

DESNOES AND GEDDES LIMITED
UNAUDITED OPERATING RESULTS
FOR THE PERIOD ENDED DECEMBER 31, 2012

The Directors of Desnoes and Geddes Limited, producers of Jamaica's beer, Red Stripes, and distributors of leading spirits Johnnie Walker and Smirnoff, wish to present the unaudited results of the Group for the period ended December 31, 2012.

	Profit and Loss Summary					
	6-months ended December 31			3-months ended December 31		
	2012	2011	change	2012	2011	change
	J\$m	J\$m	%	J\$m	J\$m	%
Net sales value	5,294	5,419	(2)%	2,730	2,794	(2)%
Trading profit	1,218	752	62 %	707	542	30 %
Profit before tax	1,213	749	62 %	703	537	31 %
Profit after tax	808	510	59 %	468	358	31 %
Earnings per stock unit (cents)	28.76	18.16	59 %	16.66	12.73	31 %

Performance Highlights

Profit after tax for the half year ended December 31st, 2012 was notably improved at \$808 million, up 59% versus the same period last year translating directly to earnings per stock of 28.76 cents (2011: 18.16 cents).

Net Sales Value for the half year was \$5,294 million representing a 2% decrease versus the same period last year (also a 2% decline for the second quarter versus last year). The domestic portfolio performance improved resulting in a 7% overall increase in domestic net sales value. This was offset by a 22% decline in export net sales versus last year following the business decision to change our direct export model for the USA to a royalty based structure.

Cost of sales for the half year at \$3,011 million decreased by 11% versus the prior year. Gross profit for the half year improved by 11% (\$229 million), due to a combination of higher domestic sales as well as the elimination of direct costs by Red Stripe with the new royalty structure for sales in the US market.

Our improved domestic performance was buoyed by our new beer innovation Talawah and a stronger performing spirits portfolio.

Marketing expenses of \$546 million for the half year decreased by \$196 million (-26%) when compared to the same period last year. The domestic marketing expenditure was \$34 million (+7%) above last year largely due to increased promotional activities on new product innovations, special Jamaica 50 celebrations and Red Stripe Premier League sponsorship and broadcast.

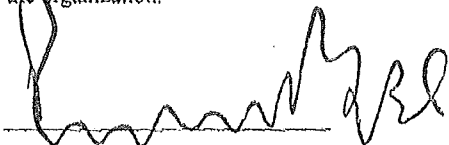
General, selling and administrative (GS&A) expenses were flat on last year despite inflationary pressures as we continue our efforts on cost management.

Subsequent to the half year close, Red Stripe and Pepsi Cola Jamaica announced on January 28th the signing of a deal to form a 50:50 Sales and Distribution Joint Venture Company. The new company will be called Celebration Brands Ltd. The Joint Venture will be owned equally by the two entities and will sell and distribute all Red Stripe/Diageo and Pepsi brands in Jamaica, making this venture the single largest beverage distribution company in Jamaica with an exceptional portfolio of world renowned brands. Celebration Brands is expected to benefit from economies of scale, improved efficiencies and most importantly deliver superior service to our customers across the Island.

Enriched Communities

In this quarter, Red Stripe graduated its latest cohort of 230 students in their Diageo Learning for Life programme at The Jamaica Pegasus hotel. Graduates successfully completed certification in the Project Bartender and Project Retailer (merchandizing) programmes after eight weeks classroom training.

