

DESNOES & GEDDES LIMITED
UNAUDITED OPERATING RESULTS
FOR THE PERIOD ENDED MARCH 31, 2015

The Directors of Desnoes & Geddes Limited, producers of Jamaica's beer, Red Stripe, and distributors of leading spirits Johnnie Walker and Smirnoff, wish to present the unaudited results of the Group for the nine months period ended March 31, 2015.

(Results in J\$ millions)	Profit and Loss Summary					
	9 months ended March 31			3 months ended March 31		
	FY15	FY14	% change	FY15	FY14	change
	J\$m	J\$m	%	J\$m	J\$m	%
Net sales value	9,621	8,418	14 %	2,960	2,475	20 %
Trading profit	2,070	1,809	14 %	437	338	29 %
Profit before tax - inorganic	2,018	2,749	(27)%	461	300	54 %
Profit before tax - organic	2,018	1,779	13 %	461	300	54 %
Profit after tax - inorganic	1,518	2,143	(29)%	367	196	88 %
Profit after tax - organic	1,518	1,172	29 %	367	196	88 %
Earnings per stock unit - inorganic (cents)	54.04	76.27	(29)%	13.06	6.97	88 %
Earnings per stock unit - organic (cents)	54.04	41.73	29 %	13.06	6.97	88 %

Performance Highlights

Trading profit for the period ended March 31, 2015 grew by \$261 million or 14% compared to the same period last year, primarily driven by the top line domestic sales growth. Profit after tax of \$1,518 million was lower by 29% compared to the similar period last year; mainly due to the \$970 million one-off sale of investments in December 2013 positively impacting the comparative period. Excluding this, the organic growth in profit after tax was 29%.

Net Sales Value for the period, \$9,621 million, grew by 14% compared to the same period last year. Revenue from our domestic portfolio of brewed beverages grew by 13% as a result of increased sales volume and price taken earlier in the period. Export revenue improved by 11% compared to last year.

Cost of sales for the period at \$5,632 million increased by 11% relative to the previous year due to the increase in volumes sold and the combination of local inflation and the increased cost of imported inputs due to the depreciation of the Jamaican dollar. These cost increases were mitigated by the investment in brewery modernization, which resulted in improved efficiencies.

Marketing investments in our brands of \$1,016 million increased by 38% compared to last year, which was driven by the increase in sponsorships, including the Red Stripe Premier League and innovations in the package formats for both Guinness and Heineken.

General, selling and administration costs for the period were \$923 million which is 8% above the same period last year and reflects inflation and inflation-linked adjustments.

Cash balances amounted to \$1,382 million at the end of March. This was \$375 million lower than the same period last year and reflects capital investment of \$1,484 million in our brewery optimization project and dividend payments of \$1,124 million (F14 final dividend and F15 interim dividend of 27 cents and 13 cents per share respectively).

Enriched Communities

March 27 was a very proud moment for Red Stripe as more than 40 employees came together to renovate the Cheesehead Community Centre. Red Stripe invested more than \$4 million to refurbish the centre which serves as a health, education and sports centre for the residents of Cheesehead and surrounding communities.

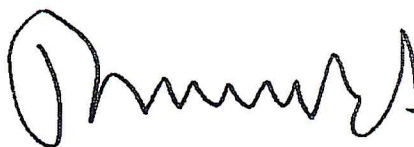
Red Stripe provided 40 desks which will be used for our Diageo Learning for Life Project Grow training programme. This will be our second cohort of training in cassava cultivation following our very successful first cohort, which completed the programme last November.

Other Diageo Learning for Life programmes are conducted in Bartending and Entrepreneurship. Approximately 120 persons are enrolled in our Project Bartender programme across Portland, Kingston and St Ann. In the Project Entrepreneur programme, 14 budding entrepreneurs were selected for coaching and development in successfully starting and maintaining a business.

Our responsible drinking messages restarted in February in time for the Carnival season. At the weekly Mas Camp event, complimentary taxi rides were offered to and from the event with our key message being 'Don't Drink and Drive – Designate a Driver'. Persons were identified through our social media platforms. Visibility and engagement were also high during the Beach J'Ouvert and Road March events.



