DESNOES AND GEDDES LIMITED
AUDITED OPERATING RESULTS
FOR THE PERIOD ENDED JUNE 30, 2011

The Directors of Desnoes and Geddes Limited, producers of Jamaica's beer, Red Stripe, and distributors of leading spirits Johnnie Walker and Smirnoff, wish to present the audited results of the Group for the year ended June 30, 2011.

Profit after tax of $570 million for the fourth quarter was up 295% vs the same period last year and the full-year profit after tax of $1,016 million was 29% higher than last year. Although the bottom line performance was robust in Q4, this was mainly due to a reduction in marketing spend compared to last year when marketing was up weighted to support the launch of Red Stripe Light in the USA.

	Profit and Loss Summary					
	12-months ended June30			3-months ended June 30		
	2011	2010	change	2011	2010	change
	J$m	J$m	%	J$m	J$m	%
Net sales value	11,156	11,105	0 %	3,001	2,902	3 %
Trading profit	1,423	1,048	36 %	778	195	299 %
Profit before tax	1,447	1,182	22 %	784	233	236 %
Profit after tax	1,016	789	29 %	570	145	295 %
Earnings per stock unit (cents)	36.16	28.10	29 %	20.30	5.14	295 %

Performance Highlights

Net Sales Value of $3,001 million in the fourth quarter represents a moderate 3% growth over the same period last year. On a full-year basis, Net Sales were flat versus last year as the domestic alcoholic drinks market remains in contraction due to the difficult economic environment. It is noteworthy that beers and stouts continue to face a discriminatory SCT regime with respect to other alcoholic beverages, which continues to have an adverse effect on our domestic volume performance.

Cost of sales decreased by 12% in the fourth quarter versus the prior year and was down 4% on a full-year basis as the business continues to pursue production and distribution cost savings initiatives. On a year-to-date basis general, selling and administrative expenses were 10% higher than the previous year (+11% for Q4) which is in line with general inflation.

Marketing expenses of $262 million for the fourth quarter decreased by $201 million (43%) when compared to the same period last year. This was because the export marketing expense in the fourth quarter last year had been inflated (+$190m versus this year) to support the launch of Red Stripe Light in the US. As a consequence, the trading profit for the fourth quarter was $778m which is a 299% increase versus the same period last year. On a full-year basis, marketing costs were actually marginally lower than last year, resulting in a full-year trading profit of $1,423m, representing a 36% increase over last year.

Full-year profit after tax was up 29% on last year translating directly to earnings per stock unit of 36.16 cents (2010: 28.10 cents).

Corporate Update

In this quarter, 672 students from all across Jamaica graduated from the Diageo Learning for Life Programmes managed by Red Stripe. Minister with responsibility for Information, Telecommunications and Special Projects, Hon. Daryl Vaz, was the keynote speaker at the ceremony. He praised Diageo/Red Stripe for making its presence felt in this important area of youth unemployment and thanked the company for transforming the lives of young Jamaicans through these programmes.

Diageo Learning for Life programmes moved from impacting the lives of 80 young persons in communities across Jamaica in 2010 to enrolling 1,705 persons in 2011 with 1,234 of these persons already graduating the program. These Graduates are now armed with transferable skills, training and National Vocational Qualification (NVQJ) certification for either self-employment or job placement. The curriculum is divided into: Project Bartender, Project Entrepreneur (Construction and Design) and Project Tourism (Hospitality, Housekeeping, General Administration, Introduction to Supervisory Management, Food and Beverage Service and Landscaping and Grounds Maintenance.)

The Board wishes to thank all employees and our key stakeholders for their continued support and dedication to the organisation.

Richard Byles	Renato Gonzalez
Chairman	Managing Director
August 19, 2011	August 19, 2011