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



Richard O. Byles

Chairman

February 8, 2012



Cedric Blair

Managing Director

February 8, 2012

DESNOES AND GEDDES LIMITED
GROUP STATEMENT OF FINANCIAL POSITION

As at December 31, 2012

	Unaudited December 31, 2012 \$'000	Unaudited December 31, 2011 \$'000 (Restated)*	Audited June 30, 2012 \$'000
ASSETS			
Investments	889,740	401,907	889,740
Investment properties	152,650	152,650	152,650
Property, plant and equipment	4,612,443	4,823,172	4,674,345
Employee benefit asset	786,000	1,174,000	795,000
Total non-current assets	6,440,833	6,551,729	6,511,735
Cash resources	1,174,078	369,897	970,945
Short-term deposits	1,948	2,448	1,948
Accounts receivable	1,004,140	975,640	606,529
Due from fellow subsidiaries	570,521	234,075	536,311
Inventories	1,248,981	1,456,825	1,255,627
Total current assets	3,999,668	3,038,885	3,371,360
Accounts payable	1,751,042	1,563,270	1,785,616
Short-term loans	-	250,000	-
Taxation payable	403,273	351,111	208,360
Due to fellow subsidiaries	253,842	238,819	99,736
Total current liabilities	2,408,157	2,403,200	2,093,712
Net current assets	1,591,511	635,685	1,277,648
Total assets less current liabilities	8,032,344	7,187,414	7,789,383
EQUITY			
Share capital	2,174,980	2,174,980	2,174,980
Capital reserves	7,770	7,770	7,770
Other reserves	1,392,883	1,094,800	1,401,883
Retained earnings	3,900,843	3,015,122	3,650,382
Shareholders' equity	7,476,476	6,292,672	7,235,015
Minority interest	7,447	7,447	7,447
Total equity	7,483,923	6,300,119	7,242,462
NON-CURRENT LIABILITIES			
Employee benefit obligation	107,000	130,500	104,000
Deferred tax liabilities	441,421	756,795	442,921
Total non-current liabilities	548,421	887,295	546,921
Total equity and non-current liabilities	8,032,344	7,187,414	7,789,383

* Restated due to change in accounting policy

DESNOES AND GEDDES LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
As at December 31, 2012

	Unaudited December 31, 2012 \$'000	Unaudited December 31, 2011 \$'000 (Restated)*	Audited June 30, 2012 \$'000
ASSETS			
Investments	890,895	403,062	890,895
Investment properties	152,650	152,650	152,650
Property, plant and equipment	4,612,443	4,823,172	4,674,345
Employee benefit asset	786,000	1,174,000	795,000
Total non-current assets	6,441,988	6,552,884	6,512,890
Cash and bank	1,172,322	368,141	969,189
Short-term deposits	1,948	2,448	1,948
Accounts receivable	1,004,140	975,640	606,529
Due from fellow subsidiaries	570,521	234,075	536,311
Inventories	1,248,981	1,456,825	1,255,627
Total current assets	3,997,912	3,037,129	3,369,604
Accounts payable	1,748,334	1,560,562	1,782,908
Short-term loans	-	250,000	-
Taxation payable	403,285	351,124	208,372
Due to fellow subsidiaries	253,842	238,818	99,736
Total current liabilities	2,405,461	2,400,504	2,091,016
Net current assets/(liabilities)	1,592,451	636,625	1,278,588
Total assets less current liabilities	8,034,439	7,189,509	7,791,478
EQUITY			
Share capital	2,174,980	2,174,980	2,174,980
Other reserves	1,392,883	1,094,800	1,401,883
Retained earnings	3,760,920	2,875,199	3,510,459
Total equity	7,328,783	6,144,979	7,087,322
NON-CURRENT LIABILITIES			
Employee benefit obligation	107,000	130,500	104,000
Long-term liabilities	157,235	157,235	157,235
Deferred tax liabilities	441,421	756,795	442,921
Total non-current liabilities	705,656	1,044,530	704,156
Total equity and non-current liabilities	8,034,439	7,189,509	7,791,478

* Restated due to change in accounting policy

DESNOES AND GEDDES LIMITED
Company and Group Income Statements
6 month period ended December 31, 2012