Cedric Blair
Managing Director
May 4, 2015



Richard Byles
Chairman
May 4, 2015

DESNOES & GEDDES LIMITED
GROUP STATEMENT OF FINANCIAL POSITION
March 31, 2015

	Unaudited March 31, 2015 \$'000	Unaudited March 31, 2014 \$'000	Audited June 30, 2014 \$'000
ASSETS			
Investments	-	18	-
Investment in joint venture	118,472	157,215	181,033
Investment properties	889,600	277,671	889,599
Property, plant and equipment	6,380,340	4,879,488	5,495,994
Employee benefits asset	1,052,000	808,000	1,046,000
Total non-current assets	8,440,412	6,122,392	7,612,626
Cash resources	1,381,918	1,757,567	1,788,523
Short-term deposits	-	1,131	-
Accounts receivable	1,808,101	2,425,347	1,368,754
Due from fellow subsidiaries	209,880	221,217	407,208
Inventories	1,373,903	941,636	1,076,485
Total current assets	4,773,802	5,346,898	4,640,970
Accounts payable	2,530,543	1,748,629	2,014,807
Taxation payable	433,911	475,885	416,451
Due to fellow subsidiaries	225,544	332,494	193,601
Total current liabilities	3,189,998	2,557,008	2,624,859
Net current assets	1,583,804	2,789,890	2,016,111
Total assets less current liabilities	10,024,216	8,912,282	9,628,737
EQUITY			
Share capital	2,174,980	2,174,980	2,174,980
Capital reserves	378,129	72,918	378,129
Other reserves	680,249	490,400	678,000
Retained earnings	6,170,249	5,491,020	5,779,518
Shareholders' equity	9,403,607	8,229,318	9,010,627
Minority interest	-	7,447	-
Total equity	9,403,607	8,236,765	9,010,627
NON-CURRENT LIABILITIES			
Employee benefits obligation	145,000	115,000	142,000
Deferred tax liabilities	475,609	560,517	476,110
Total non-current liabilities	620,609	675,517	618,110
Total equity and non-current liabilities	10,024,216	8,912,282	9,628,737

DESNOES & GEDDES LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
March 31, 2015

	Unaudited March 31, 2015 \$'000	Unaudited March 31, 2014 \$'000	Audited June 30, 2014 \$'000
ASSETS			
Investments	-	-	-
Investment in joint venture	191,500	191,500	191,500
Investment properties	889,600	277,671	889,599
Property, plant and equipment	6,380,340	4,879,488	5,495,994
Employee benefits asset	1,052,000	808,000	1,046,000
Total non-current assets	8,513,440	6,156,659	7,623,093
Cash and bank	1,381,918	1,755,811	1,788,523
Short-term deposits	-	1,131	-
Accounts receivable	1,808,101	2,425,347	1,368,754
Due from fellow subsidiaries	209,880	221,217	407,208
Inventories	1,373,903	941,636	1,076,485
Total current assets	4,773,802	5,345,142	4,640,970
Accounts payable	2,530,543	1,744,751	2,014,807
Taxation payable	433,911	475,895	416,451
Due to fellow subsidiaries	225,544	332,494	193,601
Total current liabilities	3,189,998	2,553,140	2,624,859
Net current assets	1,583,804	2,792,002	2,016,111
Total assets less current liabilities	10,097,244	8,948,661	9,639,204
EQUITY			
Share capital	2,174,980	2,174,980	2,174,980
Capital reserves	378,129	67,755	378,129
Other reserves	680,249	490,400	678,000
Retained earnings	6,243,277	5,481,602	5,789,985
Total equity	9,476,635	8,214,737	9,021,094
NON-CURRENT LIABILITIES			
Employee benefits obligation	145,000	115,000	142,000
Long-term liabilities	-	58,407	-
Deferred tax liabilities	475,609	560,517	476,110
Total non-current liabilities	620,609	733,924	618,110
Total equity and non-current liabilities	10,097,244	8,948,661	9,639,204