DESNOES AND GEDDES LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

As at June 30, 2011

	Audited June 30, 2011 $'000	Audited June 30, 2010 $'000
ASSETS		
Investments	403,062	406,525
Investment properties	152,650	96,500
Property, plant and equipment	6,536,478	6,644,362
Employee benefit asset	1,197,000	1,131,000
Total non-current assets	**8,289,190**	**8,278,387**
Cash and bank	270,216	411,070
Short-term deposits	2,083	18,083
Accounts receivable	559,516	454,306
Due from fellow subsidiaries	812,501	725,788
Inventories	1,372,089	1,159,509
Total current assets	**3,016,405**	**2,768,756**
Accounts payable	1,816,617	1,809,995
Short-term loans	-	700,000
Taxation payable	267,243	108,498
Due to fellow subsidiaries	299,872	565,245
Total current liabilities	**2,383,732**	**3,183,738**
Net current assets/(liabilities)	**632,673**	**(414,982)**
Total assets less current liabilities	**8,921,863**	**7,863,405**
EQUITY		
Share capital	2,174,980	2,174,980
Capital reserves	2,046,369	2,093,665
Other reserves	1,108,467	1,095,880
Retained earnings	2,241,056	1,164,861
Total equity	**7,570,872**	**6,529,386**
NON-CURRENT LIABILITIES		
Employee benefit obligation	128,000	86,000
Long-term liabilities	157,235	157,235
Deferred tax liabilities	1,065,756	1,090,784
Total non-current liabilities	**1,350,991**	**1,334,019**
Total equity and non-current liabilities	**8,921,863**	**7,863,405**

DESNOES AND GEDDES LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

As at June 30, 2011

	Audited June 30, 2011 $'000	Audited June 30, 2010 $'000
ASSETS		
Investments	401,907	405,370
Investment properties	152,650	96,500
Property, plant and equipment	6,536,478	6,644,362
Employee benefit asset	1,197,000	1,131,000
Total non-current assets	**8,288,035**	**8,277,232**
Cash resources	271,972	412,826
Short-term deposits	2,083	18,083
Accounts receivable	559,516	454,306
Due from fellow subsidiaries	812,501	725,788
Inventories	1,372,089	1,159,509
Total current assets	**3,018,161**	**2,770,512**
Accounts payable	1,819,323	1,812,701
Short-term loans	-	700,000
Taxation payable	267,233	108,488
Due to fellow subsidiaries	299,872	565,245
Total current liabilities	**2,386,428**	**3,186,434**
Net current assets/(liabilities)	**631,733**	**(415,922)**
Total assets less current liabilities	**8,919,768**	**7,861,310**
EQUITY		
Share capital	2,174,980	2,174,980
Capital reserves	2,054,139	2,101,435
Other reserves	1,108,467	1,095,880
Retained earnings	2,380,979	1,304,784
Shareholders' equity	**7,718,565**	**6,677,079**
Minority interest	7,447	7,447
Total equity	**7,726,012**	**6,684,526**
NON-CURRENT LIABILITIES		
Employee benefit obligation	128,000	86,000
Deferred tax liabilities	1,065,756	1,090,784
Total non-current liabilities	**1,193,756**	**1,176,784**
Total equity and non-current liabilities	**8,919,768**	**7,861,310**

DESNOES AND GEDDES LIMITED

Company and Group Income Statements

Year ended June 30, 2011

	Audited 12 months to June 30, 2011 $'000	Audited 12 months to June 30, 2010 $'000	Unaudited 3 months to June 30, 2011 $'000	Unaudited 3 months to June 30, 2010 $'000
Turnover	13,272,380	13,332,436	3,514,273	3,418,215
Special Consumption Tax (SCT)	(2,116,181)	(2,227,725)	(513,196)	(516,584)
Net sales	11,156,199	11,104,711	3,001,077	2,901,631
Cost of sales	(7,068,598)	(7,400,708)	(1,669,106)	(1,907,021)
Gross profit	4,087,601	3,704,003	1,331,971	994,610
Marketing costs	(1,483,719)	(1,499,185)	(262,249)	(463,385)
Contribution after marketing	2,603,882	2,204,818	1,069,722	531,225
General, selling and administration expenses	(1,253,285)	(1,142,988)	(322,388)	(289,766)
Other income / (expenses), net	72,308	(13,333)	30,328	(46,660)
Trading profit	1,422,905	1,048,497	777,662	194,799
Employee benefit (expense)/ income, net	(10,000)	186,000	(4,000)	48,000
Finance income - interest	6,102	8,536	1,330	2,142
Revaluation surplus on investment properties	56,150	-	56,150	-
Profit on disposal of property, plant & equipment	15,086	-	(40,113)	-
Profit before finance cost	1,490,243	1,243,033	791,029	244,941
Finance cost	(43,302)	(60,659)	(7,064)	(12,088)
Profit before taxation	1,446,941	1,182,374	783,965	232,853
Taxation	(431,251)	(392,976)	(213,768)	(88,334)
Profit for the period attributable to equity holders of the parent company, all dealt with in the financial statements of the company	1,015,690	789,398	570,197	144,519
Earnings per stock unit	36.16 ¢	28.10 ¢	20.30 ¢	5.14 ¢

