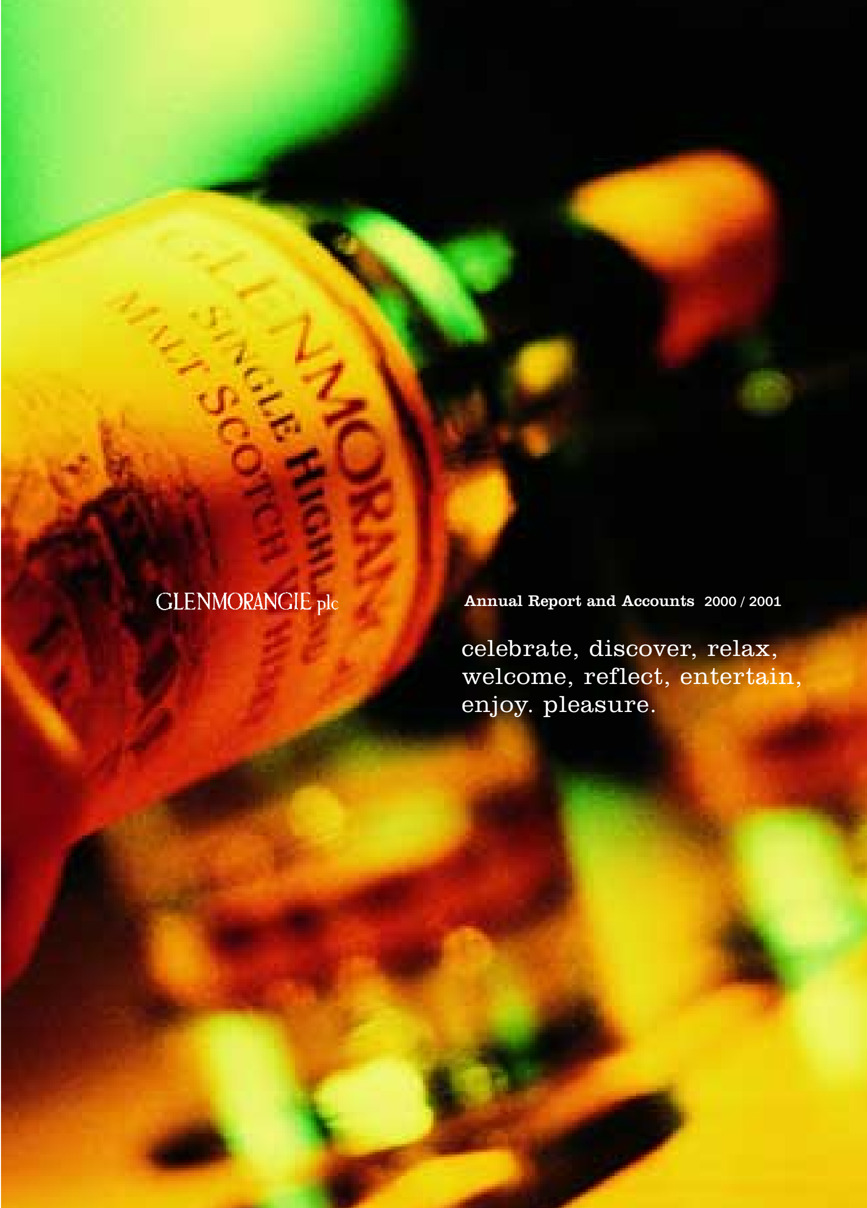


GLENMORANGIE plc

Annual Report and Accounts 2000 / 2001

celebrate, discover, relax,
welcome, reflect, entertain,
enjoy. pleasure.

OUR VISION

We are the leading provider of branded malt whiskies giving pleasure to a growing number of consumers around the world.

OUR STRATEGIC OBJECTIVES

Glenmorangie plc aims to achieve consistent growth in profit and shareholder value over the long term through:

/ Developing and growing our premium malt brands.

/ Achieving best use and value from our assets, in particular from our stocks, Distilleries and Broxburn facility, to support the growth of our brands.

/ Being a customer focused organisation supported by the best people, systems and processes.

/ Having a culture which enables skilled, enthusiastic and creative people to reach their full potential.

FINANCIAL HIGHLIGHTS

	TURNOVER	
	£52.2m	AN INCREASE OF 4%
	PROFIT BEFORE TAX	
	£7.35m	AN INCREASE OF 14%
	OPERATING MARGIN	
	19.0%	UP FROM 17.7%
*	EARNINGS PER 'A' ORDINARY SHARE (BASIC)	
	37.28p	AN INCREASE OF 11%
	EARNINGS PER 'B' ORDINARY SHARE (BASIC)	
	18.425p	AN INCREASE OF 11%
*	TOTAL DIVIDEND PER 'A' ORDINARY SHARE	
	17.00p	AN INCREASE OF 6%
	TOTAL DIVIDEND PER 'B' ORDINARY SHARE	
	8.50p	AN INCREASE OF 6%
	GEARING	
	46%	DOWN FROM 50%

* {Limited voting rights}


celebrate


Ardbeg
discover

CHAIRMAN'S STATEMENT

I am particularly pleased to report that the benefits of our strategy are coming through strongly. Sales and profits rose significantly and our malt brands have performed well in their key markets. We continue to improve returns from our assets and recently announced a supply chain partnership with The Drambuie Liqueur Company which represents a major step forward in this regard. Growth in premium malts and improved asset utilisation will provide the impetus for future growth in shareholder value.

/ Strategy and Performance

The core of our strategy lies in the development and growth of our premium malt brands. In the context of an exceptional uplift in the previous year from the Millennium celebrations, the Glenmorangie brand achieved very good results in its key markets. The Glen Moray brand grew substantially as it secured wider trade and consumer support in the UK, whilst the Ardbeg brand achieved outstanding growth as the Ten Years Old expression was introduced into key markets. These successes were supported by continued strong investment in marketing. Going forward, our strategic sales and marketing partnership with the Brown-Forman Corporation, announced in May 2000, will help us increase the pace of growth in our malt brands in Continental Europe and develop them in the emerging global malt markets.

The other key aspect of our strategy is to gain progressively increased value from our assets, namely our stocks, distilleries and Broxburn facilities. Increases in cased sales volumes have delivered both improved value from our stocks and increased funds to invest in brand marketing. The benefits of significant investment in bottling plant automation at Broxburn are coming through with lower costs of production per case.

In further pursuit of that strategic goal, we announced in April 2001 a supply chain partnership with The Drambuie Liqueur Company Limited. This partnership will provide increased volumes through the Broxburn site, with consequent improvement in bottling and warehouse utilisation, as well as purchasing synergies. This is another exciting development for the Group, bringing two independent Scottish premium branded companies closer together.

/ Overview of Financial Results

Turnover for the year rose by 3.6% to £52.2 million reflecting on the one hand cased sales increasing by 4.6% and, on the other, bulk sales declining further by 8.5%. Consumer sales of the brands in our main markets continued to be strong.

Profit before tax increased by 13.9% to £7.35 million and operating profit by 11.0% to £9.90 million, with operating margins rising to 19.0% from 17.7% last year. These successes resulted from growth in our cased sales of Ardbeg, Glen Moray and, most particularly, our blended whisky volumes; a greater proportion of premium expression sales within the total for the Glenmorangie brand and substantially improved production efficiencies being realised as a result of our bottling line investments completed last year. We continued to invest in marketing behind our malt brands to support their growth. As anticipated, bulk sales declined further as we conserve stocks for branded cased sales growth.

With the tax charge representing 31.6% of profit before tax, basic earnings per share rose by 11.5% to 37.28p per 'A' Ordinary Share (limited voting rights) and by 11.3% to 18.425p per 'B' Ordinary Share.

/ Dividend

The Board is recommending an increase of 6.5% in the final dividend to 13.20p per 'A' Ordinary Share (limited voting rights) and 6.60p per 'B' Ordinary Share, payable on 24th July 2001 to shareholders on the register on 13th July 2001. This results in a 6.25% increase in the total dividend for the year reflecting the Board's continued confidence in Group prospects, whilst retaining funds to facilitate future growth.

/ The Board and Employees

Peter Cullen retired from the Board with effect from 30th June 2000. He has made a considerable contribution to the Group over 29 years of service, with 24 years on the Board and is widely respected within the Industry. We wish him a long and very happy retirement.

In June 2000 we warmly welcomed Michael Cheek, Executive Vice President of Brown-Forman Beverages Worldwide and President of their Global Spirits Group, to the Board as a non-executive director. He brings the benefit of his wide experience within the beverages sector to the Group.

In January, we welcomed Dr Peter Nelson to the Board as Operations Director. This appointment recognises his key contribution in implementing our recent operations strategy and our focus on gaining best value from our assets.

At this time last year I confirmed my move to become Non-Executive Chairman. Reflecting his wider responsibilities, Paul Neep, previously Managing Director, was promoted to Chief Executive in November 2000. In recognition of his wide contribution within the Group, Iain Hamilton was promoted to Deputy Chief Executive in January 2001.

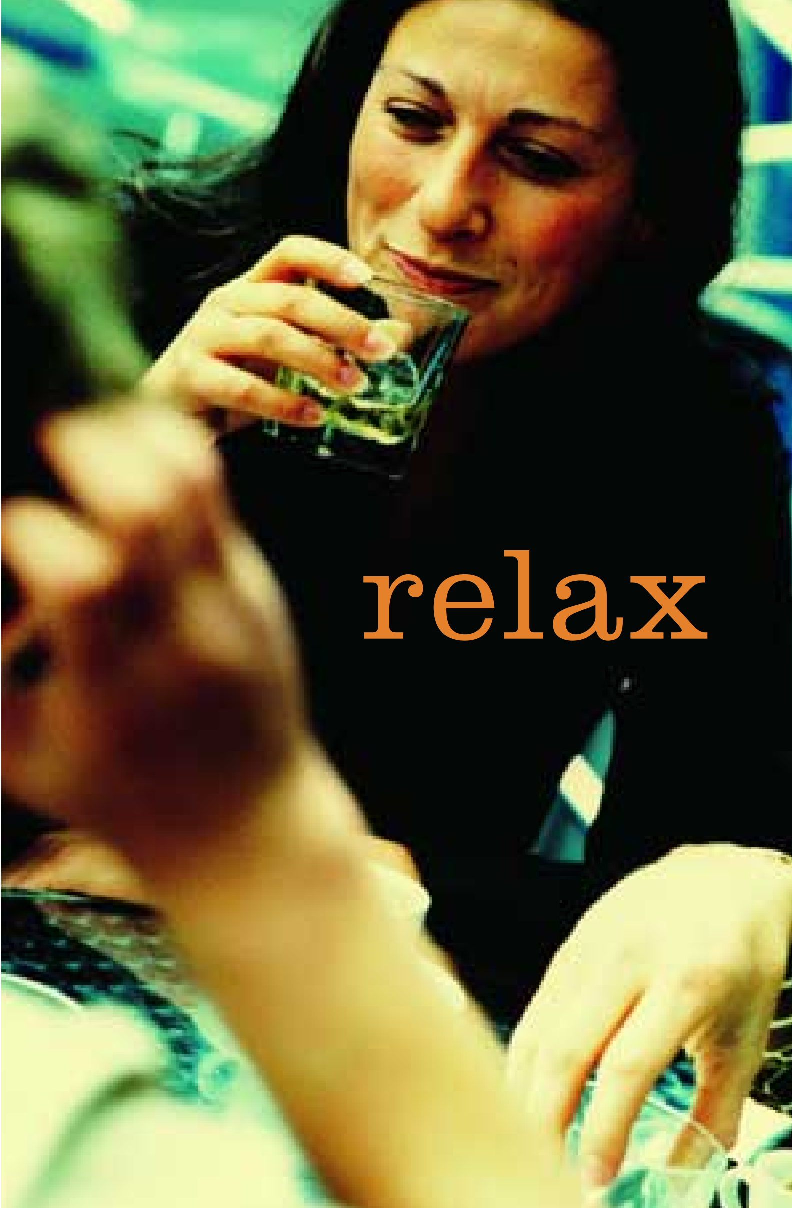
/ Prospects

Our strategy remains well on course. In more uncertain economic conditions, progress will be bolstered by our important strategic partnerships with Brown-Forman and Drambuie. We remain confident of delivering progressively improved performance.