DESNOES & GEDDES LIMITED

Group Income Statements

9 months period ended March 31, 2015

	Unaudited 9 months to March 31, 2015 \$'000	Unaudited 9 months to March 31, 2014 \$'000	Unaudited 3 months to March 31, 2015 \$'000	Unaudited 3 months to March 31, 2014 \$'000
Turnover	11,652,506	10,346,286	3,590,311	3,046,802
Special Consumption Tax (SCT)	(2,031,980)	(1,928,637)	(630,804)	(571,532)
Net sales	9,620,526	8,417,649	2,959,507	2,475,270
Cost of sales	(5,631,581)	(5,054,918)	(1,843,655)	(1,576,526)
Gross profit	3,988,945	3,362,731	1,115,852	898,744
Marketing costs	(1,016,138)	(737,969)	(363,227)	(241,031)
Contribution after marketing	2,972,807	2,624,762	752,625	657,713
General, selling and administration expenses	(922,503)	(855,187)	(327,268)	(313,641)
Other income(expense)	19,557	39,583	12,029	(6,036)
Trading profit	2,069,861	1,809,158	437,386	338,036
Employee benefit expense	(5,000)	(3,500)	-	2,500
Non-operating (expenses)/income	(724)	2,526	(565)	551
Finance income - interest	15,999	16,585	3,879	5,127
Share of loss in joint venture	(62,561)	(46,187)	19,866	(46,604)
Gain/(loss) on disposal of property, plant & equipment & investment	-	970,239	-	(12)
Profit before taxation	2,017,575	2,748,821	460,565	299,598
Taxation	(499,427)	(606,188)	(93,596)	(103,889)
Profit for the period attributable to equity holders of the parent company, all dealt with in the financial statements of the company	1,518,148	2,142,633	366,969	195,709
Earnings per stock unit	<u>54.04</u> ¢	<u>76.27</u> ¢	<u>13.06</u> ¢	<u>6.97</u>

DESNOES & GEDDES LIMITED

Company Income Statements

9 months period ended March 31, 2015

	Unaudited 9 months to March 31, 2015 \$'000	Unaudited 9 months to March 31, 2014 \$'000	Unaudited 3 months to March 31, 2015 \$'000	Unaudited 3 months to March 31, 2014 \$'000
Turnover	11,652,506	10,346,286	3,590,311	3,046,802
Special Consumption Tax (SCT)	(2,031,980)	(1,928,637)	(630,804)	(571,532)
Net sales	9,620,526	8,417,649	2,959,507	2,475,270
Cost of sales	(5,631,581)	(5,054,918)	(1,843,655)	(1,576,526)
Gross profit	3,988,945	3,362,731	1,115,852	898,744
Marketing costs	(1,016,138)	(737,969)	(363,227)	(241,031)
Contribution after marketing	2,972,807	2,624,762	752,625	657,713
General, selling and administration expenses	(922,503)	(855,187)	(327,268)	(313,641)
Other income(expense)	19,557	138,409	12,029	(6,036)
Trading profit	2,069,861	1,907,984	437,386	338,036
Employee benefit expense	(5,000)	(3,500)	-	2,500
Non-operating (expenses)/income	(724)	2,526	(565)	551
Finance income - interest	15,999	16,585	3,879	5,127
Gain/(loss) on disposal of property, plant & equipment & investment	-	970,239	-	(12)
Profit before taxation	2,080,136	2,893,834	440,700	346,202
Taxation	(499,427)	(606,188)	(93,596)	(103,889)
Profit for the period attributable to equity holders of the parent company, all dealt with in the financial statements of the company	1,580,709	2,287,646	347,104	242,313
Earnings per stock unit	<u>56.27</u> ¢	<u>81.43</u> ¢	<u>12.36</u> ¢	<u>8.63</u> ¢

DESNOES & GEDDES LIMITED
Group Statement of Comprehensive Income
9 months period ended March 31, 2015

	Unaudited 9 months to March 31, 2015 \$'000	Unaudited 9 months to March 31, 2014 \$'000	Unaudited 3 months to March 31, 2015 \$'000	Unaudited 3 months to March 31, 2014 \$'000
Profit for the period	<u>1,518,148</u>	<u>2,142,633</u>	<u>366,969</u>	<u>195,709</u>
Other comprehensive income/ (loss):				
Item that may be reclassified to profit or loss:				
Realised gains transferred to profit on available-for-sale investments	-	(954,565)	-	-
Items that may not be reclassified to profit or loss:				
Change in unrecognised employee benefit asset	(249,000)	550,000	(14,000)	558,000
Deferred taxation on employee benefit asset	500	(24,250)	(750)	(36,250)
Actuarial (loss)/gain recognised in equity	247,000	(453,000)	17,000	(421,000)
Total other comprehensive (loss)/income	<u>(1,500)</u>	<u>(881,815)</u>	<u>2,250</u>	<u>100,750</u>
Total comprehensive income for the period	<u>1,516,648</u>	<u>1,260,818</u>	<u>369,219</u>	<u>296,459</u>

DESNOES & GEDDES LIMITED
Company Statement of Comprehensive Income
9 months period ended March 31, 2015