DESNOES & GEDDES LIMITED

Company and Group Statement of Comprehensive Income
Year ended June 30, 2011

	Audited June 30, 2011 $'000	Audited June 30, 2010 $'000
Profit for the year	1,015,690	789,398
Other comprehensive income/(loss):		
Fair value adjustment on available-for-sale investments	(3,413)	-
Deferred taxation on revalued property, plant and equipment	16,542	8,005
Change in unrecognised employee benefit asset	(151,000)	1,530,000
Deferred taxes on employee benefit	(6,333)	(167,667)
Actuarial gains/(losses) recognised in equity	170,000	(1,027,000)
Total other comprehensive income	**25,796**	**343,338**
Total comprehensive income for the year	**1,041,486**	**1,132,736**

DESNOES & GEDDES LIMITED

Audited Company Statement of Changes in Equity
Year ended June 30, 2011

	Share capital $'000	Capital reserves $'000	Other reserves $'000	Retained earnings $'000	Total $'000
Balances at June 30, 2009	2,174,980	2,109,675	627,213	1,187,075	6,098,943
Total comprehensive income for the year:					
Profit for the year	-	-	-	789,398	789,398
Other comprehensive income/(loss):					
Deferred taxation on revalued property, plant and equipment	-	8,005	-	-	8,005
Change in unrecognised employee benefit asset	-	-	-	1,530,000	1,530,000
Deferred taxation on employee benefit asset/obligation	-	-	-	(167,667)	(167,667)
Actuarial losses recognised in equity	-	-	-	(1,027,000)	(1,027,000)
Total other comprehensive income	-	8,005	-	335,333	343,338
Total comprehensive income	-	8,005	-	1,124,731	1,132,736
Movement between reserves:					
Transfer of depreciation charge on revaluation surplus of property, plant and equipment	-	(24,015)	-	24,015	-
Transfer to pension equalisation reserve	-	-	468,667	(468,667)	-
Transactions with owners recorded directly in equity:					
Dividends	-	-	-	(702,293)	(702,293)
Balances at June 30, 2010	2,174,980	2,093,665	1,095,880	1,164,861	6,529,386
Total comprehensive income for the year:					
Profit for the year	-	-	-	1,015,690	1,015,690
Other comprehensive income/(loss):					
Fair value adjustment on available-for-sale investment	-	-	(3,413)	-	(3,413)
Deferred taxation on revalued property, plant and equipment	-	16,542	-	-	16,542
Change in unrecognised employee benefit asset	-	-	-	(151,000)	(151,000)
Deferred taxation on employee benefit asset/obligation	-	-	-	(6,333)	(6,333)
Actuarial gains recognised in equity	-	-	-	170,000	170,000
Total other comprehensive income	-	16,542	(3,413)	12,667	25,796
Total comprehensive income	-	16,542	(3,413)	1,028,357	1,041,486
Movement between reserves:					
Transfer of depreciation charge on revaluation surplus of property, plant and equipment	-	(23,603)	-	23,603	-
Transfer to pension equalisation reserve	-	-	16,000	(16,000)	-
Transfer of realised gain on disposal of property plant and equipment	-	(40,235)	-	40,235	-
Balances at June 30, 2011	2,174,980	2,046,369	1,108,467	2,241,056	7,570,872