	Unaudited 6 months to Dec. 31, 2012 \$'000	Unaudited 6 months to Dec. 31, 2011 \$'000 (Restated)*	Unaudited 3 months to Dec. 31, 2012 \$'000	Unaudited 3 months to Dec. 31, 2011 \$'000 (Restated)*
Turnover	6,510,117	6,493,626	3,388,868	3,388,272
Special Consumption Tax (SCT)	(1,216,586)	(1,075,037)	(658,509)	(594,188)
Net sales	5,293,531	5,418,589	2,730,359	2,794,084
Cost of sales	(3,011,190)	(3,365,416)	(1,523,228)	(1,662,780)
Gross profit	2,282,341	2,053,173	1,207,131	1,131,304
Marketing costs	(545,888)	(742,079)	(232,975)	(315,927)
Contribution after marketing	1,736,453	1,311,094	974,156	815,377
General, selling and administration expenses	(596,499)	(597,964)	(286,355)	(310,544)
Other income	77,950	38,905	18,852	36,866
Travelling profit	1,217,904	752,035	706,653	541,699
Employee benefit expense	(15,000)	(10,500)	(10,000)	(5,250)
Non-operating (expenses)/income	(3,047)	3,540	(176)	694
Finance income - interest	14,633	4,063	8,473	1,791
(Loss)/Profit on disposal of property, plant & equipment	(1,527)	1,205	(1,527)	(1,448)
Profit before finance cost	1,212,963	750,343	703,423	537,486
Finance cost	-	(877)	-	(877)
Profit before taxation	1,212,963	749,466	703,423	536,609
Taxation	(405,166)	(239,251)	(235,319)	(178,869)
Profit for the period attributable to equity holders of the parent company, all dealt with in the financial statements of the company	807,797	510,215	468,104	357,740
Earnings per stock unit	28.76 ¢	18.16 ¢	16.66 ¢	12.73 ¢

* Restated due to change in accounting policy

DESNOES AND GEDDES LIMITED
Company and Group Statement of Comprehensive Income
6 month period ended December 31, 2012

	Unaudited December 31, 2012 \$'000	Unaudited December 31, 2011 \$'000
Profit for the period	<u>807,797</u>	<u>510,215</u> *
Other comprehensive income/(loss):		
Change in unrecognised employee benefit asset	69,000	(232,000)
Deferred taxation on employee benefit asset	1,500	6,833
Actuarial (loss)/gain recognised in equity	(75,000)	208,000
Total other comprehensive (loss)	<u>(4,500)</u>	<u>(17,167)</u>
Total comprehensive income for the period	<u>803,297</u>	<u>493,048</u>

* Restated due to change in accounting policy

DESNOES & GEDDES LIMITED
 Unaudited Group Statement of Changes in Equity
 6 month ended December 31, 2012

	Attributable to equity holders of the parent company				Minority interest	Total
	Share capital	Capital reserves	Other reserves	Retained earnings		
	\$'000	\$'000	\$'000	\$'000		
Balances at June 30, 2011, as restated	2,174,980	7,770	1,108,467	3,070,241	7,447	6,368,905
Total comprehensive income for the period	-	-	-	493,048	-	493,048
Movement between reserves:						
Transfer to pension equalisation reserve	-	-	(13,667)	13,667	-	-
Transactions with owners recorded directly in equity:						
Dividends	-	-	-	(561,834)	-	(561,834)
Balances at December 31, 2011, as restated	<u>2,174,980</u>	<u>7,770</u>	<u>1,094,800</u>	<u>3,015,122</u>	<u>7,447</u>	<u>6,300,119</u>
Balances at June 30, 2012	2,174,980	7,770	1,401,883	3,650,382	7,447	7,242,462
Total comprehensive income for the period	-	-	-	803,297	-	803,297
Movement between reserves:						
Transfer to pension equalisation reserve	-	-	(9,000)	9,000	-	-
Transactions with owners recorded directly in equity:						
Dividends	-	-	-	(561,834)	-	(561,834)
Balances at December 31, 2012	<u>2,174,980</u>	<u>7,770</u>	<u>1,392,883</u>	<u>3,900,845</u>	<u>7,447</u>	<u>7,483,925</u>

DESNOES & GEDDES LIMITED
Unaudited Company Statement of Changes in Equity
6 month period ended December 31, 2012

