year in the quarter. This growth followed a destocking by our distributor in the later part of last year.

The volume performance has translated into profit through effective manufacturing and general overhead cost control. Profit before redundancies for the quarter increased by 14% in total over last year

Profit before Tax was depressed in the quarter by a charge of \$92m for redundancies associated with the introduction of new ways of working under our World Class Manufacturing (WCM) programme.

No provision has been made for income tax in the current year, following its remittance by the Minister of Finance under Section 86 of the Income Tax Act

Balance Sheet

The Balance Sheet continues to be strong with adequate liquid resources. Effective working capital management has contributed to lower receivables and inventories despite increased trading.

GROUP PROFIT AND LOSS ACCOUNT

Quarter ended September 30, 2001

	30.09.01	30.09.00
	\$M	\$M
TURNOVER	1,379	1,226
PROFIT BEFORE TAXATION	274	318
After charging:		
Depreciation	(50)	(51)
Interest Income/(Expense)	23	32
Redundancy Costs	<u>(92)</u>	<u>(4)</u>
TAXATION	0	(100)
PROFIT AFTER TAXATION	274	218
Retained Earnings B/fwd	<u>509</u>	<u>883</u>
RETAINED EARNINGS	<u>783</u>	<u>1,101</u>

Number of Stock Units issued	1,971,348,257	1,971,343,257
Earnings per Stock Unit after exceptioanal item (Cents)	13.90	11.06

*Restated to give effect to Bonus Issue in December 2000

GROUP BALANCE SHEET

As at September 30, 2001

	30.09.01	30.09.00
	\$M	\$M
NET ASSETS EMPLOYED		
Fixed Assets	2,229	2,341
Investments	29	29
	2258	2,370
CURRENT ASSETS		
Inventories	586	646
Receivables	470	477
Short Term Deposits	1,473	1,708
Cash and Bank	144	38
Taxation Recoverable	0	0
	<u>2,674</u>	<u>2,869</u>
CURRENT LIABILITIES		
payables	390	396

Guinness Group of Companies	40	88
Bank Borrowings	0	88
Taxation	115	316
Proposed Dividend	<u>591</u>	<u>657</u>
	1,137	1,545
NET CURRENT ASSETS	1,537	1,324
National Housing Trust	<u>1</u>	<u>1</u>
	<u>3,796</u>	<u>3,695</u>
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FINANCED BY		
Share Capital	986	548
Capital reserves	1706	1,706
Retained Earnings	<u>783</u>	<u>1,102</u>
SHARE HOLDERS EQUITY	3,475	3,356
Deffered Taxation	298	313
Long Term Liabilities	16	19
Minority Interest	<u>7</u>	<u>7</u>
	<u>3,796</u>	<u>3,695</u>
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