	Unaudited 9 months to March 31, 2015 \$'000	Unaudited 9 months to March 31, 2014 \$'000	Unaudited 3 months to March 31, 2015 \$'000	Unaudited 3 months to March 31, 2014 \$'000
Profit for the period	<u>1,580,709</u>	<u>2,287,646</u>	<u>347,104</u>	<u>242,313</u>
Other comprehensive income/ (loss):				
Item that may be reclassified to profit or loss:				
Realised gains transferred to profit on available-for-sale investments	-	(954,565)	-	-
Items that may not be reclassified to profit or loss:				
Change in unrecognised employee benefit asset	(249,000)	550,000	(14,000)	558,000
Deferred taxes on employee benefit asset	500	(24,250)	(750)	(36,250)
Actuarial gain/(loss) recognised in equity	<u>247,000</u>	<u>(453,000)</u>	<u>17,000</u>	<u>(421,000)</u>
Total other comprehensive loss	<u>(1,500)</u>	<u>(881,815)</u>	<u>2,250</u>	<u>100,750</u>
Total comprehensive income for the period	<u><u>1,579,209</u></u>	<u><u>1,405,831</u></u>	<u><u>349,354</u></u>	<u><u>343,063</u></u>

DESNOES & GEDDES LIMITED
Unaudited Group Statement of Changes in Equity
9 months period ended March 31, 2015

	Attributable to equity holders of the parent company				Minority interest	Total
	Share capital	Capital reserves	Other reserves	Retained earnings		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at June 30, 2013	2,174,980	75,525	1,365,465	4,054,824	7,447	7,678,241
Total comprehensive income for the period:						
Profit for the year	-	-	-	2,142,633	-	2,142,633
Other comprehensive income:						
Item that may be reclassified to profit or loss						
Fair value adjustment on available-for-sale investment	-	-	(954,565)	-	-	(954,565)
Items that may not be reclassified to profit or loss						
Change in unrecognised employee benefits asset	-	-	-	550,000	-	550,000
Deferred taxes on employee benefit assets	-	-	-	(24,250)	-	(24,250)
Actuarial loss recognised in equity	-	-	-	(453,000)	-	(453,000)
Total other comprehensive (loss)/income	-	-	(954,565)	72,750	-	(881,815)
Total comprehensive (loss)/income	-	-	(954,565)	2,215,383	-	1,260,818
Movement between reserves:						
Transfer to pension equalisation reserve	-	-	79,500	(79,500)	-	-
Elimination of capital reserves for companies dissolved to retain earning	-	(2,607)	-	2,607	-	-
Transactions with owners recorded directly in equity:						
Dividends	-	-	-	(702,294)	-	(702,294)
Balances at March 31, 2014	2,174,980	72,918	490,400	5,491,020	7,447	8,236,765
Balances at June 30, 2014	2,174,980	378,129	678,000	5,779,518	-	9,010,627
Total comprehensive income for the period:						
Profit for the period	-	-	-	1,518,148	-	1,518,148
Other comprehensive income:						
Item that may not be reclassified to profit or loss						
Change in unrecognised employee benefits asset	-	-	-	(249,000)	-	(249,000)
Deferred taxes on employee benefit assets	-	-	-	500	-	500
Actuarial gains recognised in equity	-	-	-	247,000	-	247,000
Total other comprehensive loss	-	-	-	(1,500)	-	(1,500)
Total comprehensive income	-	-	-	1,516,648	-	1,516,648
Movement between reserves:						
Transfer to pension equalisation reserve	-	-	2,249	(2,249)	-	-
Transactions with owners recorded directly in equity:						
Dividends	-	-	-	(1,123,668)	-	(1,123,668)
Balances at March 31, 2015	2,174,980	378,129	680,249	6,170,249	-	9,403,607

DESNOES & GEDDES LIMITED
Unaudited Company Statement of Changes in Equity
9 months period ended March 31, 2015