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Balances at June 30, 2011, as restated	2,174,980	1,108,467	2,930,318	6,213,765
Total comprehensive income for the period	-	-	493,048	493,048
Movement between reserves:				
Transfer to pension equalisation reserve	-	(13,667)	13,667	-
Transactions with owners recorded directly in equity:				
Dividends	-	-	(561,834)	(561,834)
Balances at December 31, 2011, as restated	2,174,980	1,094,800	2,875,199	6,144,979
Balances at June 30, 2012	2,174,980	1,401,883	3,510,459	7,087,322
Total comprehensive income for the period:	-	-	803,297	803,297
Movement between reserves:				
Transfer to pension equalisation reserve	-	(9,000)	9,000	-
Transactions with owners recorded directly in equity:				
Dividends	-	-	(561,834)	(561,834)
Balances at December 31, 2012	2,174,980	1,392,883	3,760,922	7,328,785

DESNOES & GEDDES LIMITED

Group Statement of Cash Flows

6 month period ended December 31, 2012

	Unaudited December 31, 2012 \$'000	Unaudited December 30, 2011 \$'000 (Restated) *
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit for the period	807,797	510,215
Adjustments for:		
Items not involving cash:		
Interest income	(14,633)	(4,063)
Interest expense	-	877
Depreciation	345,148	327,273
Loss on disposal of property, plant and equipment	1,527	(1,205)
Deferred taxation	1,500	-
Income tax charge	405,166	239,251
Increase in employee benefit asset and obligation	15,000	10,500
	<u>1,561,505</u>	<u>1,082,848</u>
Changes in working capital		
Accounts receivable	(397,913)	(416,125)
Due from fellow subsidiary	(34,209)	578,426
Inventories	6,646	(84,735)
Accounts payable	(34,573)	(256,303)
Due to fellow subsidiaries	154,107	(61,054)
Cash generated from operations	<u>1,255,563</u>	<u>843,057</u>
Pension contribution	(10,000)	(9,000)
Interest paid	-	(629)
Income taxes paid	(210,153)	(155,370)
Net cash provided by operating activities	<u>1,035,409</u>	<u>678,058</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(284,773)	(294,480)
Proceeds from disposal of property, plant and equipment	-	22,483
Interest received	14,331	4,063
Net cash used by investing activities	<u>(270,442)</u>	<u>(267,934)</u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Short term liabilities	-	250,000
Dividend payments	(561,834)	(561,834)
Net cash used by financing activities	<u>(561,834)</u>	<u>(311,834)</u>
Net increase in cash and cash equivalents	203,133	98,290
Cash and cash equivalents at beginning of period	972,893	274,055
Cash and cash equivalent at end of period	<u>1,176,026</u>	<u>372,345</u>
Comprised of:-		
Cash and bank balances	1,174,078	369,897
Short-term deposits	1,948	2,448
	<u>1,176,026</u>	<u>372,345</u>

* Restated due to change in accounting policy

DESNOES & GEDDES LIMITED

Company Statement of Cash Flows

6 month period ended December 31, 2012

	Unaudited December 31, 2012 \$'000	Unaudited December 31, 2011 \$'000 (Restated) *
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit for the period	807,797	510,215
Adjustments for:		
Items not involving cash:		
Interest income	(14,633)	(4,063)
Interest expense	-	877
Depreciation	345,148	327,273
Loss on disposal of property, plant and equipment	1,527	(1,205)
Deferred taxation	1,500	-
Income tax charge	405,166	239,251
Increase in employee benefit asset and obligation	15,000	10,500
	<u>1,561,505</u>	<u>1,082,848</u>
Changes in working capital		
Accounts receivable	(397,913)	(416,125)
Due from fellow subsidiaries	(34,209)	578,426
Inventories	6,646	(84,735)
Accounts payable	(34,573)	(256,303)
Due to fellow subsidiaries	154,107	(61,054)
Cash generated from operations	<u>1,255,565</u>	<u>843,057</u>
Pension contribution	(10,000)	(9,000)
Interest paid	-	(629)
Income taxes paid	<u>(210,154)</u>	<u>(155,370)</u>
Net cash provided by operating activities	<u>1,035,409</u>	<u>678,058</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(284,773)	(294,480)
Proceeds from disposal of property, plant and equipment	-	22,483
Interest received	14,331	4,063
Net cash used by investing activities	<u>(270,442)</u>	<u>(267,934)</u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Short term loan	-	250,000
Dividend paid	(561,834)	(561,834)
Net cash used by financing activities	<u>(561,834)</u>	<u>(311,834)</u>
Net increase in cash and cash equivalents	203,133	98,290
Cash and cash equivalents at beginning of period	<u>971,137</u>	<u>272,299</u>
Cash and cash equivalent at end of period	<u>1,174,270</u>	<u>370,589</u>
Comprised of:		
Cash and bank balances	1,172,322	368,141
Short-term deposits	1,948	2,448
	<u>1,174,270</u>	<u>370,589</u>