Our key assets remain our malt brands in which we will continue to invest. We expect to see the benefits of our tie up with Brown-Forman progressively strengthening brand growth, whilst our partnership with Drambuie will facilitate a step change in achieving optimum use from our assets.

We are a focused business with a clear strategy and expect to deliver consistently increasing value for our shareholders through improving performance in the years ahead.

Geoffrey K. Maddrell
Chairman
16th May 2001


relax

CHIEF EXECUTIVE'S REVIEW

/ Strategy

We continue to make good progress against our primary objective of developing and growing our premium malt brands. The Glenmorangie brand grew ahead of the category in most of its key markets and in the UK, the brand's largest market, we achieved brand leadership by value in the off-trade sector for the first time. Ardbeg had a very successful year as we rolled-out the Ten Years Old expression into new markets. Glen Moray performed very strongly in the UK market and is now the number eight brand by volume in the off-trade sector.

We have continued to invest strongly in marketing behind our brands. Against an exceptional Millennium boosted marketing spend last year, investment overall marginally decreased but, nonetheless, represented 23% of total cased turnover against 24% last year.

We have just completed the first year of our strategic sales and marketing partnership with the Brown-Forman Corporation which will enable Glenmorangie plc, over time, to accelerate the growth of its malt brands in international markets. In representing our malt brands in most export markets, Brown-Forman's global network of over 100 sales and marketing professionals works with our local distributors to promote and support our brands. The key focus is on Continental Europe where we believe we can grow our market share more rapidly; also, in the emerging malt markets of the Far East, Australasia, Eastern Europe and South America, where we can now accelerate development of our brands for the long term. The first year of this long term partnership has been spent aligning our own sales and marketing operations with Brown-Forman's regional structure, developing marketing plans and appointing new distributors in some emerging malt markets. Both companies have a passion for developing premium spirit brands and the new partnership has started very well, with strong levels of enthusiasm by both parties. Our ability to access the world's markets has been significantly enhanced and we remain confident that the benefits of this long-term partnership will progressively come through in the years ahead.

Consistent with our second strategic objective of driving improved utilisation of our assets, in April 2001 we announced a joint venture supply chain partnership with The Drambuie Liqueur Company Limited ("DLC"). This cost sharing joint venture will manage the full supply chain needs for both Glenmorangie plc and DLC's brands. It will be based at our Broxburn facility and fully operated by Glenmorangie plc.

Drambuie is a large, premium and internationally renowned Scotch whisky based liqueur brand. The new supply chain company, Glenaird Limited, will be responsible for the purchasing of all Scotch whiskies used in our own brands and in Drambuie, the sourcing of packaging materials, the blending and compounding of the spirit, through bottling to the warehousing and logistics of finished goods. All whiskies so purchased for Drambuie will be warehoused at Broxburn. The key operational benefit of this new supply chain partnership, which represents a step change in making best use of our assets, is increased volumes through the Broxburn site with consequent improved bottling and warehouse utilisation and cost recovery. Additionally, we will seek to obtain economies of scale in the purchasing of packaging materials. We expect to begin bottling of Drambuie in August 2001 and to commence amalgamation of whisky and dry goods purchasing and cask warehousing in the forthcoming months.

The financial benefits of this new partnership will be progressively realised, as bottling volumes ramp up to a 'steady state' over the next 18 months, as whisky purchasing programmes are implemented and cask warehousing income is generated over the longer time frame. This partnership represents a very exciting development for the Group. It brings together two Scottish premium branded companies which share similar cultural values. DLC has obtained access to a modern, highly automated production facility. We will achieve higher volume throughput leading to increased utilisation of our Broxburn site and significant purchasing synergies.

Both Glenmorangie and Glen Moray Distilleries operated at full capacity, with increasing utilisation at Ardbeg. The visitor centres, an important consumer-facing aspect of distillery operations, also performed strongly. At our Broxburn facility, having completed the installation of our automated bottling lines last year, we achieved further increased production levels. Such increases in volumes were achieved at almost identical absolute cost to last year, with the cost per case produced falling by over £1.

We strive to be a customer focused organisation supported by the best people, systems and processes. We have put much effort and investment into understanding and satisfying the needs of the consumer and of our country distributors and retail partners, through the quality and appeal of our brands and our marketing and sales programmes and customer service levels respectively. We have invested in and continue to obtain excellent benefit from our comprehensive new management information systems.

We intend to develop a strong and positive company culture which enables skilled, enthusiastic and creative people to reach their full potential. The development of employee skills and motivation remains central to our strategy. We continue to focus on all employees' understanding of our vision and strategic objectives, on training and development programmes and on regular internal two way communication.


welcome
3

/ Brands & Markets

For the market as a whole, global shipments in 2000 of all Scotch Whisky grew by 4.2%, with the total Scotch Malt Whisky market growing by 2.4%.

Glenmorangie plc total shipments approached 1.4 million cases (9 litre) for the first time in the Group's history, an increase of 21% on last year and more than double that of 5 years ago. In Scotch Malt Whisky, our shipments grew by 1% in volume and value against an exceptional Millennium year and, in blended Scotch, by 30% in volume and 15% in value, as a result of new contracts gained in the retail exclusives and buyers' own brand sector. The Glenmorangie brand continues to strengthen its sales to consumers in both domestic and export markets. In most of its six largest markets – UK, USA, France, Canada, Japan and Germany – the brand either maintained or increased its market share of the malt category.

Overall, Glenmorangie brand shipments were 7% lower, as the final effects of intra-EU Duty Free abolition came through and against a significantly Millennium boosted sales level in 2000. Underlying brand growth remains strong, with compound growth over two years at 9%, excluding EU Duty Free sales.

We were particularly pleased with the performance of our Glenmorangie Wood Finish Range, which had a strong performance in the UK, USA and France and now represents 17% of total brand sales. Five years after launch, its appeal continues to grow, and shipments again significantly increased last year, adding value to the brand and the malt whisky category. As a limited edition 'guest' Finish, we introduced Glenmorangie Côte de Nuits, further exploiting our expertise in wood management. This Finish is a 1975 Vintage which had a final period of maturation in casks previously maturing the rarest Grand Cru red Burgundy. Bearing testimony to the qualities of this rare product, all available stock was sold within days! We also launched Malaga Wood Finish, a 25 years old Glenmorangie product, matured in sweet Malaga casks and available exclusively on the Glenmorangie internet site.

In our core UK domestic market, despite shipments as expected being 11% below the Millennium year, the Glenmorangie brand continued to grow its overall market share. In value terms, Glenmorangie has now become market leader in the UK off-trade channel for the first time in its history and further strengthened its position as Scotland's favourite malt. Our successful 'Glen of Tranquillity' advertising campaign was rolled out into new regions of the country and we continued to build on our highly successful relationship marketing programmes.

In the USA, Glenmorangie's biggest export market, consumer sales grew by 2% in a flat market. The brand has not been affected, to date, by any slowdown in the US economy, which, nonetheless, remains an ongoing concern. Under Brown-Forman's committed stewardship, we plan to continue to grow our brand share in this important market. In France, depletions of Glenmorangie were level with bumper sales in the Millennium year and we maintained our share of the premium category. In Canada, consumer sales grew by 22%, almost three times the growth of the category, thus becoming our third largest export market. Sales in Japan were flat versus last year due to the economic slowdown affecting the on-trade sector.

The final effects of abolition of intra-EU Duty Free caused shipments of Glenmorangie to this trade channel to decline by some 25%. We have maintained a strong position in UK Duty Free / 'Travel Retail' outlets, offset by a sharper decline in Continental European outlets.

Through our Brown-Forman partnership, we are in the process of seeding Glenmorangie in 10 new markets, mainly in Eastern Europe and South America. Although this will not bring substantial sales in the short term, these markets all have long term potential.

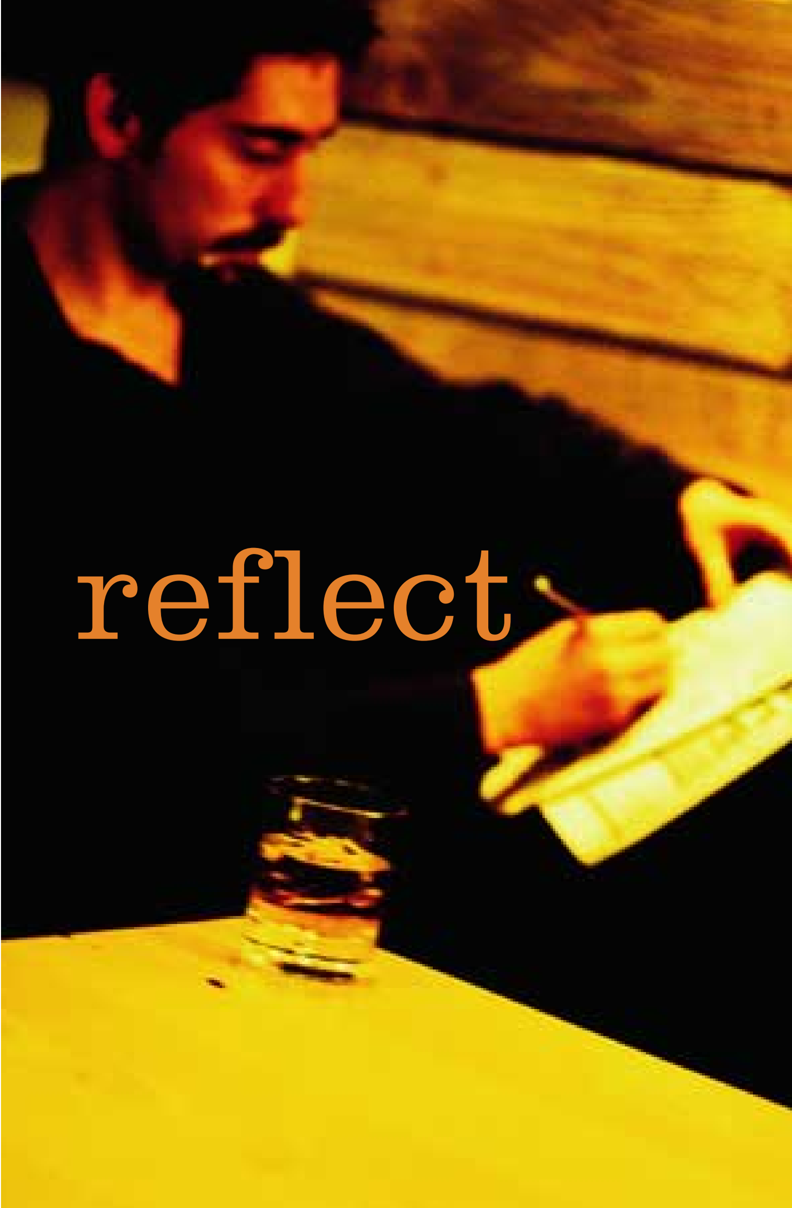
The recently re-launched Glen Moray brand grew shipments by 18% last year. It is positioned as a quality, attractively packaged 'entry brand' to the malt category. In the UK, the main market for Glen Moray, we achieved exceptional growth, becoming the eighth best-selling malt in the dominant off-trade sector. We also grew consumer sales in the USA and appointed a new distributor in France.

The Islay sector remains the fastest growing sector of the malt whisky market and we position Ardbeg as 'The Ultimate Islay Malt'. In February 2000, we launched the Ten Years Old expression of Ardbeg. Bottled at 46% ABV and non-chillfiltered, this product has been enthusiastically accepted by distributors, the trade and consumers. Total brand shipments grew 92% as it achieved new distribution worldwide. We are supporting brand growth with increasing marketing funds, including the highly effective 'Ardbeg Committee' relationship marketing programme which has won independent UK and international marketing awards.

Consumer sales of Martin's Deluxe, our super-premium blended Scotch, grew by 2% in Portugal, its key market, significantly outperforming its competition. The Bailie Nicol Jarvie, our premium blend, grew substantially through achieving wider UK distribution. 'BNJ', with its very high malt whisky content, is being slowly discovered as one of, if not *the*, best premium blended Scotches available in the market. Sales of our other branded blends, Highland Queen and Martins VVO, were below last year due to difficult blended Scotch markets in Africa, the Middle East and the Americas.

Sales of the Crabbie's brand were 14% ahead of last year helped by the launch of Crabbie's Mac, our pre-mixed Scotch and green ginger wine variant.