	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Balances at June 30, 2013	2,174,980	67,755	1,365,465	3,902,999	7,511,199
Total comprehensive income for the period:					
Profit for the period	-	-	-	2,287,646	2,287,646
Other comprehensive income:					
Item that may be reclassified to profit or loss					
Fair value adjustment on available-for-sale investment	-	-	(954,565)	-	(954,565)
Items that may not be reclassified to profit or loss					
Revaluation surplus on property, plant and equipment	-	-	-	-	-
Change in unrecognised employee benefits asset	-	-	-	550,000	550,000
Deferred taxes on employee benefit asset	-	-	-	(24,250)	(24,250)
Actuarial loss recognised in equity	-	-	-	(453,000)	(453,000)
Total other comprehensive (loss)/income	-	-	(954,565)	72,750	(881,815)
Total comprehensive income	-	-	(954,565)	2,360,396	1,405,831
Movement between reserves:					
Transfer to pension equalisation reserve	-	-	79,500	(79,500)	-
Transactions with owners recorded directly in equity:					
Dividends	-	-	-	(702,294)	(702,294)
Balances at March 31, 2014	2,174,980	67,755	490,400	5,481,601	8,214,736
Balances at June 30, 2014	2,174,980	378,129	678,000	5,789,985	9,021,094
Total comprehensive income for the period:					
Profit for the period	-	-	-	1,580,709	1,580,709
Other comprehensive income:					
Item that may not be reclassified to profit or loss					
Change in unrecognised employee benefits asset	-	-	-	(249,000)	(249,000)
Deferred taxes on employee benefits asset	-	-	-	500	500
Actuarial gains recognised in equity	-	-	-	247,000	247,000
Total other comprehensive loss	-	-	-	(1,500)	(1,500)
Total comprehensive income	-	-	-	1,579,209	1,579,209
Movement between reserves:					
Transfer to pension equalisation reserve	-	-	2,249	(2,249)	-
Transactions with owners recorded directly in equity:					
Dividends	-	-	-	(1,123,668)	(1,123,668)
Balances at March 31, 2015	2,174,980	378,129	680,249	6,243,277	9,476,635

DESNOES & GEDDES LIMITED
Group Statement of Cash Flows
9 months period ended March 31, 2015

	Unaudited March 31, 2015 \$'000	Unaudited March 31, 2014 \$'000
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,518,148	2,142,633
Adjustments for:		
Items not involving cash:		
Interest income	(15,999)	(16,585)
Depreciation	575,662	527,431
Loss on disposal of property, plant and equipment	-	3,459
Gain on disposal of investment	-	(973,698)
Legal fees - disposal of investments	-	(847)
Deferred taxation	-	-
Income tax charge	499,427	606,188
Increase in employee benefit asset and obligation	5,000	3,500
Share of profit in Joint Venture	62,561	46,187
	<u>2,644,798</u>	<u>2,338,268</u>
Changes in working capital		
Accounts receivable	(439,347)	(1,305,045)
Due from fellow subsidiaries	197,328	96,773
Inventories	(273,845)	92,356
Accounts payable	515,736	(271,820)
Due to fellow subsidiaries	31,941	83,610
Cash generated from operations	<u>2,676,611</u>	<u>1,034,142</u>
Pension contribution	(10,000)	(12,500)
Income taxes paid	<u>(481,967)</u>	<u>(375,208)</u>
Net cash provided by operating activities	<u>2,184,645</u>	<u>646,434</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,483,581)	(875,040)
Proceeds from disposal of property, plant and equipment	-	3,166
Proceeds from disposal of investments	-	956,277
Interest received	15,999	16,585
Net cash provided/used by investing activities	<u>(1,467,582)</u>	<u>100,988</u>
CASHFLOWS FROM FINANCING ACTIVITY		
Dividend paid	<u>(1,123,668)</u>	<u>(702,294)</u>
Net cash used by financing activity	<u>(1,123,668)</u>	<u>(702,294)</u>
Net (decrease)/increase in cash and cash equivalents	(406,605)	45,128
Cash and cash equivalents at beginning of period	<u>1,788,523</u>	<u>1,713,570</u>
Cash and cash equivalent at end of period	<u><u>1,381,918</u></u>	<u><u>1,758,698</u></u>
Comprised of:-		
Cash and bank balances	1,381,918	1,757,567
Short-term deposits	-	1,131
	<u><u>1,381,918</u></u>	<u><u>1,758,698</u></u>

DESNOES & GEDDES LIMITED
Company Statement of Cash Flows
9 months period ended March 31, 2015

