



ALLIED DOMEcq

Appendices

Continuing Normalised Profit & Earnings

	2001 £m	2000 £m	Change %
Trading profit at constant exchange rates	543	500	9
Mexican excise tax	47		
FX on translation		(13)	
Trading profit as reported	590	487	21
Finance charges	(90)	(83)	
Profit before tax	500	404	24
Tax (25% vs 26%) ongoing	(113)	(105)	
Tax Mexican excise	(17)		
Minorities	(13)	(9)	
Net earnings	357	290	23
Earnings per share excl. Mexican excise	31.0p	27.4p	13
Earnings per share	33.9p	27.4p	24

Financial Summary Spirits & Wine and QSR

	2001 £m	2000 £m	Change %
Spirits & Wine	2,571	2,372	8
QSR	308	332	(7)
Turnover ongoing	<u>2,879</u>	<u>2,704</u>	6
Spirits & Wine	458	423	8
QSR	72	68	6
Trading profit ongoing	<u>530</u>	<u>491</u>	8

(at constant currency, excl Mexican excise rebate)

Spirits & Wine - Turnover

	2001 £m	2000 £m	Change %
Gross			
Product sales	2,508	2,318	8
Others (including bulk sales of spirits)	<u>63</u>	<u>54</u>	17
Total at constant exchange	2,571	2,372	8
FX translation	<u>-</u>	<u>(75)</u>	
Gross turnover as published	<u><u>2,571</u></u>	<u><u>2,297</u></u>	12
Net continuing (at constant exchange rates)			
Gross	2,571	2,372	8
Duty	<u>(605)</u>	<u>(558)</u>	(9)
Net turnover	<u><u>1,966</u></u>	<u><u>1,814</u></u>	8

Spirits & Wine - Year on Year Movement of 1999/2000 Geographical Trading Profit

	2000 presented £m	Cost allocations £m	FX £m	2000 00/01 FX £m	2001 £m	%
Europe	141	(7)	(9)	125	142	14
North America	166	(20)	17	163	185	14
Latin America	49	8	9	66	46	(30)
Asia Pacific	40	(5)	(2)	33	59	79
Others	18	24	(6)	36	26	(28)
Total	414	-	9	423	458	8

Note

Cost allocations include restatement for increased tequila costs, previously reported in Mexico, transfers of operational responsibility for IT to regional management and allocated head office costs to more accurately reflect the current business structure.

Latin America now includes Mexico and the sub-region previously titled Latin America and reported as part of "The Americas".

Spirits & Wine - Geographical Analysis of Trading Profit

	Year on Year Change	
	New Basis	Old Basis
Europe	14%	13%
North America	14%	13%
Latin America	(30)%	(26)%
Asia Pacific	79%	68%
Others	(28)%	(92)%
Total	<u><u>8%</u></u>	<u><u>8%</u></u>

(at constant currency)

Spirits & Wine - Trading Profit Movements

				£m	
2000				423	
	Latin America	Rest	Total		
Volume	(28)	76	48		
Price	11	30	41		
Mix	0	6	6		
Cost of goods	3	(20)	(17)		
Gross profit growth	(14)	92	78	78	
A&P				(22)	
Overheads				(21)	
Trading Profit Growth				35	+ 8%
2001				<u>458</u>	

Spirits & Wine - Analysis of Other Trading Profits

	2001 £m	2000 £m
Global Operations & standalone Duty Free	23	29
Net corporate (costs)/income	10	8
Foreign exchange	<u>(7)</u>	<u>(1)</u>
Total others	<u>26</u>	<u>36</u>

Spirits & Wine - Volumes by Region

Cases (million)	2001	2000	%
Europe	17.9	17.6	2
North America	16.4	15.7	4
Latin America	11.1	13.1	(15)
Asia Pacific	3.7	3.0	23
Rest of World	1.3	1.4	(7)
Total	<u><u>50.4</u></u>	<u><u>50.8</u></u>	<u><u>(1)</u></u>

Focus - Key Brands in Key Markets

Top 10 Brand Market Combinations	Volume	Growth %	NBC
Kahlúa USA	-5		+3
Ballantine's Spain	+9		+13
Imperial South Korea	n/a		n/a
DyC Spain	-7		-9
Canadian Club USA	-7		-9
Californian Wines USA	+6		-13
Beefeater Spain	+10		+22
Ballantine's Asia Duty Free	+5		+21
Presidente Mexico	-28		-34
Don Pedro Mexico	-20		-22

Spirits & Wines - Core 4 Volumes

	Volume Cases (millions)	Growth %
Ballantine's	5.5	4
Beefeater	2.2	6
Kahlúa	3.4	(1)
Sauza	1.7	(27)
Total core 4	12.9	(2)

Spirits & Wines - Key Brand Volumes

	Volume Cases (millions)	Growth %
Core 4	12.9	(2)
Canadian Club	2.2	1
Courvoisier	1.0	(3)
Tia Maria	0.7	(3)
Makers' Mark	0.4	9
Teachers	1.6	3
Presidente	2.9	(27)
Don Pedro	1.7	(19)
DYC	2.0	(7)
Imperial	0.8	113
US Wines	1.7	6
Others	6.1	20
Total Key 25	34.0	(1)