Business with UK and European grocery retail partners grew substantially last year, as we enjoyed the results of winning new retail exclusive and private label contracts. These are very important relationships for Glenmorangie plc. By taking a category management approach, these relationships assist our malt brand performance; they also drive an overall stronger customer service culture throughout the Group and, most importantly, they contribute to overhead recovery at our Distilleries and Broxburn production facility.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/ Broxburn Operations

Delivering the benefits from the investment in the supply chain has been the key focus over the last year. These benefits have been manifested in improvements both in customer service and, importantly and significantly, in productivity. Providing superb customer service is a key objective and we have achieved substantial improvements in the number of orders delivered on time and in full, with service levels being fully maintained throughout the critical peak season. Our extensive warehousing facilities continued to operate close to capacity.

Standards in quality, health and safety, environmental and Customs and Excise remain an important focus. We have maintained our British Retail Consortium food hygiene and quality higher standard accreditation. We have also been working with both the Scottish Environmental Protection Agency (SEPA) and the Health and Safety Executive in preparation for enforcement of the Control of Major Accident Hazards (COMAH) legislation this year.

The immediate focus in Operations is now the rapid integration of Drambuie production at the Broxburn site, whilst maintaining the quality levels of bottling and customer service for Glenmorangie plc brands. In the medium term this partnership will facilitate a further step change in asset utilisation and cost reduction.

/ Distilleries

Our two mainland Distilleries – Glenmorangie and Glen Moray – continue to operate at maximum capacity to supply malt spirit for our single malt brands and, in the case of Glen Moray, for our increasing blended Scotch business. At Ardbeg we ran the Distillery at 60% of capacity which was marginally higher than the previous year. The focus at the Distilleries will be, as always, on achieving efficient production whilst, most importantly, maintaining the highest quality spirit.

We continue to innovate and experiment with different cask types for maturation and our partnership with Brown-Forman has opened up another avenue for competitively sourcing high-quality American oak wood.

With ever-tightening legislative requirements being introduced to UK industry, the Distilleries will continually strive to achieve the best possible standards in areas such as health & safety, environmental and Customs & Excise compliance.

A change in working patterns at Glen Moray and Glenmorangie Distilleries has allowed us to move the 'silent season' maintenance period from its traditional summer slot to earlier in the year. As a result of this, the distilleries will be fully operational during the peak tourist season, which supports the growing and important visitor centre operations. At Glenmorangie Distillery, we completed the shop extension and refurbishment facilitating further growth in this important area.

/ E-Commerce

Glenmorangie plc now has its key suppliers linked to the Group electronically giving benefits in a number of areas, including improved and real time information flow, automatic purchase order creation, greatly reduced manual interface and improved customer service. These benefits also enable our buyers and planners to concentrate their efforts on areas of added value.

We now have four websites providing corporate and malt brand information. All three brand websites offer on-line retail facilities and are directly linked to our distillery visitor centre shops.

/ Employees

The development of our employees remains a priority and it is pleasing to note than an increasing number of employees are going through a range of training and development activities. Our continued objective is to create an employee skill base and culture in the Group which best facilitates brand development, volume growth, innovation, cost competitiveness and superb customer service, all aimed at delivering growth in profits and shareholder value over the long term.

Our business continues to grow and change. Once again, we are particularly grateful for the commitment and flexibility shown by our employees in meeting the changing needs of the business.

/ Prospects

Glenmorangie plc is a focused player with a clear and robust strategy. We are operating in the growth sectors of the Scotch Whisky market and outperforming these categories.

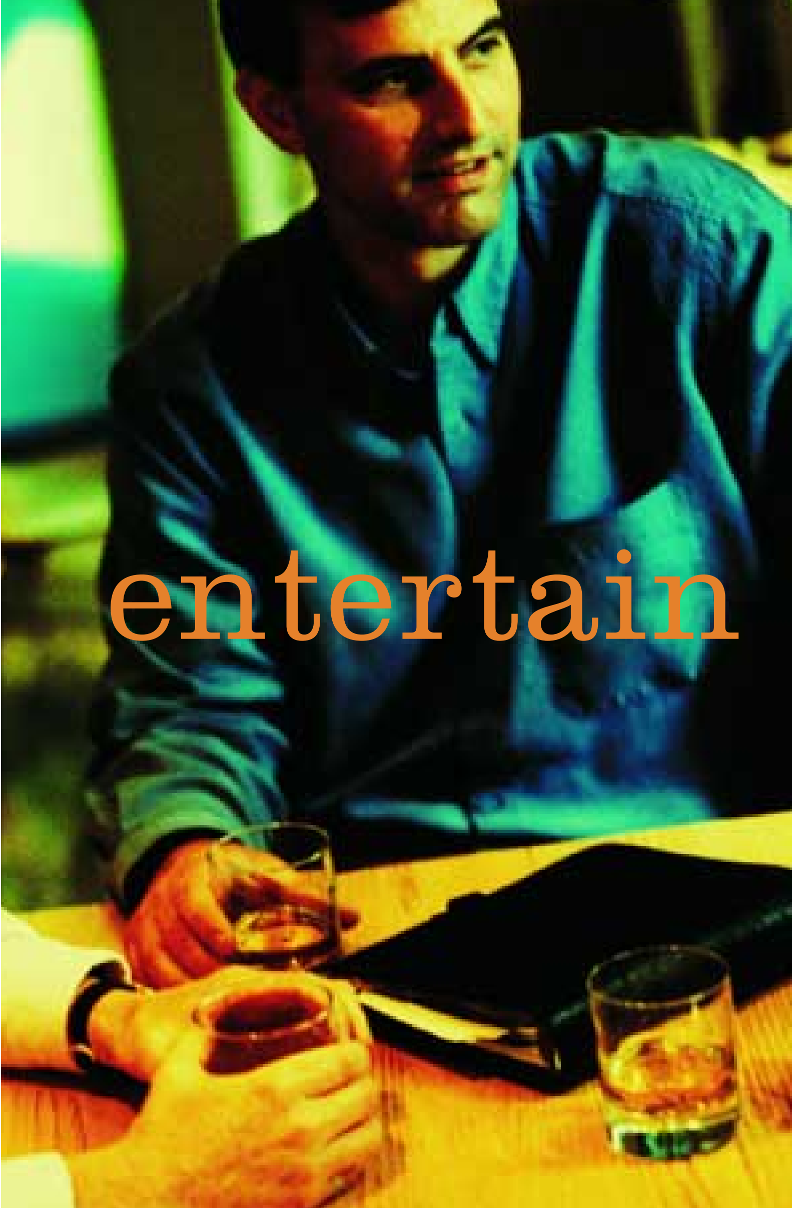
Our key assets remain our brands. Developing and growing our malt brands, supported by strong and effective marketing investment, is our primary focus. As a long term business we remain fully confident in the prospects for our key brands. Glenmorangie remains the prime focus, but Ardbeg and Glen Moray have strong development potential as endorsed by the growth achieved this year. Our Brown-Forman partnership has significantly boosted the prospects for our malt brands over the medium to long term.

With continued strong Sterling anticipated and worsening worldwide economic prospects for this year, we see the potential for price increases to be limited and trading conditions in the UK and export markets to be less certain. Margin improvements will be driven largely by market share gains and by continued strong control over our cost base. We remain focused on our costs and anticipate realising further savings from our operations strategy. Our recent link up with Drambuie will help progressively to further improve the utilisation of our Broxburn facility.

Focus for the coming year will be on growing our malt brands and gaining the full benefits anticipated from our Brown-Forman partnership. Additionally, our focus will be on smoothly integrating Drambuie's supply chain into our own and gaining early advantages and cost savings from this new arrangement.

We are, overall, confident of delivering an improving performance and adding value for our shareholders over the long term.

Paul A. Neep
Chief Executive
16th May 2001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FINANCE DIRECTOR'S REVIEW

/ Profit and Loss Account

Turnover for the year increased by some 3.6% to £52.2 million. This very largely reflected increased cased sales albeit reduced, as anticipated, by lower bulk whisky sales. Operating profit rose by some 11.0% to £9.90 million being 19.0% of turnover compared to 17.7% last year.

The analysis of turnover is as follows:

	2001	2000	
	£m	£m	%
Cased	44.8	42.9	+4.6
Bulk	4.2	4.6	-8.5
Warehouse rents	1.8	1.8	-2.1
Other	1.4	1.1	+24.9
	52.2	50.4	+3.6

The improvement in operating margins reflected the increase in cased turnover noted above, generated in spite of last year's performance including an exceptional and substantial Millennium celebration benefit, improved sales mix towards premium expressions of Glenmorangie, a growing proportion of total cased volumes represented by lower margin blended Scotch whisky sales and continued reduction in profits from bulk whisky sales. These results also demonstrate much reduced production costs per case with substantial benefits now being obtained from our bottling line investments, reinforced by continued excellent cost control generally. Finally, we continued to invest strongly in marketing investment behind our brands, representing 23% of cased turnover compared to an exceptional Millennium celebration boosted 24% spend level last year.

Interest costs rose by 7% to £2.41 million due to increased average borrowings during the year, albeit at reduced rates. Excluding exceptional items, interest cover (the ratio of profit before interest and taxation to net interest payable) increased to 4.06 times this year from 3.97 times in 2000. We would again expect to be cash positive this year and would therefore anticipate this ratio moving mildly upwards once again.

Associate losses again reflected running costs in China, with such costs being well controlled and continued slow progress being made in seeding our brands for the long term.

Profit before taxation rose by some 13.9% to £7.35 million. With the tax charge representing 31.6% of pre tax profit, basic earnings per share have increased by 11.5% to 37.28p per 'A' Ordinary Share (limited voting rights) and by 11.3% to 18.425p per 'B' Ordinary Share.

The Board is recommending that the final dividend be increased by 6.5% to 13.20p per 'A' Ordinary Share (limited voting rights) and 6.60p per 'B' Ordinary Share. This represents a 6.25% increase in the total dividend for the year and is covered 2.17 times by earnings.

/ Cash Flow and Funding

The Group's net borrowings at the year end were £33.9 million representing a reduction of £1.5 million from last year's level. This has been achieved consequent to the improved trading performance, which has also brought net incremental bulk whisky stocks investment back to longer term norms, to capital expenditure at a more normal long term level subsequent to completion of our operations strategy investments in bottling and to payment last year of the final tranche for the purchase of the Ardbeg Distillery. Capital expenditure will be raised this coming year by investment behind our Drambuie partnership. Nonetheless, we would expect to continue mildly cash positive again this year. Gearing (the ratio of borrowings to shareholders' funds) decreased to 46% from 50% in 2000. £20 million of acceptance credits were rolled over in mid 2000 without difficulty and we anticipate no problems in rolling over £12 million of such credits due for renewal in mid 2001.

/ Shareholders' Funds

Total shareholders' funds increased to £73.8 million from £71.1 million reflecting the retained profit for the year.

During the year, the Company's 'A' Ordinary Shares (limited voting rights) traded within a range of 320p to 607.5p and at the end of the year stood at 575p. The 'B' Ordinary Shares traded within a range of 577.5p to 930p and at the end of the year stood at 875p.

/ Summary

This has been a year of good progress against our strategic objectives following the Millennium celebrations last year. Recognising the impact of those celebrations on last year's figures, the Group has again demonstrated excellent underlying sales growth this year, led by our brands which remain our key assets and in which we have continued to invest strongly in marketing support for their future growth. Production costs per case have fallen substantially, with further to go, consequent to our investment in upgraded bottling equipment which was completed last year. With debt levels now moving down, the Group's financial base is increasingly strong to facilitate continued progress against strategy augmented by our partnerships with Brown-Forman and Drambuie.

Iain L. Hamilton
Finance Director
16th May 2001


enjoy

Handcrafted by the 'Sixteen Men of Tain', Glenmorangie is increasingly being recognised, worldwide, / GLENMORANGIE IS THE NUMBER 1 MALT IN SCOTLAND, NUMBER 2 IN THE UK AND NUMBER 3 PREMIUM MALT WORLDWIDE / as a leading premium Single Malt Scotch / OUR PARTNERSHIP WITH BROWN-FORMAN WILL FURTHER ACCELERATE BRAND GROWTH IN INTERNATIONAL MARKETS / whisky brand. The Glenmorangie Wood Finish Range develops the journey through malt by providing a rich variety of / THE GLENMORANGIE WOOD FINISH RANGE PERFORMED PARTICULARLY WELL IN THE UK, THE USA AND FRANCE AND NOW REPRESENTS 17% OF TOTAL BRAND SALES / new tastes whilst retaining the overall balance which makes Glenmorangie so intriguing.


