

DESNOES & GEDDES LIMITED

UNAUDITED OPERATING RESULTS

FOR THE HALF YEAR

ENDED 31st DECEMBER 2002

The Directors are pleased to present the unaudited results of the Company for the half-year ended December 31, 2002

Highlights

	J\$ Millions	
	6 months Dec. 31. 2002	6 months Dec. 31. 2001
Turnover	3,372	2,962
Operating Profit	788	802
Profit before Tax	821	749
Earnings per share (cents)	29.2	26.7

Operating profit is before interest received, redundancies and exceptional items

Operating Performance

Sales

After some difficulties in the first quarter, mainly due to the poor weather and stock shortages, the second quarter volumes were much improved. The "Millions to Share" promotion that ran from November 1st, 2002 to January 3rd, 2003, drove volume growth in the quarter that ended December 31st, 2002.

In fact the sales volumes in November and December were the highest on record, and this resulted in sales revenue for the six months ended December 31st, 2002, showing an increase of 14% over the same period last year.

This increase in revenue is attributable to domestic volume growth of 9% with the flagship brand, Red Stripe, along with Guinness showing strong growth. Smirnoff Ice also continued to perform well. Dragon Stout did not do as well due to a shortage of product, which resulted from teething problems on our new bottling line. Heineken also suffered somewhat from this.

Domestic volumes	YTD Growth % vs. 2001
Red Stripe	5%
Dragon Stout	(12%)
Guinness	7%
Heineken	(4%)
Malta	4%
Smirnoff Ice	100%

Profit and Loss

The growth in profit before tax was less than the growth in revenue. This was as a result of some margin decline due to increased costs, the continued investment in marketing and lower interest income.

Balance Sheet and Cash Flow

During the period under review significant cash payments were made for capital equipment relating to the new bottling line. The final dividend for the year 2001/02 was also paid in the month of December. Despite the resultant reduction in liquidity the Balance Sheet remains strong.

A final ordinary dividend of 35 cents was paid on December 11th, 2002 to all shareholders on the company's register at the close of business on November 27th, 2002, bringing the total dividend paid for the year to 50 cents. An interim dividend for the six months to December 31st, 2002 will be agreed by the Board and will be the subject of a separate announcement.

GROUP PROFIT AND LOSS ACCOUNT

	Unaudited 6 months to December 31, 2002 \$000's	Unaudited 6 months to December 31, 2001 \$000's
Turnover	<u>3,371,645</u>	<u>2,962,000</u>
Cost of Sales	<u>(2,068,606)</u>	<u>(1,747,000)</u>
Gross Profit	<u>1,303,039</u>	<u>1,215,000</u>

Marketing and Distribution Costs	(295,026)	(192,000)
Administration & General Expenses	(274,817)	(306,000)
Other Operating Income (Expense)	54,505	85,000
Profit before interest expenses	<u>787,701</u>	<u>802,000</u>
Interest (expense)/income	33,418	61,000
Profit before exceptional item	<u>821,119</u>	<u>863,000</u>
Exceptional item	0	(114,000)
Profit before taxation	<u>821,119</u>	<u>749,000</u>
Taxation	0	0
	=====	=====
Profit after Tax	<u>821,119</u>	<u>749,000</u>
	=====	=====
Number of Stock Units issued	2,809,171,266	2,809,171,266
Earnings per Stock Unit -(cents)	<u>29.23</u>	<u>26.66</u>