DESNOES & GEDDES LIMITED

Audited Group Statement of Changes in Equity
Year ended June 30, 2011

	Attributable to equity holders of the parent company					
	Share capital $'000	Capital reserves $'000	Other reserves $'000	Retained earnings $'000	Non-controlling interest $'000	Total $'000
Balances at June 30, 2009	2,174,980	2,117,445	627,213	1,326,998	7,447	6,254,083
Total comprehensive income for the year:						
Profit for the year	-	-	-	789,398	-	789,398
Other comprehensive income/(loss):						
Deferred taxation on revalued property, plant and equipment	-	8,005	-	-	-	8,005
Change in unrecognised employee benefit asset	-	-	-	1,530,000	-	1,530,000
Deferred taxes on employee benefit	-	-	-	(167,667)	-	(167,667)
Actuarial losses recognised in equity	-	-	-	(1,027,000)	-	(1,027,000)
Total other comprehensive income	-	8,005	-	335,333	-	343,338
Total comprehensive income	-	8,005	-	1,124,731	-	1,132,736
Movement between reserves:						
Transfer of depreciation charge on revaluation surplus of property, plant and equipment	-	(24,015)	-	24,015	-	-
Transfer to pension equalisation reserve	-	-	468,667	(468,667)	-	-
Transactions with owners recorded directly in equity:						
Dividends	-	-	-	(702,293)	-	(702,293)
Balances at June 30, 2010	2,174,980	2,101,435	1,095,880	1,304,784	7,447	6,684,526
Total comprehensive income for the year:						
Profit for the year	-	-	-	1,015,690	-	1,015,690
Other comprehensive income/(loss):						
Fair value adjustment on available-for-sale investment	-	-	(3,413)	-	-	(3,413)
Deferred taxation on revalued property, plant and equipment	-	16,542	-		-	16,542
Change in unrecognised employee benefit asset	-	-	-	(151,000)	-	(151,000)
Deferred taxes on employee benefit	-	-	-	(6,333)	-	(6,333)
Actuarial gains recognised in equity	-	-	-	170,000	-	170,000
Total other comprehensive income	-	16,542	(3,413)	12,667	-	25,796
Total comprehensive income	-	16,542	(3,413)	1,028,357	-	1,041,486
Movement between reserves:						
Transfer of depreciation charge on revaluation surplus of property, plant and equipment	-	(23,603)	-	23,603	-	-
Transfer to pension equalisation reserve	-	-	16,000	(16,000)	-	-
Transfer of realised gain on disposal of property plant and equipment	-	(40,235)	-	40,235	-	-
Balances at June 30, 2011	2,174,980	2,054,139	1,108,467	2,380,979	7,447	7,726,012

DESNOES & GEDDES LIMITED

Company Statement of Cash Flows
Year ended June 30, 2011

	Audited June 30, 2011 $'000	Audited June 30, 2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	1,015,690	789,398
Adjustments for:		
Items not involving cash:		
Interest income	(6,102)	(8,536)
Interest expense	43,302	60,659
Depreciation	635,660	607,408
Revaluation surplus on investment properties	(56,150)	-
Write off of investment	50	500
Gain on disposal of property, plant and equipment	(15,086)	-
Deferred taxation	(14,819)	82,293
Income tax charge	446,070	310,683
Decrease/(increase) in employee benefit asset and obligation	10,000	(186,000)
	2,058,615	1,656,405
Changes in working capital:		
Accounts receivable	(105,210)	(44,998)
Due from fellow subsidiaries	(86,713)	(280,951)
Inventories	(212,580)	(78,344)
Accounts payable	7,770	449,960
Due to fellow subsidiaries	(265,373)	(77,195)
Cash generated from operations	1,396,509	1,624,877
Pension contribution	(15,000)	(14,000)
Interest paid	(44,450)	(61,298)
Income taxes paid	(287,325)	(455,022)
Net cash provided by operating activities	1,049,734	1,094,557
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(629,238)	(590,291)
Proceeds from disposal of property, plant and equipment	116,548	-
Interest received	6,102	8,536
Net cash used by investing activities	(506,588)	(581,755)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans	(700,000)	(33,608)
Dividend payments	-	(702,293)
Net cash used by financing activities	(700,000)	(735,901)
Net decrease in cash and cash equivalents	(156,854)	(223,099)
Cash and cash equivalents at beginning of year	429,153	652,252
Cash and cash equivalents at end of year	272,299	429,153
Comprised of –		
Cash and bank balances	270,216	411,070
Short-term deposits	2,083	18,083
	272,299	429,153

DESNOES & GEDDES LIMITED

Group Statement of Cash Flows
Year ended June 30, 2011

	Audited June 30, 2011 $'000	Audited June 30, 2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	1,015,690	789,398
Adjustments for:		
Items not involving cash:		
Interest income	(6,102)	(8,536)
Interest expense	43,302	60,659
Depreciation	635,660	607,408
Revaluation surplus on investment property	(56,150)	-
Write off of investment	50	500
Gain on disposal of property, plant and equipment	(15,086)	-
Deferred taxation	(14,819)	82,293
Income tax charge	446,070	310,683
Decrease/(increase) in employee benefit asset and (obligation)	10,000	(186,000)
	2,058,615	1,656,405
Changes in working capital:		
Accounts receivable	(105,210)	(44,998)
Due from fellow subsidiaries	(86,713)	(280,951)
Inventories	(212,580)	(78,344)
Accounts payable	7,770	449,960
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CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term loans	(700,000)	(33,608)
Dividend payments	-	(702,293)
Net cash used by financing activities	(700,000)	(735,901)
Net decrease in cash and cash equivalents	(156,854)	(223,099)
Cash and cash equivalents at beginning of year	430,909	654,008
Cash and cash equivalents at end of year	274,055	430,909
Comprised of –		
Cash and bank balances	271,972	412,826
Short-term deposits	2,083	18,083
	274,055	430,909