The GLENMORANGIE
TEN YEARS OLD


GLEN
MORAY
1897
WHISKY

GLEN MORAY

With its smooth light taste, Glen Moray offers a unique, welcoming / WORLDWIDE SHIPMENTS OF GLEN MORAY GREW BY 18% LAST YEAR / discovery to malt whisky. Distilled in Speyside, it spends an additional period of time mellowing in ex-wine casks / GLEN MORAY 12 AND 16 YEARS OLD ARE MELLOWED IN CHENIN BLANC CASKS AND GLEN MORAY CLASSIC IS MELLOWED IN CHARDONNAY CASKS / to produce an easy-drinking, approachable and satisfying fruity malt. Further success / GLEN MORAY'S KEY MARKETS ARE THE UK, THE USA AND FRANCE / will be achieved by focussing on key markets.

ARDBEG

Of all the world's many whiskies, it is the peaty, smoky Islay malts which are considered the most challenging sector of the malt whisky market. Ardbeg stands alone as the most delicate and complex / ISLAY IS THE FASTEST GROWING MALT WHISKY SECTOR / of them all. Revered by connoisseurs as something extraordinary, the newly introduced Ardbeg Ten Years Old reflects these classic Islay characteristics and is now being enjoyed by an increasing number of drinkers. / TOTAL SALES OF ARDBEG GREW 92% THIS YEAR, WITH THE LAUNCH OF THE TEN YEARS OLD EXPRESSION / Ardbeg is the ultimate whisky experience.

ARDBEG 17 YEARS OLD

ARDBEG TEN YEARS OLD

ARDBEG 1975 VINTAGE


Established 1815
Ardbe
The Ultimate
SINGLE ISLAY MA
SCOTCH WHISK


B.N.J.

BRANDED BLENDS

The Bailie Nicol Jarvie, with its very high malt content and blend of premium malt and grain whiskies, is being increasingly discovered as one of, if not *the*, best / THE BAILIE NICOL JARVIE GREW SALES BY 105% LAST YEAR / blended Scotches available in the market. Martin's Deluxe / CONSUMER SALES OF MARTIN'S 20 AND 30 YEARS OLD GREW IN ITS KEY MARKET OF PORTUGAL / celebrates a supreme achievement in the art of blending very old and rare Scotch whiskies. Highland Queen is a quality blend at an accessible price, enjoying a high reputation with / HIGHLAND QUEEN'S KEY MARKETS ARE AFRICA, THE MIDDLE EAST AND JAPAN / traditional whisky drinkers.

HIGHLAND QUEEN

MARTIN'S 20 YEARS OLD

THE BAILIE NICOL JARVIE


pleasure

LIST OF DIRECTORS

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1/ GEOFFREY K. MADDRELL,

NON-EXECUTIVE CHAIRMAN

Appointed to the Board in January 1994. Non-executive Chairman of the Unite Group plc, Westbury plc, LDV Ltd, ProShare (UK) Limited, Ivory and Sime ISIS Trust Plc, Integem PLC and Buildstore Limited. Appointed a Civil Service Commissioner in March 2001. Formerly Chief Executive of Tootal Group PLC.
Age 64.

2/ PAUL A. NEEP,

CHIEF EXECUTIVE

Appointed to the Board as Marketing Director in February 1997 from the Forte Hotels division of Granada plc, where he held the posts of Marketing Director and Strategic Planning Director. Appointed Managing Director in June 1998 and Chief Executive in November 2000. He has previous extensive sector experience with United Distillers. He has also held marketing positions at Sterling Drug Inc and Bowater Scott Corporation.
Age 47.

3/ MICHAEL V. CHEEK,

NON-EXECUTIVE DIRECTOR

Appointed to the Board in June 2000, he is currently Executive Vice President of Brown-Forman Beverages Worldwide, being President of the Global Spirits Group. Joined Brown-Forman Corporation in 1992 and has also held senior positions with Heublein Wines, Coca-Cola USA and E & J Gallo Winery.
Age 57.

4/ SIMON D. ERLANGER,

SALES DIRECTOR

Joined the Group in 1993 and appointed to the Board in April 1996. He has previous sector and retail experience gained in a variety of Sales and Marketing roles with United Distillers and Marks and Spencer plc respectively.
Age 41.

5/ IAIN L. HAMILTON,

FINANCE DIRECTOR/DEPUTY CHIEF EXECUTIVE

Appointed to the Board in January 1997 from SCI Europe where he held the posts of UK Finance Director and European Financial Controller. He has extensive experience within the electronics and consumer goods industries and previous exposure to the whisky industry gained in professional practice. In addition to Finance, has overall responsibility for distillery and whisky stocks management. Appointed Deputy Chief Executive in January 2001.
Age 46.

6/ LESLEY M. S. KNOX,

NON-EXECUTIVE DIRECTOR

Appointed to the Board in April 1999. A Founder Director of British Linen Advisers, she was a director of investment bankers Kleinwort Benson for 17 years. She is a non-executive director of Bank of Scotland, Scottish Provident, Dawson International and New Fulcrum Investment Trust and a Governor of the Museum of London.
Age 47.

7/ DR PETER J. NELSON,

OPERATIONS DIRECTOR

Joined the Group in 1997 and appointed to the Board in January 2001. He has played a major role in the planning and implementation of the Group's operations strategy and investment. He previously held production roles with the Dow Chemical Corporation in France and the USA and with Monsanto.
Age 41.

8/ DR PETER J. WILLIAMSON,

NON-EXECUTIVE DIRECTOR

Appointed to the Board in December 1995. He is professor of International Management at the INSEAD Euro-Asia Centre and has assisted numerous multi-national companies on strategic issues and international expansion.
Age 43.

9


9/ ALISON E. MACDONALD,

COMPANY SECRETARY

CORPORATE GOVERNANCE

The Group is committed to, and the Board is accountable for, high standards of corporate governance. This statement describes how the principles of corporate governance are applied to the Group and outlines the Group's compliance with the provisions set out in Section 1 of the Combined Code prepared by the Committee on Corporate Governance chaired by Sir Ronald Hampel.

Throughout the year ended 31st March 2001 the Group has been in compliance with the provisions set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange except that during the year independent non-executive directors did not constitute a majority of the non-executive directors on the Board and the appointments of some of the executive directors reflected contracts requiring the giving of more than twelve months notice of intention to terminate by the Company. The Remuneration Committee believes that such notice period is often required to attract high calibre executives to serve on the Company's Board. The procedures necessary to implement the guidance of the Turnbull Committee (Internal Control: Guidance for Directors on the Combined Code) were in place throughout the year.

/ Board

The Board currently comprises the Non-Executive Chairman, three other non-executive directors, the Chief Executive and three other executive directors. Two of the non-executive appointments are considered independent, being Dr. P. J. Williamson (senior non-executive director) and Mrs L. M. S. Knox. Biographies appear on page 25 which demonstrate a range of experience and sufficient calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct which is vital to the success of the Group. Non-executive directors are appointed on a three year rolling basis or until age 65, as appropriate. The Board is responsible to shareholders for the proper management of the Group. A statement of the directors' responsibilities in respect of the accounts is set out on page 54 and a statement on going concern is given on page 34.

The Board has a formal schedule of matters specifically reserved to it for decision. All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Non-Executive Chairman, in conjunction with the Human Resources department, ensures that the directors receive appropriate training as necessary.

The Board meets at least six times per year, reviewing trading performance, ensuring adequate funding, setting and monitoring strategy and examining major acquisition possibilities. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the executive directors are fully considered. To enable the Board to discharge its duties, all directors receive appropriate and timely information. Briefing papers are distributed by the Company Secretary to all directors in advance of Board Meetings. The Non-Executive Chairman ensures that the directors can take independent professional advice as required.

/ Remuneration Committee

This Committee meets at least twice a year. It is responsible for reviewing and endorsing the senior management and organisational structure, reviewing and being satisfied with the arrangements for succession planning and management development, determining the remuneration of the executive directors and reporting, where appropriate, to the Board. For these purposes, "remuneration" means all terms of an employment package, including contractual terms, salary, pension arrangements, participation in share option schemes, profit sharing, incentive remuneration schemes and all other bonuses and benefits. The Committee is advised where appropriate by a leading firm of remuneration consultants.

Further details of the Group's policies on remuneration, service contracts and compensation payments are given in the Remuneration Report on pages 30 to 33.

/ Audit Committee

This Committee is appointed by the Board from amongst the non-executive directors and normally meets twice a year. It provides a forum for reporting by the Group's external and internal auditors. Meetings are also attended, by invitation, by the Finance Director.

The Committee assists the Board in observing its responsibility for ensuring that the Group's financial and accounting systems provide accurate and up-to-date information on its current financial position, and that the Group's published financial statements represent a true and fair reflection of this position. It ensures that appropriate accounting policies, controls and compliance procedures are in place, advises the Board on the appointment of external auditors and on their remuneration, and discusses the nature, scope and results of the audit with external auditors. It also keeps under review the cost effectiveness and the independence and objectivity of the external and internal auditors.

/ Nomination Committee

This Committee is responsible for nominating for the approval of the Board candidates for appointment to the Board, having regard to the balance and structure of the Board. It comprises the Non-Executive Chairman, the Chief Executive of the Group and other directors as deemed appropriate for any given nomination having regard to the need for the majority to be non-executive. In appropriate cases, recruitment consultants are used to assist the process.

Members of the above Committees are detailed on page 35.

/ Relations with Shareholders

Communications with shareholders are given high priority. The Finance Director's Review on page 13 includes a detailed review of the business and future developments. There is regular dialogue with institutional shareholders including presentations after the Group's preliminary announcement of the year end results and at the half year.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. The Non-Executive Chairman aims to ensure that the Chairmen of the Audit and Remuneration Committees are available at Annual General Meetings to answer questions. Details of resolutions to be proposed at the Annual General Meeting on 29th June 2001 can be found in the Notice of Meeting enclosed with this Report, which, in accordance with the Combined Code, has been issued to shareholders at least 20 working days in advance of such Meeting. In line with the requirements of the Combined Code, the results of proxies are disclosed at the Annual General Meeting.

/ Internal Controls

The Board has overall responsibility for establishing, maintaining and reviewing the effectiveness of the system of internal control. Internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Board has established processes to ensure that all material risks are identified and thereafter systematically managed.

Throughout the year, the Group has continued to operate procedures which were established to comply with the Turnbull Committee's Final Guidance on Internal Control issued on 27th October 1999. The Company Secretary is responsible for ensuring that risk and control matrices are established, updated and reviewed on an annual basis. As Head of Internal Audit, the Company Secretary also ensures that an internal audit programme is operated and the results reported regularly to the Audit Committee and senior executive directors.

The principal features of the internal control system are as follows:

- a clearly defined organisation structure and limits of authority;
- corporate policies for financial reporting, accounting, financial risk management, information security, project appraisal and corporate governance;
- terms of reference for the Board and its sub-committees, including a schedule of matters reserved for the Board and an agreed annual programme of fixed agenda items for Board approval;
- Group-wide policy manuals setting out agreed standards and control procedures. These include personnel-related policies, a code of ethics, an environmental policy and guidelines for dealings by directors and relevant employees;
- annual budgets and long-term business plans, identifying key risks and opportunities, underpinned by a 5-year strategic plan;
- risk and control matrices which are approved by the Board on an annual basis as part of the annual planning process;
- review by the Board annually of the Group risk assessment report;
- review by the Board of the role of insurance in managing risks across the Group;
- regular reporting and monitoring of financial performance, using weekly operating statistics and monthly management accounts which highlight key performance indicators and variances on budgets and forecasts, with regular reports to the Board at its meetings;
- regular reporting on operational performance against targets; and
- an Audit Committee which approves audit plans, deals with significant control issues raised in the external audit and internal audits and reports the outcome of its meetings to the Board with the Board receiving minutes of such meetings.

The Audit Committee has reviewed the effectiveness of the system of internal control as it has operated during the year and reported its conclusions to the Board.

/ Environmental Policy

The Group is committed to producing high quality spirit products and will, at all times, endeavour to do so with minimum adverse impact on the environment.