	Unaudited March 31, 2015 \$'000	Unaudited March 31, 2014 \$'000
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,580,709	2,287,646
Adjustments for:		
Items not involving cash:		
Interest income	(15,999)	(16,585)
Depreciation	575,662	527,431
Loss on disposal of property, plant and equipment	-	3,459
Gain on disposal of investment	-	(973,698)
Legal fees - disposal of investments	-	(847)
Income tax charge	499,427	606,188
Increase in employee benefit asset and obligation	5,000	3,500
Companies dissolved - D&G Wines & FOJ	-	(98,826)
	<u>2,644,799</u>	<u>2,338,268</u>
Changes in working capital		
Accounts receivable	(439,347)	(1,305,046)
Due from fellow subsidiaries	197,328	96,773
Inventories	(273,845)	92,356
Accounts payable	515,736	(271,820)
Due to fellow subsidiaries	31,941	83,611
Cash generated from operations	<u>2,676,612</u>	<u>1,034,142</u>
Pension contribution	(10,000)	(12,500)
Income taxes paid	<u>(481,967)</u>	<u>(375,208)</u>
Net cash provided by operating activities	<u>2,184,645</u>	<u>646,434</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,483,581)	(875,040)
Proceeds from disposal of property, plant and equipment	-	3,166
Proceeds from disposal of investments	-	956,277
Interest received	15,999	16,585
Net cash (used)/provided by investing activities	<u>(1,467,582)</u>	<u>100,988</u>
CASHFLOWS FROM FINANCING ACTIVITY		
Dividend paid	<u>(1,123,668)</u>	<u>(702,294)</u>
Net cash used by financing activity	<u>(1,123,668)</u>	<u>(702,294)</u>
Net (decrease)/increase in cash and cash equivalents	(406,605)	45,128
Cash and cash equivalents at beginning of period	<u>1,788,523</u>	<u>1,711,814</u>
Cash and cash equivalent at end of period	<u>1,381,918</u>	<u>1,756,942</u>
Comprised of:-		
Cash and bank balances	1,381,918	1,755,811
Short-term deposits	-	1,131
	<u>1,381,918</u>	<u>1,756,942</u>

DESNOES & GEDDES LIMITED
Financial Information by Geographical Segment
9 months period ended March 31, 2015

	Domestic		Export		Group	
	Unaudited Mar 31, 2015 \$'000	Unaudited Mar 31, 2014 \$'000	Unaudited Mar 31, 2015 \$'000	Unaudited Mar 31, 2014 \$'000	Unaudited Mar 31, 2015 \$'000	Unaudited Mar 31, 2014 \$'000
Turnover	10,330,823	9,156,416	1,321,683	1,189,870	11,652,506	10,346,286
Special consumption tax	(2,031,980)	(1,928,637)	-	-	(2,031,980)	(1,928,637)
Net external revenue	8,298,843	7,227,779	1,321,683	1,189,870	9,620,526	8,417,649
Cost of sales	(4,953,279)	(4,472,116)	(678,302)	(582,802)	(5,631,581)	(5,054,918)
Gross profit	3,345,564	2,755,663	643,381	607,068	3,988,945	3,362,731
Marketing costs	(997,437)	(708,374)	(18,701)	(29,595)	(1,016,138)	(737,969)
Segment profit	2,348,127	2,047,289	624,680	577,473	2,972,807	2,624,763
General, selling & administration expenses					(922,503)	(855,187)
Other income					19,557	39,583
Trading profit					2,069,861	1,809,158
Employee benefit expense					(5,000)	(3,500)
Non-operating (expenses)/income					(724)	2,526
Finance income - interest					15,999	16,585
Share of profit in joint venture					(62,561)	(46,187)
Gain/(Loss) on disposal of property, plant & equipment & investment					-	970,239
Profit before finance cost					2,017,575	2,748,821
Finance cost					-	-
Profit before taxation					2,017,575	2,748,821
Taxation					(499,427)	(606,188)
Profit after taxation					1,518,148	2,142,633
Segment assets					13,214,214	11,469,290
Segment liabilities					3,810,607	3,232,525
Depreciation					575,662	527,431
Capital expenditure					1,483,581	875,040

DESNOES & GEDDES LIMITED

Notes to the Financial Statements March 31, 2015

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, 2014.

(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 pension and other post-employment benefits and the fair value of investment properties.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)

March 31, 2015

2. Basis of preparation (cont'd)

(e) 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.

Investment property reflects fair value amounts, based on market valuations done by external independent valuers. On the instructions of management, the valuers have used valuation techniques such as the direct sales comparison approach, income approach and cost approach to determine fair value.

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)

March 31, 2015

3. Significant accounting policies (cont'd)

(b) Property, plant and equipment:

(i) Items of property, plant and equipment are measured at cost, 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 other comprehensive income.

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 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)

March 31, 2015

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 MD 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.