DESNOES AND GEDDES LIMITED

Financial Information by Geographical Segment

Year ended June 30, 2011

	Domestic		Export		Group	
	Audited	Audited	Audited	Audited	Audited	Audited
	Jun. 30, 2011	Jun. 30, 2010	Jun. 30, 2011	Jun. 30, 2010	Jun. 30, 2011	Jun. 30, 2010
	$'000	$'000	$'000	$'000	$'000	$'000
Turnover	9,224,439	9,400,189	4,047,941	3,932,247	13,272,380	13,332,436
Special consumption tax	(2,116,181)	(2,227,725)	-	-	(2,116,181)	(2,227,725)
Net external revenue	7,108,258	7,172,464	4,047,941	3,932,247	11,156,199	11,104,711
Segment profit	2,401,513	2,006,343	202,369	198,475	2,603,882	2,204,818
General, selling & administration expenses					(1,253,285)	(1,142,988)
Other income/(expenses), net					72,308	(13,333)
Trading profit					1,422,905	1,048,497
Employee benefit (expense)/income, net					(10,000)	186,000
Finance income - interest					6,102	8,536
Revaluation surplus on investment properties					56,150	-
Profit on disposal of property, plant and equipment					15,086	-
Profit before finance cost					1,490,243	1,243,033
Finance cost					(43,302)	(60,659)
Profit before taxation					1,446,941	1,182,374
Taxation					(431,251)	(392,976)
Profit after taxation					1,015,690	789,398
Segment assets					11,306,196	11,047,744
Segment liabilities					3,580,184	4,363,218
Depreciation					(635,660)	(607,408)
Capital expenditure					(629,238)	(590,291)

DESNOES & GEDDES LIMITED

Notes to the Financial Statements
June 30, 2011

1. Identification

Desnoes & Geddes Limited ("the company") is incorporated and domiciled in Jamaica and is a 58% subsidiary of Udiam Holdings AB, a company incorporated in Sweden. The ultimate parent company is Diageo PLC, incorporated in the United Kingdom. The company's registered office is located at 214 Spanish Town Road, Kingston 11. The principal activities of the company comprise the brewing, bottling and distribution of beers, stouts and spirits.

2. Basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB).

(b) Basis of measurement:

The financial statements are prepared on the historical cost basis, except for available-for-sale investments (other than those for which a reliable measure of fair value is not available), investment properties and certain classes of property, plant and equipment, which are carried at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the company's functional currency. All financial information presented has been rounded to the nearest thousand unless otherwise indicated.

(d) Use of estimates and judgments:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant area of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is in respect of the measurement of defined benefit obligations and the fair value of certain available-for-sale investments.

2. Basis of preparation (cont'd)

(d) Use of estimates and judgments (cont'd):

The amounts recognised in the statements of financial position and income statements for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The expected return on plan assets is assumed considering the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the company's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

The carrying amount for available for sale investment is determined by a professional valuator using a maintainable earnings approach. Certain assumptions are made in respect of increased profitability, future tax rate, applicable multiple and discount rate for a minority share in an unquoted investment.

It is reasonably probable, based on existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

3. Significant accounting policies

(a) Revenue:

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and special consumption taxes. Revenue is recognised in the income statements when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

3. Significant accounting policies

(b) Property, plant and equipment:

(i) Items of property, plant and equipment are measured at cost, except for plant and equipment and freehold land and buildings which are measured at valuation, less accumulated depreciation and impairment losses.

(ii) Depreciation:

Depreciation is calculated on the straight-line basis at annual rates estimated to write off the carrying value of each asset over the period of its expected useful life. Annual rates are as follows:

Buildings	2%-2½%
Plant and equipment	2%-12½%
Furniture, fixtures and computer equipment	25%
Vending equipment	20%
Returnable bottles	20%
Returnable crates	10%

The depreciation methods, useful lives and residual values are reassessed annually.

(c) Inventories:

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based mainly on standard cost (which approximates to actual on a FIFO basis). Standard cost, where applicable, includes an appropriate share of production overheads based on normal operating capacity. Used cases and bottles (returnable packaging) which were previously stated at the customers' deposit value, are now reclassified as property, plant and equipment. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

(d) Taxation:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

3. Significant accounting policies (cont'd)

(e) Employee benefits:

Employee benefits are all forms of consideration given by the group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and housing, post-employment benefits such as pension and other long-term employee benefits such as termination benefits.

(f) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the groups CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(g) Earnings per share:

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.