- All Group operations will be conducted within appropriate laws, environmental regulations and codes of practice.
- The Group will communicate to and educate employees and, where appropriate, contractors on the requirements of preserving and improving the environment.
- Systems/procedures will be maintained to ensure that production effluent is stored and treated according to appropriate legislation.
- Vapour and dust particles to the air will be reduced to the lowest practicable levels. Odours necessarily associated with Scotch whisky production will be kept to a minimum.
- Hazardous materials will be handled and stored safely compatible with not causing injury to people or contamination to land or water.
- Water courses associated with Group operations will be protected from contamination by careful control of drains and effluent streams.
- The Group will conserve energy and other natural resources, whilst minimising waste and promoting re-cycling where appropriate.
- All new products, investment and processes will be fully evaluated prior to approval to assess their likely environmental impact.
- The Group will reduce packaging through exploring new technologies, and use recycled/recyclable materials where appropriate.
- The Group will regularly conduct environmental audits of all its sites and operations to ensure compliance with the Policy.

REPORT OF THE DIRECTORS

The directors submit their report together with the accounts for the year ended 31st March 2001.

/ Principal Activities

The principal activities of the Group consist of the distillation, warehousing, blending, bottling and marketing of Scotch Whisky. A review of the business and its future development is included in the Chairman's Statement and Chief Executive and Finance Directors' Reviews on pages 5 to 13.

/ Profits and Dividends

The profit for the year available to shareholders amounts to £5,032,000 and, subject to approval of the proposed final dividend, is dealt with as shown in the consolidated profit and loss account. The directors are recommending a final dividend, payable on 24th July 2001, of 13.20p per share on the 'A' Ordinary Shares (limited voting rights) and 6.60p per share on the 'B' Ordinary Shares making 17.00p per share and 8.50p per share respectively for the year.

/ Global Sales and Marketing Partnership with the Brown-Forman Corporation

In May 2000 the Group entered into a strategic sales and marketing partnership with the Brown-Forman Corporation with whom it already had a strong distribution relationship for its malt brands in North America. This new link-up seeks to accelerate the growth of these malt brands in Continental Europe and to help in developing them in the emerging malt markets. To cement this relationship, Brown-Forman has purchased shares representing 9.36% of the voting rights in our Company.

/ Supply Chain Partnership With The Drambuie Liqueur Company Limited ('Drambuie')

On 30th March 2001 the Group formed a supply chain partnership (Glenaird Limited) with Drambuie. Although Glenaird is a joint venture company with such partners each holding 50% of the equity, the Group fully controls its day to day management and holds a majority of the voting rights in it. All production of Drambuie will transfer to our Broxburn site over the coming months with future benefits anticipated in reduced operating costs and from amalgamated purchasing and warehousing activities.

/ Tangible Fixed Assets

During the course of the year, the Group incurred capital expenditure of £2.2 million. Within that figure, the Group invested £0.8 million in effecting equipment, computer and general infrastructure improvements at Broxburn, £0.7 million behind its ongoing cask purchase programme and £0.3 million on general upgrading work at the distilleries. Disposals during the year reflected ongoing disposals for replacement of casks and motor vehicles.

/ Share and Other Interests

The directors holding office at the year end held interests in the share capital of the Company at 1st April 2000 and 31st March 2001 as detailed in the Remuneration Report on pages 30 to 33.

The directors were aware of the following holdings in excess of 3% of either class of ordinary share capital at 8th May 2001.

'A' Shares		
Brown-Forman Corporation	2,962,904	25.4%
R. S. Macdonald Charitable Trust	1,384,266	11.9%
Finsbury Trust	605,000	5.2%
Axa Sun Life Investment Management	593,304	5.1%
Legal & General Assurance Society	572,412	4.9%
Royal & Sun Alliance Insurance Group	560,037	4.8%
Scottish Mutual	440,234	3.8%
Trustees of Mr and Mrs R. H. Fitzgerald Wells	430,305	3.7%
Miss S. C. Macdonald	372,593	3.2%

'B' Shares		
R. S. Macdonald Charitable Trust	1,004,350	25.1%
D. W. A. Macdonald	984,787	24.6%
Trustees of Mr and Mrs R. H. Fitzgerald Wells	337,380	8.4%
Miss S. C. Macdonald	337,197	8.4%
Royal & Sun Alliance Insurance Group	300,000	7.5%
Securities Trust of Scotland	190,000	4.8%

/ Changes of Director

As reported last year, Mr E. D. Buchanan retired from the Board on 16th May 2000. Mr P. B. Cullen retired as a non-executive director on 30th June 2000. He joined the Group in 1971, was appointed to the Board in 1976 being primarily responsible for management of the Group's whisky stocks, and became a non-executive director in 1996. We thank Peter for his very substantial contribution to Group development over the years and wish him a long and happy retirement.

Mr M. V. Cheek was appointed to the Board in June 2000 as a non-executive director. He is Executive Vice President of Brown-Forman Beverages Worldwide and President of their Global Spirits Group. He brings his wide experience gained in those roles and in a variety of prior senior executive positions within the beverages sector to our benefit.

Dr P. J. Nelson was appointed to the Board in January 2001 as Operations Director. This appointment recognises the key contribution he has made in implementing our recent operations strategy investments and the focus being given to gaining value from our assets going forward.

Mr G. K. Maddrell announced his move from Executive to Non-Executive Chairman in May 2000. Reflecting his wider responsibilities, Mr P. A. Neep, previously Managing Director, became Chief Executive in November 2000. Mr I. L. Hamilton was promoted to Deputy Chief Executive in January 2001 in recognition of his wide contribution within the Group.

/ Charitable and Political Contributions

The Group has made gifts during the year of the following amounts:

For Charitable and Education purposes	£7,400
For Political purposes	£ Nil

/ Suppliers

The Group recognises the importance of maintaining good business relationships with its suppliers and is committed to paying all invoices within 60 days of invoice date or otherwise within agreed terms. Payment days for trade creditors at the year end was 26 days (2000: 44 days).

/ Capital Gains Tax

The price of the 'A' Ordinary Shares (limited voting rights) and 'B' Ordinary Shares ruling at 31st March 1982 was 70p.

/ Auditors

Ernst & Young has stated that it is intending to transfer its business, on 28th June 2001, to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. The Board has consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28th June 2001. Ernst & Young has expressed its willingness to continue in office as auditor and a resolution to re-appoint Ernst & Young LLP as the Group's auditor will be put to the Annual General Meeting.

/ Annual General Meeting

The Annual General Meeting will be held on Friday, 29th June 2001 at noon at Macdonald House, 18 Westerton Road, Broxburn, West Lothian, EH52 5AQ. The Notice of Meeting is contained within the separate Chairman's letter accompanying this Report.

/ Miss A. E. Macdonald, Secretary
Macdonald House
18 Westerton Road
Broxburn
West Lothian
EH52 5AQ

REMUNERATION REPORT

The Group's Remuneration Committee is chaired by Mr G. K. Maddrell and its other members during the year were Mrs L. M. S. Knox, Dr P. J. Williamson and Mr M. V. Cheek who joined the Committee on his appointment to the Board in June 2000.

The policy of the Committee is to draw on advice of independent remuneration consultants where appropriate to determine executive director remuneration. Whilst the Committee determines the remuneration and contractual conditions of the executive directors, the Board as a whole determines the remuneration of non-executive directors.

/ Remuneration Policy

The policy objectives of the Remuneration Committee are to seek to ensure that executive directors and senior executives are fairly rewarded for their contribution and that the Group is able to recruit and retain highly qualified and motivated executives. These objectives similarly pertain for all other Group employees. The Group aims to meet these objectives through a remuneration package which includes salary, benefits in kind, and annual and long-term incentives, as well as other elements as provided in the service contract or Group policy. The components of the remuneration package are described below.

/ Salary and Benefits

The salaries of directors and other senior executives are established on the basis of market comparisons with positions of similar responsibility and scope in companies with similar industrial characteristics. The Committee uses salary surveys conducted by external remuneration consultants as a source of market information. Individual salaries of directors and other senior executives are reviewed annually and adjusted by reference to individual performance and market factors. Details of the emoluments of the directors are set out on page 31. Benefits in kind include the provision of a fully expensed company car and private health insurance.

/ Annual Incentives

During the year, the executive directors participated in two annual incentive schemes, under which they may receive up to an aggregate maximum of 25% of their base salary. Under the cash scheme, the performance measures used to determine the level of any incentive earned are partly based on the corporate measure being profit before tax and partly on the achievement of personal objectives. Executive directors also qualify, along with other eligible employees, for an award under the Employee Share Scheme. This award, if made, has historically amounted to 3% of base salary and is incorporated within an individual's aggregate award, as noted above.

In line with recent legislation, the Employee Share Scheme will cease to exist, with the intention that it be replaced by an All-Employee Share Ownership Plan to be introduced with shareholder approval at the forthcoming Annual General Meeting details of which are laid out in the Chairman's Letter to Shareholders which forms part of the Notice of Annual General Meeting. The design of the new Plan takes account of the provisions in Schedule A of the Combined Code.

/ Long-term Incentives

The Glenmorangie plc Long-Term Incentive Plan was adopted with the consent of shareholders at the 1996 Annual General Meeting. The purpose of the Plan was to match awards more closely with the success of the Group. The Long-Term Incentive Plan was replaced by a new Share Option Plan following the approval of shareholders at the 1999 Annual General Meeting.

/ Share Options

The Group continues to operate the 1987 Employee Share Option Plan. Additionally, the 1999 Share Option Plan is intended to encourage a more focused performance from certain key employees and generate added value for shareholders by linking the options granted to performance targets set by the Remuneration Committee. Options, which are only issued at current market prices, are granted in any year based upon individual performance and upon an appropriate level of incentivisation required to encourage focused performance for the future.

/ 1999 Savings Related Share Option Plan

This Plan was introduced following approval by shareholders at the 1999 Annual General Meeting. It was established to encourage all employees of the Group to hold shares in the Company through a tax-efficient regular savings plan. The Board considers that increased employee ownership of shares will incentivise the employees of the Group and encourage them to take a direct interest in its performance.

/ Pensions

The executive directors are members of the Glenmorangie plc Pension Scheme which is a defined benefit scheme. Contributions by executive directors and other employees amount to 4% of base salary and the Group is responsible for any additional cost. Base salary only qualifies for pension purposes.

Retirement benefits will provide the executive directors, at normal retirement age, with a pension of up to two-thirds of their pensionable salary, subject to Inland Revenue limits and other statutory rules. Non-executive directors are not members of the Glenmorangie plc Pension Scheme.

/ Service Contracts

All of the executive directors of the Group have service contracts with the Group. All such contracts may be terminated by the director giving six months' notice of intention to terminate, or by the Group giving either one or two years' notice of intention to terminate as dictated in each individual's contract.

All new executive directors will have contracts in similar terms to the above, but the Committee will keep this and further developments under review in order to retain and recruit directors of an appropriate calibre.

Each non-executive director has been provided with a letter of appointment.

Messrs S. D. Erlanger and I. L. Hamilton and Mrs L. M. S. Knox retire from the Board at the Annual General Meeting and, being eligible, offer themselves for re-election. Messrs E. D. Buchanan and P. B. Cullen retired as non-executive directors on 16th May 2000 and 30th June 2000 respectively. In addition, the appointments of Mr M. V. Cheek and Dr P. J. Nelson require confirmation at the Annual General Meeting.

/ Executive Directors – Outside Appointments

The Group recognises the benefits to the individual and to the Group of involvement by executive directors of the Group as non-executive directors in companies not associated with Glenmorangie plc. Such appointments must be approved by the Board. The executive director is permitted to retain any fees for service in relation to one such outside appointment. A second non-executive directorship is permitted unpaid. No such outside appointments are currently in force.

/ Non-Executive Directors – Remuneration Policy

The remuneration for non-executive directors consists of fees for their services in connection with Board and Board Committee meetings. Their fees are determined by the Board as a whole and are reviewed annually. Non-executive directors' fees were last increased in October 2000. The non-executive directors do not take part in discussions on their remuneration, are not eligible for pension fund membership and do not participate in any of the Group's annual or long-term incentive schemes.