Key 25 now includes Imperial, Perrier Jouët, Mumm and Stolichnaya

Return on Investment

	£m		
Trading profit after tax for the Twelve months to 31 August 2001	407		
Capital Employed	Average £m	Aug 2001 £m	
Capital employed (pre tax & dividends)	2,202	2,700	
Add: Goodwill written off	<u>2,292</u>	<u>2,296</u>	
Capital invested (pre tax)	<u>4,494</u>	<u>4,996</u>	
Capital Invested (post tax)	<u>4,243</u>	<u>4,692</u>	
Return on average capital invested	9.6%		
Cost of capital (post tax)	circa 7.0%		

Cash Flow

	2001 £m	2000 £m
Operating cash net of fixed assets	359	408
Taxation	(34)	21
Interest	(72)	(77)
Dividends	(167)	(4)
Free cash flow	86	348
Acquisitions	(659)	(103)
Disposals	5	(114)
Shares purchased for employee trusts	(26)	(39)
Currency translation of borrowings	(8)	(29)
Increase in borrowings	(602)	63
Gearing - enterprise value	30%	27%

Balance Sheet

	Aug 2001 £m	Aug 2000 £m
Fixed Assets	1,554	769
Stock	1,203	947
Debtors	995	906
Creditors	(931)	(785)
Dividend	(80)	(116)
Deferred purchase consideration	(226)	-
Provisions	(199)	(213)
Capital Employed	<u>2,316</u>	<u>1,508</u>
Net Debt	(1,854)	(1,252)
Net Assets	<u>462</u>	<u>256</u>

Capital employed is post tax and dividends

Debt Analysis

	At 31 August 2001		Average interest rate
	£m	%	%
Fixed rates	1,117	60	5.4
Floating rates	737	40	4.0
Net Debt	<u>1,854</u>	<u>100</u>	*4.9

* Excludes commitment and other borrowing fees, equivalent to approx 0.5%

Borrowings by currency

	£m	%
US Linked (incl Canada)	888	48
Euro	583	31
Other	383	21
Net debt	<u>1,854</u>	<u>100</u>

Exchange Rates used for Translation

(= £1)	Average for Full year			Closing At 31.8.01
	2001	2000	Effect %	
US \$	1.44	1.58	10	1.45
Canadian \$	2.20	2.33	6	2.25
Mexican Peso	13.51	14.99	11	13.36
Euro	1.63	1.61	(1)	1.60
Korean Won	1,790	1,808	1	1,853

Glossary of Key Terms

GROUP

- Continuing business - Statutory basis excluding businesses disposed last year (UK Retail and Panrico).
- Ongoing business - as for continuing excluding Britannia.
- Normalised - Excluding exceptional items, goodwill amortisation and discontinued businesses.
- Organic - as for normalised excluding acquisitions.
- Underlying - as for organic adjusted for the year on year impact as specified.

QSR

- Systemwide Sales - Sales from all distribution points, both franchisee and owned stores.
- Same Store Sales - Sales growth from distribution points that were present for 52 weeks in the prior reporting period.
- Distribution Points - A measure of the number of sales outlets by brand, solo stores equal 1 distribution point, combo's equal 2 distribution points, trombo's equal 3 distribution points.
- Stores - A measure of the number of sites irrespective of the number of distribution points at that site - solo's, combo's and trombo's all equal 1 store.

SPIRITS & WINE

- Total Portfolio- All cased spirits, wine and liqueur volumes. Ready to Drink products are included under the mother brand. The portfolio is broken down into:

Historical

Core 4 - Global Priority Brands

Next 21 brands - Brands which have a strong position in selected markets and help ensure critical mass. This now includes Stolichnaya, Perrier Jouët and Mumm brands.

Rest of portfolio - Other brands including agency brands.

Glossary of Key Terms

SPIRITS & WINE CONTD.

Future

Core brands – Core global priority spirits brands Ballantine's, Beefeater, Kahlua, Sauza, Canadian Club, Courvoisier, Tia Maria, Maker's Mark

Local Market Leaders - Brands of strategic importance in local markets due to high growth potential, providing critical mass or leading in market category.

Rest of Spirits - All other spirits excluding the core brands and local market leaders.

Wines - All wines including Table, Sparkling, Fortified and Agency.

- A&P - advertising and promotion invested in Allied Domecq portfolio brands.
- Net Brand Contribution - Represents the gross margin of each brand less marketing expenditure (A&P).
- Analysis of NBC portfolio is presented at constant exchange rates.
- Geographical profits - Analysed by translating local currency sales region profits recorded on a see-through cost of goods basis. Profits are stated at a constant actual exchange rate for the year and the impact of any foreign exchange settlement transaction differences is shown centrally. This is the basis on which the business is managed.
- Pricing - Price increases are quoted net of duty, discounts and price support. This represents the true price movement achieved by Allied Domecq.
- Global operations - Includes accumulated savings not passed to the marketing regions, other trading activities including bulk sale of spirits and production overheads not charged to marketing regions.