* Restated due to change in accounting policy

DESNOIS AND GEDDES LIMITED
Financial Information by Geographical Segment
6 month period ended December 31, 2012

	Domestic		Export		Group	
	Unaudited	Unaudited	Unaudited	Unaudited	(Restated) *	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Unaudited	Unaudited
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover	5,362,780	5,016,239	1,147,337	1,477,387	6,510,117	6,493,626
Special consumption tax	(1,216,586)	(1,075,037)	-	-	(1,216,586)	(1,075,037)
Net external revenue	4,146,194	3,941,202	1,147,337	1,477,387	5,293,531	5,418,589
Cost of sales	(2,351,447)	(2,165,155)	(639,741)	(1,200,261)	(3,011,190)	(3,365,416)
Gross profit	1,794,745	1,776,047	487,596	277,126	2,282,341	2,053,173
Marketing costs	(526,773)	(492,978)	(19,115)	(249,101)	(545,888)	(742,079)
Segment profit	1,267,972	1,283,069	468,481	28,025	1,736,453	1,311,094
General, selling & administration expenses					(596,499)	(597,964)
Other income					77,950	38,905
Trading profit					1,217,904	752,035
Employee benefit expense					(15,000)	(10,500)
Non-operating (expenses)/income					(3,047)	3,540
Finance income - interest					14,633	4,063
(Loss)/Profit on disposal of property, plant and equipment					(1,527)	1,205
Profit before finance cost					1,212,963	750,343
Finance cost					-	(877)
Profit before taxation					1,212,963	749,466
Taxation					(405,166)	(239,251)
Profit after taxation					807,797	510,215
Segment assets					10,440,501	9,590,614
Segment liabilities					2,956,578	3,290,495
Depreciation					345,148	327,273
Capital expenditure					284,773	110,317

* Restated due to change in accounting policy

DESNOES & GEDDES LIMITED

Notes to the Financial Statements
December 31, 2012

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). The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended June 30, 2012.

(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), and investment properties.

(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.

DESNQES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
December 31, 2012

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.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
December 31, 2012

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.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
December 31, 2012

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.

4. Prior year adjustment

On June 30, 2012 the group changed its accounting policy with respect to certain property, plant and equipment from the revaluation model to the cost model. The change was made to achieve compliance with the parent company's accounting policies. The change in accounting policy was applied retrospectively. The effects of the adjustments are detailed below:

(a) Statement of financial position - group

	Property Plant & Equipment	Capital Reserve	Deferred Tax Liability	Retained Earnings/ profit or loss
Balance as reported at December 31, 2011	8,450,881	(2,015,706)	(1,054,017)	2,337,484
Effect of unwinding revaluation	(1,722,383)	2,093,865	318,868	889,881
Effect on profit or loss	94,834	(70,189)	(21,447)	(12,343)
<u>Restated Balance at December 31, 2011</u>	<u>4,823,172</u>	<u>7,770</u>	<u>(756,795)</u>	<u>3,015,122</u>

Notes to the Financial Statements (Continued)
December 31, 2012

(b) Statement of financial position - company

	Property Plant & Equipment	Capital Reserve	Deferred Tax Liability	Retained Earnings/ profit or loss
Balance as reported at December 31, 2011	6,450,691	(2,007,938)	(1,054,017)	2,197,661
Effect of unwinding revaluation	(1,722,353)	2,093,665	318,069	689,961
Effect on profit or loss	94,834	(85,728)	(21,447)	(12,343)
Restated balance at December 31, 2011	4,823,172	-	(756,795)	2,875,199