/ Directors' Emoluments – Summary for Year

	2001 £000	2000 £000
Directors' Remuneration		
Total remuneration:		
- Fees as directors	**104**	151
- Salaries and other benefits	**430**	352
- Performance related pay	**64**	40
	598	543
Pension contributions	**15**	17
	613	560

/ Individual Details of Directors' Emoluments for the Year Ended 31st March 2001

	Fees £000	Basic Salary £000	Performance Related Pay £000	Benefits £000	**2001 Total £000**	2000 Total £000
G. K. Maddrell	60	-	-	4	**64**	103
P. A. Neep	-	148	26	17	**191**	143
E. D. Buchanan	3	-	-	-	**3**	14
M. V. Cheek	-	-	-	-	**-**	-
P. B. Cullen	4	-	-	-	**4**	14
S. D. Erlanger	-	99	17	9	**125**	101
I. L. Hamilton	-	119	21	14	**154**	123
L. M. S. Knox	17	-	-	-	**17**	14
Dr P. J. Nelson	-	18(*)	-	2(*)	**20**	-
Dr. P. J. Williamson	20	-	-	-	**20**	27

(*) from date of appointment

/ The pension entitlements of the directors are as follows:

	Increase, excluding inflation, in accrued pension during the year £	Transfer value of increase £	Accumulated total accrued pension at 1st April 2000 £	**Accumulated total accrued pension at 31st March 2001 £**
P. A. Neep	2,876	27,850	9,312	**12,495**
S. D. Erlanger	2,698	18,600	18,359	**21,663**
I. L. Hamilton	2,871	25,400	9,563	**12,750**
Dr P. J. Nelson	2,696	21,500	3,193	**5,994**

The pension contributions made on behalf of the Chairman were £15,000 (2000 - £17,500). This was paid to an outside fund on his behalf. These arrangements are defined contribution by nature.

REMUNERATION REPORT

/ Directors' Interests:

Ordinary Shares

The directors at 31st March 2001 and their interests in the share capital of the Company were as follows:

	31st March 2001			31st March 2000		
	'A' Shares	**'A' Shares issued under Employee Share Scheme**	**'B' Shares**	'A' Shares	'A' Shares issued under Employee Share Scheme	'B' Shares
Beneficial						
G. K. Maddrell	**14,937**	**-**	**-**	14,937	-	-
M. V. Cheek	**100**	**-**	**-**	-	-	-
S. D. Erlanger	**2,372**	**246**	**-**	1,402	466	-
I. L. Hamilton	**6,974**	**276**	**-**	2,639	276	-
L. M. S. Knox	**-**	**-**	**-**	-	-	-
P. A. Neep	**8,257**	**273**	**-**	3,345	273	-
Dr P. J. Nelson	**-**	**151**	**-**	-	151	-
Dr P. J. Williamson	**2,300**	**-**	**-**	2,300	-	-

There were no changes in the holdings of the above-named directors between 31st March 2001 and 8th May 2001.

Share Options

There were no exercises of options by directors during the year. The interests of directors in options were as follows:

	No. of options at 1st April 2000	Cancelled during the year (1999 Savings Related Share Option Plan)	Granted during the year (1999 Savings Related Share Option Plan)	Granted during the year (1999 Share Option Plan – 3rd Tranche)	Lapsed during the year	**No. of options at 31st March 2001**
P. A. Neep	49,145	(1,760)	2,814	51,316	-	**101,515**
S. D. Erlanger	44,174	(1,760)	2,814	34,105	-	**79,333**
I. L. Hamilton	40,525	(1,760)	2,814	40,816	-	**82,395**
Dr P. J. Nelson	18,816	(1,760)	2,814	15,921	-	**35,791**

The number of options held at 1st April 2000 was as follows:

	1987 Share Option Plan	1999 Savings Related Share Option Plan	1999 Share Option Plan – 1st Tranche	1999 Share Option Plan – 2nd Tranche	No. of Options at 1st April 2000
P. A. Neep	-	1,760	10,683	36,702	49,145
S. D. Erlanger	13,500	1,760	6,573	22,341	44,174
I. L. Hamilton	-	1,760	8,765	30,000	40,525
Dr P. J. Nelson	-	1,760	3,891	13,165	18,816

The number of options held at 31st March 2001 was as follows:

	1987 Share Option Plan	1999 Savings Related Share Option Plan	1999 Share Option Plan – 1st Tranche	1999 Share Option Plan – 2nd Tranche	1999 Share Option Plan – 3rd Tranche	**No. of Options at 31st March 2001**
P. A. Neep	-	2,814	10,683	36,702	51,316	**101,515**
S. D. Erlanger	13,500	2,814	6,573	22,341	34,105	**79,333**
I. L. Hamilton	-	2,814	8,765	30,000	40,816	**82,395**
Dr P. J. Nelson	-	2,814	3,891	13,165	15,921	**35,791**

The options granted under the 1987 Share Option Plan are exercisable between 20th June 1997 and 19th June 2004. The exercise price for these options is 490p.

The options granted under the 1999 Savings Related Share Option Plan were issued in two tranches. Options granted under the first tranche were cancelled during the year and were replaced by options granted under the second tranche which are exercisable between 27th June 2003 and 26th December 2003 at an exercise price of 344.2p.

Of the options granted under the 1999 Share Option Plan, 1st Tranche, the undernoted are exercisable between 29th June 2002 and 28th June 2009 at an exercise price of 547.5p:

P. A. Neep	5,023
S. D. Erlanger	913
I. L. Hamilton	3,105

The balance of 1st Tranche options issued is exercisable between 10th July 2002 and 9th July 2009 at an exercise price of 530p.

The options granted under the 1999 Share Option Plan, 2nd Tranche, are exercisable between 24th November 2002 and 23rd November 2009. The exercise price for these options is 470p.

The options granted under the 1999 Share Option Plan, 3rd Tranche, are exercisable between 7th June 2003 and 6th June 2010. The exercise price for these options is 380p.

Exercise of options issued under the 1999 Share Option Plan is subject to the meeting of performance criteria with respect to any period of three consecutive financial years of the Group after option grant, being growth in earnings per share of at least retail price index plus 9 per cent.

The market price of the 'A' Ordinary Shares (limited voting rights) at the end of the year, together with the range during the year, are disclosed in the Finance Director's Review on page 13.

OTHER FINANCIAL MATTERS

/ Derivatives and Other Financial Instruments

The Group's principal financial instruments other than derivatives, comprise bank loans and acceptance credits, finance leases, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, that arise directly from its operations.

The Group also enters into derivative transactions (principally interest rate caps and swaps and forward currency contracts). The purpose is to manage the interest rate and currency risks arising from its operations and its sources of finance.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have been followed by the Group for many years.

Forward foreign currency contracts:
The Group has transaction currency exposures arising from sales in currencies other than Sterling, notably in US Dollars, Canadian Dollars, Italian Lire and Deutschmarks. To reduce the exposure to foreign currency exchange rate movements the Group periodically reviews future cashflows in foreign currencies and enters into forward contracts to hedge a proportion of any exposure over varying timescales both as deemed appropriate based upon best advice at such time and as approved by the Board.

Interest rate contracts:
Periodically the Group enters into interest rate cap, swap and other contracts to minimise exposure to fluctuation in interest rates. Such contracts are implemented based upon best advice taken and as approved by the Board.

Borrowings:
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loan and overdraft facilities and finance leases. Core borrowings are covered by longer term multi-option facilities and short-term flexibility is achieved through acceptance credit and overdraft facilities.

/ Going Concern

After making enquiries, the Board has full confidence that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the accounts.

CORPORATE INFORMATION

/ Board

/ Audit Committee
L. M. S. Knox, CHAIRMAN
G. K. Maddrell
Dr P. J. Williamson

/ Remuneration Committee
G. K. Maddrell, CHAIRMAN
M. V. Cheek
L. M. S. Knox
Dr P. J. Williamson

/ Nomination Committee
G. K. Maddrell, CHAIRMAN
P. A. Neep
Plus one other non-executive director as deemed appropriate

/ Secretary
A. E. Macdonald

/ Principal Bankers
Clydesdale Bank PLC

/ Auditors
Ernst & Young
Ten George Street
Edinburgh
EH2 2DZ

/ Solicitors
Steedman Ramage WS
6 Alva Street
Edinburgh
EH2 4QQ

/ Registrars
Computershare Investor Services PLC
PO Box 435
Owen House
8 Bankhead Crossway North
Edinburgh
EH11 4BR

/ Corporate Brokers
Credit Suisse First Boston
One Cabot Square
London
E14 4QJ

Bell Lawrie White & Co.
48 St. Vincent Street
Glasgow
G2 5TS

/ Merchant Bankers
J. P. Morgan Chase & Co.
125 London Wall
London
EC2Y 5AJ

/ Registered Office
Glenmorangie plc
Macdonald House
18 Westerton Road
Broxburn
West Lothian
EH52 5AQ

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31st March 2001

	Note	**2001**	2000
		£000	£000
Turnover	2/3	**52,219**	50,403
Operating costs	4(a)	**42,320**	41,265
Operating costs – exceptional item	4(b)	**-**	218
Operating Profit	5(a)	**9,899**	8,920
Share of losses of Associated Undertakings	14(a)	**140**	225
Net interest payable	7	**2,407**	2,243
Profit on Ordinary Activities before Taxation		**7,352**	6,452
Taxation	8	**2,320**	1,936
Profit Attributable to Members of the Parent Undertaking	9	**5,032**	4,516
Ordinary dividends on equity shares	10	**2,320**	2,184
Retained Profit	24	**2,712**	2,332
Earnings per Ordinary Share	11		
Basic			
'A' Ordinary Share (limited voting rights) of 10p		**37.28p**	33.44p
'B' Ordinary Share of 5p		**18.425p**	16.55p
Diluted			
'A' Ordinary Share (limited voting rights) of 10p		**37.21p**	33.44p
'B' Ordinary Share of 5p		**18.425p**	16.55p

BALANCE SHEETS

as at 31st March 2001

		Group		Company	
		2001	2000	**2001**	2000
	Note	**£000**	£000	**£000**	£000
Fixed Assets					
Intangible assets	12	**295**	295	**-**	-
Tangible assets	13	**40,554**	41,007	**-**	-
Investments	14	**322**	464	**866**	866
		41,171	41,766	**866**	866
Current Assets					
Stocks	15	**68,800**	66,322	**-**	-
Debtors	16	**8,346**	11,807	**6,536**	6,405
Cash at bank and in hand	17	**7,119**	11,770	**-**	-
		84,265	89,899	**6,536**	6,405
Creditors – amounts falling due within one year					
Trade and other creditors	18	**7,523**	10,236	**-**	-
Acceptance credits	17	**12,000**	20,000	**-**	-
Corporation Tax payable		**1,359**	1,510	**6**	6
Proposed ordinary dividend	10	**1,801**	1,693	**1,801**	1,693
		22,683	33,439	**1,807**	1,699
Net Current Assets		**61,582**	56,460	**4,729**	4,706
Total Assets less Current Liabilities		**102,753**	98,226	**5,595**	5,572
Creditors – amounts falling due after one year	19	**28,455**	26,780	**-**	-
Provisions for Liabilities and Charges	22	**509**	369	**-**	-
Total Assets less Liabilities		**73,789**	71,077	**5,595**	5,572
Capital and Reserves					
Called up share capital	23	**1,365**	1,365	**1,365**	1,365
Share premium account	24	**340**	340	**340**	340
Revaluation reserve	24	**13,678**	13,947	**-**	-
Capital redemption reserve fund	24	**400**	400	**400**	400
Profit and loss account	24	**58,006**	55,025	**3,490**	3,467
Equity Shareholders' Funds	25	**73,789**	71,077	**5,595**	5,572

G. K. Maddrell
/ **Non-Executive Chairman**

I. L. Hamilton
/ **Finance Director**
16th May 2001

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 2001

There are no recognised gains or losses other than the profit attributable to members of the parent undertaking of £5,032,000 in the year ended 31st March 2001 and £4,516,000 in the year ended 31st March 2000.