GROUP BALANCE SHEET

	Unaudited as at 31.12.02 \$M	Unaudited as at 31.12.01 \$M	Audited as at 30.06.02 \$M
NET ASSETS EMPLOYED			
Fixed Assets	<u>2,777</u>	<u>2,198</u>	<u>2,694</u>
Investments	<u>7</u>	<u>29</u>	<u>7</u>
	<u>2,784</u>	<u>2,227</u>	<u>2,700</u>
CURRENT ASSETS			
Inventories	<u>732</u>	<u>649</u>	<u>734</u>
Receivables	903	535	465
Short Term Deposits	482	1,245	1,085
Cash and Bank	162	319	389
Taxation Recoverable	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2,279</u>	<u>2,748</u>	<u>2,673</u>
CURRENT LIABILITIES			
Payables	<u>613</u>	<u>490</u>	<u>406</u>
Guinness Group Companies	336	113	560
Bank Borrowings	0	0	0
Taxation	(102)	103	27
Current Portion LTL	5	0	5
Proposed Dividend	<u>0</u>	<u>0</u>	<u>983</u>
	<u>852</u>	<u>707</u>	<u>1,980</u>
NET CURRENT ASSETS	1,427	2,042	693
National Housing Trust	<u>0</u>	<u>1</u>	<u>0</u>
	4,212	4,270	3,393
FINANCED BY			
Share Capital	<u>1,405</u>	<u>1,405</u>	<u>1,405</u>
Share Premium	770	770	770
Capital Reserves	936	936	936
Retained Earnings	<u>1,045</u>	<u>839</u>	<u>224</u>
SHAREHOLDERS EQUITY	4,156	3,950	3,335

Deferred Taxation	44	298	44
Long Term Liabilities	4	14	7
Minority Interest	7	7	7
	<u>4,212</u>	<u>4,270</u>	<u>3,393</u>
	=====	=====	=====

GROUP STATEMENT OF CASHFLOWS

	Unaudited	Unaudited
	31/12/02	31/12/01
	\$ 000's	\$ 000's
CASHFLOW FROM OPERATING ACTIVITIES		
Net profit for the period	821,119	749,000
Adjustment to reconcile profit for the period to net cash provided/(used) by operating activities:		
Depreciation	84,466	102,000
Loss/(Profit) on sale of fixed assets	0	0
Deferred taxation charge	0	0
Translation gains	0	0
	<u>905,585</u>	851,000
(Increase)/decrease in current asset		
Securities purchased under agreements to	0	485,000
Accounts receivable	(437,310)	(131,000)
Inventories	1,187	(83,000)
Increase/(decrease) in current liabilities		
Accounts payable	206,811	49,000
Taxation payable	(128,742)	(72,000)
Guinness group companies	<u>(223,567)</u>	<u>85,000</u>

Net cash provided by operating activities	<u>323,964</u>	<u>1,184,000</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(168,505)	(41,000)
Proceeds from disposal of fixed assets	0	0
Proceeds from disposal of investments	32	0
Dividend payments	(983,210)	(591,000)
Repayment of National Housing Trust	0	0
Net cash used by investment activities	<u>(1,151,683)</u>	<u>(632,000)</u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	0	3,000
Long term liabilities repaid	(2,655)	0
Net cash used by financing activities	<u>(2,655)</u>	<u>3,000</u>
Net increase in cash balances	(830,374)	555,000
Net cash at beginning of period	<u>1,474,114</u>	<u>1,009,000</u>
Net cash at end of period	<u>643,740</u>	<u>1,564,000</u>
Comprised of:-		
Cash	161,811	319,000
Short-term deposits	481,929	1,245,000
	<u>643,740</u>	<u>1,564,000</u>

GROUP STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Capital Reserves	Retained Earnings	Total
	\$ 000's	\$	\$	\$	\$
Balances at June 30, 2001	985,674	770,394	935,997	508,633	3,200,698
Net profit for the period	0	0	0	1,503,002	1,503,002
Translation gains	0	0	0		0
Dividends	0	0	0		0
Bonus shares issued	418,912	0	0	(418,912)	0
Losses eliminated on write off of subsidiaries				36,178	36,178
Dividends	0	0	0	(1,404,586)	(1,404,586)
Balances at June 30, 200	1,404,586	770,394	935,997	224,315	3,335,292
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Balances at June 30, 2002	1,404,586	770,394	935,997	224,315	3,335,292
Net profit for the perio	0	0	0	821,119	821,119
Translation gains	0	0	0	0	0
Dividends	0	0	0	0	0
Bonus shares issued	0	0	0	0	0
Balances at Dec. 31, 2002	1,404,586	770,394	935,997	1,045,434	4,156,411
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