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31st March 2001

	2001	2000
	£000	£000
Reported profit on ordinary activities before taxation	**7,352**	6,452
Difference between historical cost depreciation charge and the actual charge calculated on the revalued amount	**269**	269
Historical cost profit on ordinary activities before taxation	**7,621**	6,721
Historical cost profit for the year retained after taxation and dividends	**2,981**	2,601

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2001

	Note	2001		2000	
		£000	**£000**	£000	£000
Net Cash Inflow from Operating Activities	5(b)		**10,342**		6,286
Returns on Investments and Servicing of Finance					
Net interest paid on bank loans		**(2,044)**		(2,932)	
Interest element of finance lease rentals		**(233)**		(144)	
Net Cash Outflow for Returns on Investments and Servicing of Finance			**(2,277)**		(3,076)
Taxation			**(2,466)**		(2,018)
Capital Expenditure and Financial Investment					
Purchase of intangible fixed assets	12	**-**		(20)	
Purchase of tangible fixed assets (excluding finance leases)	13	**(2,215)**		(1,807)	
Sale of tangible fixed assets		**83**		102	
Sale of other investments	14(b)	**3**		3	
Purchase of own shares	14(c)	**(116)**		(20)	
Sale of own shares		**45**		27	
Net Cash Outflow for Capital Expenditure and Financial Investment			**(2,200)**		(1,715)
Acquisitions and Disposals					
Purchase of Associated Undertakings	14(a)		**-**		(53)
Equity dividends paid			**(2,212)**		(2,087)
Cash Inflow/(Outflow) before Financing	21		**1,187**		(2,663)
Financing – (Decrease)/Increase in debt (due in less than 1 year)	21		**(5,500)**		6,000
– Capital element of finance lease rental payments	21		**(653)**		(494)
(Decrease)/Increase in Cash in the Year	17		**(4,966)**		2,843

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

for the year ended 31st March 2001

	Note	2001		2000	
		£000	**£000**	£000	£000
(Decrease)/Increase in Cash in the Year		**(4,966)**		2,843	
Cash outflow/(inflow) from decrease/(increase) in debt		**6,153**		(5,506)	
Change in Debt Resulting from Cash Flows			**1,187**		(2,663)
New finance leases	21		**-**		(2,141)
Effect of foreign exchange rate changes on net debt	17		**315**		(45)
Movement in Net Debt in the Year			**1,502**		(4,849)
Net Debt at Beginning of the Year	21		**(35,413)**		(30,564)
Net Debt at End of the Year	21		**(33,911)**		(35,413)

NOTES ON THE ACCOUNTS
at 31st March 2001

1. Accounting Policies

/ Basis of Preparation
The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards.

/ Basis of Consolidation
The consolidated accounts incorporate the accounts of the Company and each of its subsidiary undertakings for the year ended 31st March 2001. Undertakings, other than subsidiary undertakings, in which the Group has an investment and over which it is in a position to exercise a significant influence, are treated as associated undertakings. The consolidated accounts include the appropriate share of those undertakings' results and reserves based on audited accounts to 31st March 2001.

/ Accounting for Acquisitions
On acquisition, fair values are attributed to the net assets acquired and the accounting policies of the businesses acquired are brought into alignment with those of the Group. Previously goodwill, being the difference between the purchase consideration and the fair value of net assets acquired, was set off directly against retained profits. Such goodwill has not been reinstated on implementation of Financial Reporting Standard 10. In the event of any disposal where related acquisition goodwill was taken to reserves, any amount still in reserves will be taken into account in calculating any gain or loss on disposal. As required by Financial Reporting Standard 10 any goodwill arising on future acquisitions will be capitalised, classified as an asset in the balance sheet and amortised on a straight line basis over its useful economic life up to a maximum of 20 years.

/ Depreciation
Land is not depreciated. The cost or valuation less estimated residual value of other tangible fixed assets is written off in equal quarterly instalments over their expected useful lives as follows:

Buildings	50 Years
Plant, Machinery and Motor Vehicles	5 to 20 Years
Casks	20 Years

Assets under construction are not depreciated.

/ Tangible Fixed Assets
Land and buildings are disclosed at cost or at modified historic cost which represents valuations undertaken prior to adopting Financial Reporting Standard 15. Other tangible fixed assets are disclosed at cost.

/ Intangible Fixed Assets
The fair value of brand intangible assets purchased is recognised in the accounts, and is reviewed annually with a view to write down should impairment loss occur. Brands add value to businesses for the long term. The Board is of the opinion that the brands valued in these accounts are in the early stages of growth and value enhancement rendering any amortisation inappropriate.

/ Investment In Own Shares
Shares in the Company held by the Trustee of the Company's Employees' Share Ownership Plan Trust are classified as fixed assets and any permanent diminution in their value, together with the costs of administration, are charged to profit and loss account.

Where shares are held under option to employees the difference between book value, determined after taking account of any permanent diminution in value, and the option value is charged to profit and loss account over the period from the date of the grant of the option until the first eligible exercise date.

NOTES ON THE ACCOUNTS
at 31st March 2001

/ Stocks
Stocks of whisky are valued at the lower of cost and net realisable value. In the case of the Group's own production, cost comprises direct materials, direct labour and attributable overheads, and in the case of other whisky stocks, purchase price plus distillers' rents where applicable. Other stocks are valued at the lower of purchase price and net realisable value.

/ Deferred Taxation
Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

/ Derivatives and Foreign Currencies
Foreign currencies: Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions or, where hedging contracts are in place, at the rates reflecting such contracts; monetary assets and liabilities at the balance sheet date are translated at year end rates of exchange as amended to take account of hedging contracts in place. All exchange differences thus arising are included in the result for the year.

Interest rate caps: The premium on interest rate caps is capitalised at the time of purchase and amortised on a straight line basis over the life of each respective cap.

/ Leasing Commitments
Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

/ Pension Costs
Contributions, based on percentages of members' pay as recommended by actuaries, are charged to the profit and loss account in order to spread the cost over the expected remaining service lives of current employees in the Group's Pension Scheme.

2. Turnover
Turnover consists of the net amount invoiced to customers in respect of goods supplied and services rendered during the year which fall within the Group's ordinary activities, all of which are continuing, excluding both excise duty and VAT.

3. Analysis of Turnover Between Markets

	2001	2000
	£000	£000
UK	**30,199**	27,627
Export		
Europe	**10,383**	10,993
North and South America	**6,910**	7,124
Africa and Middle East	**3,238**	3,138
Asia	**1,267**	1,210
Australasia	**222**	311
	52,219	50,403

In the opinion of the directors any further segmental disclosure would be seriously prejudicial to the interests of the Group.

NOTES ON THE ACCOUNTS
at 31st March 2001

4. Operating Costs

(a) These costs may be analysed as follows:

	2001	2000
	£000	£000
Raw materials and consumables	**23,329**	22,925
Operating charges	**13,289**	14,999
Employee costs (Note 6)	**7,046**	6,636
Depreciation of owned assets	**1,067**	1,165
Depreciation of assets held under finance leases	**685**	474
Exchange (gain)/loss	**(618)**	267
	44,798	46,466
Increase in stocks	**(2,478)**	(5,201)
	42,320	41,265

(b) Operating cost – exceptional item:

Redundancy and termination costs	-	218

5. Operating Profit

(a) This is stated after charging:

		2001	2000
		£000	£000
Operating lease rentals	- plant and machinery	**107**	74
Auditors' remuneration	- audit services UK	**45**	45
	- audit services overseas	**5**	5
	- non audit services (all taxation advice related)	**38**	41

(b) Reconciliation of operating profit to cash flow from operating activities:

	2001	2000
	£000	£000
Operating profit	**9,899**	8,920
Depreciation (including amounts charged to stock)	**2,610**	2,503
Profit on disposal of tangible fixed assets	**(25)**	(36)
Decrease/(Increase) in debtors	**3,323**	(772)
Increase in stocks	**(2,478)**	(5,201)
(Decrease)/ Increase in creditors (including deferred creditor)	**(2,882)**	575
Increase in provision for diminution in value of own shares	**210**	252
Effect of foreign exchange rate changes on net debt	**(315)**	45
Net Cash Inflow from Operating Activities (all continuing)	**10,342**	6,286

Reflected within "net cash inflow from operating activities" are cash outflows of £Nil (2000 - £218,000) relating to operating exceptional costs as disclosed in Note 4(b) above.

NOTES ON THE ACCOUNTS
at 31st March 2001

6. Employee Costs

	2001 £000	2000 £000
Wages and salaries	**5,878**	5,579
Social Security costs	**468**	422
Other pension costs (Note 27)	**700**	635
	7,046	6,636

Details of directors' emoluments in aggregate and for each director, pension entitlements, and share options are included on pages 31 to 33.

Number of Employees:
The average number of persons employed by the Group, including directors, during the year was as follows:

	2001	2000
Administration	**58**	55
Production	**160**	152
Sales and Marketing	**24**	27
	242	234

7. Net Interest Payable

	2001 £000	2000 £000
Loans and overdrafts wholly repayable within five years	**2,666**	2,355
Finance charges payable under finance leases	**238**	141
	2,904	2,496
Interest received	**(497)**	(253)
	2,407	2,243

8. Taxation

	2001 £000	2000 £000
The charge based on the profit for the year comprises:		
Current year:		
UK Corporation Tax at 30% (2000 - 30%)	**2,225**	1,836
Transfer to deferred taxation	**5**	11
Adjustment to UK Corporation Tax relating to previous year	**90**	89
	2,320	1,936

NOTES ON THE ACCOUNTS

at 31st March 2001

9. Profit Attributable to Members of the Parent Undertaking

In accordance with the exemptions allowed by Section 230 of the Companies Act 1985 the Company has not presented its own profit and loss account. £2,343,000 (2000 - £2,210,000) of the profit on ordinary activities after taxation has been dealt with in the accounts of the Company.

10. Ordinary Dividends on Equity Shares

	2001 £000	2000 £000
Interim		
3.80p per 'A' Ordinary Share (limited voting rights) (3.60p)		
1.90p per 'B' Ordinary Share (1.80p)		
paid on 12th January 2001	**519**	491
Proposed Final		
13.20p per 'A' Ordinary Share (limited voting rights) (12.40p)		
6.60p per 'B' Ordinary Share (6.20p)		
payable on 24th July 2001	**1,801**	1,693
	2,320	2,184

11. Earnings per Ordinary Share

'B' Ordinary Shares vest for 50% of the dividend of 'A' Ordinary Shares (limited voting rights). The profit attributable to members of the parent undertaking of £5,032,000 (2000 - £4,516,000) may thus be attributed to 'A' Ordinary Shares (limited voting rights) and 'B' Ordinary Shares in the sums of £4,295,000 (2000 - £3,854,000) and £737,000 (2000 - £662,000) respectively.
The calculation of basic earnings per 'A' Ordinary Share is thus based on such attributable profit and on 11,520,857 (2000 - 11,523,525) 'A' Ordinary Shares (limited voting rights) with the share quantum calculated as follows:

	2001	2000
Weighted average number of shares	**11,647,500**	11,647,500
Weighted average number of shares held by the ESOP	**(126,643)**	(123,975)
	11,520,857	11,523,525

The calculation of basic earnings per 'B' Ordinary Share reflects the above attributable profits and 4,000,000 (2000 - 4,000,000) 'B' Ordinary Shares.

The calculation of diluted earnings per 'A' Ordinary Share (limited voting rights) is based on attributable profit as above and on 11,543,262 (2000 - 11,523,525) 'A' Ordinary Shares (limited voting rights) with the share quantum calculated as follows:

	2001	2000
Basic weighted average number of shares	**11,520,857**	11,523,525
Dilutive potential: weighted average employee share options impact	**22,405**	-
	11,543,262	11,523,525

'B' Ordinary Shares are not subject to earnings dilution.

12. Intangible Fixed Assets

	Group		Company	
	2001	2000	2001	2000
Brands:				
At 1st April 2000	**295**	275	**-**	-
Additions	**-**	20	**-**	-
At 31st March 2001	**295**	295	**-**	-

The above reflects the cost attributable to the Ardbeg and Lord of the Isles Whisky brands.

NOTES ON THE ACCOUNTS

at 31st March 2001

13. Tangible Fixed Assets

All Group:

	Land and buildings £000	Plant, machinery and motor vehicles £000	Casks £000	Total £000
Cost or valuation				
At 1st April 2000	25,979	17,836	9,026	52,841
Additions during year	102	1,369	744	2,215
Cost or valuation of disposals	-	(200)	(8)	(208)
At 31st March 2001	**26,081**	**19,005**	**9,762**	**54,848**
Whereof:				
At 1st April 2000:				
Cost	3,272	17,836	9,026	30,134
Valuation at 31st March 1991	500	-	-	500
Valuation at 31st March 1997	22,207	-	-	22,207
	25,979	17,836	9,026	52,841
At 31st March 2001:				
Cost	**3,374**	**19,005**	**9,762**	**32,141**
Valuation at 31st March 1991	**500**	**-**	**-**	**500**
Valuation at 31st March 1997	**22,207**	**-**	**-**	**22,207**
	26,081	**19,005**	**9,762**	**54,848**
Depreciation				
At 1st April 2000	1,477	7,467	2,890	11,834
Charge for year	483	1,659	468	2,610
Relating to disposals	-	(146)	(4)	(150)
At 31st March 2001	**1,960**	**8,980**	**3,354**	**14,294**
Net book amounts at 31st March 2001	**24,121**	**10,025**	**6,408**	**40,554**
Net book amounts at 31st March 2000	24,502	10,369	6,136	41,007

The net book amount of plant, machinery and motor vehicles includes £3,781,000 (2000 - £4,466,000) in respect of assets held under finance leases.

The total depreciation charge for the year has been allocated as follows:

	2001 £000	2000 £000
Stocks (including depreciation on distillery leased assets)	**858**	864
Operating costs - owned assets	**1,067**	1,165
- leased assets	**685**	474
	2,610	2,503

The date of the last full valuation of land and buildings was 31st March 1997. The valuations of these assets have not been updated because the Group has adopted the transitional requirements of Financial Reporting Standard 15.

If assets had not been revalued they would have been carried in the balance sheet at the undernoted values:

	Land and buildings £000	Plant, machinery and motor vehicles £000	Casks £000	Total £000
Cost	13,038	19,005	9,762	41,805
Accumulated depreciation	2,595	8,980	3,354	14,929
Net book amount	10,443	10,025	6,408	26,876

NOTES ON THE ACCOUNTS

at 31st March 2001

14. Fixed Asset Investments

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Associated Undertakings (a)	**-**	-	**-**	-
Other Investments (b)	**34**	37	**866**	866
Own Shares (c)	**288**	427	**-**	-
	322	464	**866**	866

(a) Associated Undertakings

1. A subsidiary undertaking owns 50% of the share capital of Macdonald Mohan Distillers Limited, registered in India which is involved in the Scotch Whisky sector, with a total issued capital of Rupees 89 million (approximately £1.35 million) and a year end accumulated deficit of Rupees 89 million.

2. A 50% owned associated undertaking, Macdonald Martin (China) Limited, owns 78% of the share capital of Macdonald Martin (Tianjin) Spirits Co. Limited and of Macdonald Martin (Tianjin) International Trading Co. Limited, both of which are registered in China and involved in both the Scotch Whisky and Chinese White Spirit sectors, and in distribution activities into and within China. The former has a total issued capital of 10 million Yuan (approximately £850,000) and, at the year end, an accumulated deficit of 25.15 million Yuan whilst the latter has a total issued capital of 1.5 million Yuan (approximately £125,000) and an accumulated deficit of 3.50 million Yuan. The Group's share of these accumulated deficits is 14.80 million Yuan in total. Both companies are accounted for as associated undertakings with the Group's effective shareholding in these ventures being 39%.

			2001	2000
	India	**China**	**Total**	Total
	£000	**£000**	**£000**	£000
Investments:				
At 1st April 2000	**871**	**349**	**1,220**	1,046
Disposal of investment	**-**	**-**	**-**	174
At 31st March 2001	**871**	**349**	**1,220**	1,220
Loans:				
At 1st April 2000	**-**	**679**	**679**	626
Granted in year	**-**	**-**	**-**	53
At 31st March 2001	**-**	**679**	**679**	679
Total:				
At 1st April 2000	**871**	**1,028**	**1,899**	1,672
Disposal of investment	**-**	**-**	**-**	174
Loans granted in year	**-**	**-**	**-**	53
At 31st March 2001	**871**	**1,028**	**1,899**	1,899
Provisions:				
At 1st April 2000	**871**	**1,028**	**1,899**	1,672
At 1st April 2000 – included in 'Provisions for Liabilities and Charges'	**-**	**369**	**369**	197
At 1st April 2000 – total	**871**	**1,397**	**2,268**	1,869
Deficit for year	**-**	**140**	**140**	225
Disposal of investment	**-**	**-**	**-**	174
Transferred to 'Provisions for Liabilities and Charges' (Note 22)	**-**	**(509)**	**(509)**	(369)
At 31st March 2001	**871**	**1,028**	**1,899**	1,899
Net Book Value:				
At 1st April 2000	-	-		-
At 31st March 2001	**-**	**-**	**-**	

NOTES ON THE ACCOUNTS
at 31st March 2001

(b) Other Investments

	Group Unlisted £000	Company Subsidiary Undertakings £000
Cost:		
At 1st April 2000	37	882
Disposal of investment	(3)	-
At 31st March 2001	**34**	**882**
Amounts written off:		
At 1st April 2000 and 31st March 2001	**-**	**16**
Net Book Value at 31st March 2001	**34**	**866**
Net Book Value at 1st April 2000	37	866

The principal subsidiary undertaking, which is wholly-owned and registered in Scotland, is Macdonald & Muir Limited, including Glenmorangie Distillery, Tain, Glen Moray-Glenlivet Distillery, Elgin, and Ardbeg Distillery, Islay. The Company holds all of the voting rights in this undertaking. On 30th March 2001 Glenaird Limited was constituted being a 50% held joint venture company between Macdonald & Muir Limited and The Drambuie Liqueur Company Limited. As the Group holds a majority of the voting rights in that company, it is dealt with as a subsidiary in these accounts.

	2001 £000	2000 £000
(c) Own shares		
Cost:		
At 1st April 2000	**992**	1,045
Additions	**116**	20
Disposals	**(76)**	(73)
At 31st March 2001	**1,032**	992
Provision for diminution in value:		
At 1st April 2000	**565**	359
Increase in provision	**210**	252
Released on disposals	**(31)**	(46)
At 31st March 2001	**744**	565
Net carrying value at 31st March 2001	**288**	427

The investment in own shares represents 'A' Ordinary Shares (limited voting rights) held by the Employees' Share Ownership Plan ('ESOP') Trust which was established in February 1991 with the prime objective of providing incentives and motivation to employees through share ownership. The ESOP Trust is in the form of a discretionary trust for the benefit of employees in conformity with the definition of an "employees' share scheme" contained in Section 743 of the Companies Act 1985. The ESOP Trust has a Trustee independent of the Group and its prime function is to acquire and facilitate the provision of shares required for the purposes of profit sharing, long-term incentive and share option schemes. The Group assists with the funding of the ESOP Trust within reasonable limits, and costs of administration of the ESOP are charged to the profit and loss account.

At 31st March 2001, the ESOP held 132,228 (2000 - 121,057) 'A' Ordinary Shares (limited voting rights) with a market value of £760,000 (2000 - £427,000). All shares so held were under option to employees of the Group at both 31st March 2000 and 2001.

NOTES ON THE ACCOUNTS

at 31st March 2001

15. Stocks

	2001	2000
	£000	£000
All Group:		
Whisky	**67,189**	63,995
Other stocks	**1,611**	2,327
	68,800	66,322

16. Debtors

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Amounts owed by subsidiary undertakings	**-**	-	**6,536**	6,405
Trade debtors	**6,429**	9,027	**-**	-
Prepayments and accrued income	**1,452**	1,477	**-**	-
Other debtors	**465**	1,298	**-**	-
Deferred tax asset	**-**	5	**-**	-
	8,346	11,807	**6,536**	6,405

All debtors fall due within one year.

17. Cash and Short Term Borrowings

Analysis of balances as shown in the balance sheet and changes during the current and previous year:

	2001	Change in year	2000	Change in year
	£000	**£000**	£000	£000
All Group:				
Cash at bank and in hand	**7,119**	**(4,651)**	11,770	2,798
Acceptance credits	**(12,000)**	**8,000**	(20,000)	(6,000)

The Group change figure is further analysed:

	2001	2000
	£000	£000
Cash flow	**(4,966)**	2,843
Exchange	**315**	(45)
	(4,651)	2,798

18. Trade and Other Creditors

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Trade creditors	**875**	4,900	**-**	-
Accruals	**4,837**	3,590	**-**	-
Taxation and social security	**181**	174	**-**	-
Obligations under finance leases (Note 20)	**575**	653	**-**	-
Deferred creditor (Note 19)	**250**	-	**-**	-
Other creditors	**805**	919	**-**	-
	7,523	10,236	**-**	-

NOTES ON THE ACCOUNTS

at 31st March 2001

19. Creditors – Amounts Falling Due After More Than One Year

	2001 £000	2000 £000
All Group:		
Bank loans	**25,000**	22,500
Deferred creditor (see below)	**-**	250
Obligations under finance leases (Note 20)	**3,455**	4,030
	28,455	26,780

£25,000,000 of the bank loans (2000 - £22,500,000) is repayable between two and five years after the year end. The deferred creditor, representing the unpaid balance due on the purchase of the Ardbeg Distillery assets, is payable within one year if certain sales targets for the Ardbeg brand in the five years from its purchase date are met by the Group.

20. Obligations Under Finance Leases

	2001 £000	2000 £000
Amounts repayable:		
Within one year	**796**	914
Within two to five years	**2,788**	2,920
After five years	**1,334**	1,998
	4,918	5,832
Less: finance charges allocated to future periods	**(888)**	(1,149)
	4,030	4,683
Finance leases are analysed as follows:		
Current obligations (Note 18)	**575**	653
Non-current obligations (Note 19)	**3,455**	4,030
	4,030	4,683

21. Analysis of Net Debt

	At 1st April 2000 £000	Cash Flow £000	New Finance Leases £000	Non Cash Changes £000	Exchange Movement £000	**At 31st March 2001 £000**
Cash at bank and in hand	11,770	(4,966)	-	-	315	**7,119**
Acceptance credits	(20,000)	8,000	-	-	-	**(12,000)**
Debt due after 1 year	(22,500)	(2,500)	-	-	-	**(25,000)**
Finance leases due after 1 year	(4,030)	-	-	575	-	**(3,455)**
Finance leases due within 1 year	(653)	653	-	(575)	-	**(575)**
	(35,413)	1,187	-	-	315	**(33,911)**

NOTES ON THE ACCOUNTS
at 31st March 2001

22. Provisions for Liabilities and Charges

	Provided 2001 £000	Provided 2000 £000	Not provided 2001 £000	Not provided 2000 £000
All Group:				
(a) Deferred taxation:				
Capital allowances in advance of depreciation	-	-	**2,402**	2,329
Other timing differences	-	-	**825**	724
	-	-	**3,227**	3,053
Capital gain rolled over	-	-	**236**	236
	-	-	**3,463**	3,289

	China 2001 £000	China 2000 £000
Provision for losses of Associated Undertakings:		
At 1st April 2000	**369**	197
Movement on balance of deficit for the year	**140**	172
At 31st March 2001 (Note 14(a))	**509**	369

23. Called-up Share Capital

	Authorised 2001 £000	Authorised 2000 £000	Allotted, called-up and fully paid 2001 £000	Allotted, called-up and fully paid 2000 £000
14,000,000 'A' Ordinary Shares (one vote per share) of 10p each	**1,400**	1,400	**1,165**	1,165
4,000,000 'B' Ordinary Shares (5 votes per share) of 5p each	**200**	200	**200**	200
400,000 unclassified shares of £1 each	**400**	400	**-**	-
	2,000	2,000	**1,365**	1,365

At 31st March 2001 options granted and outstanding under the 1987 Employee Share Option Plan amounted to 36,000 (2000 - 41,000) 'A' Ordinary Shares (limited voting rights) of 10p. These options are exercisable over seven year periods expiring on dates between 28th June 2002 and 1st December 2004 at prices ranging from 490p to 700p per share.

Options granted and outstanding under the 1999 Share Option Plan amounted to 522,783 (2000 - 227,594) 'A' Ordinary Shares (limited voting rights) of 10p. These options were issued in three tranches. Of the first tranche of 65,307 (2000 - 73,324) options, 13,869 (2000 - 13,869) are exercisable between 29th June 2002 and 28th June 2009 at a price of 547.5p whilst the balance is exercisable between 10th July 2002 and 9th July 2009 at an exercise price of 530p. The second tranche of 154,272 (2000 - 154,272) options is exercisable between 24th November 2002 and 23rd November 2009 at a price of 470p. The third tranche of 303,204 (2000 - nil) options is exercisable between 7th June 2003 and 6th June 2010 at a price of 380p. All options granted are exercisable only on meeting of performance criteria as set out on page 25 in the Remuneration Report.

Options granted and outstanding under the 1999 Savings Related Share Option Plan were issued in two tranches. The first tranche of 27,284 (2000 - 74,535) 'A' Ordinary Shares (limited voting rights) of 10p are exercisable between 27th August 2002 and 26th February 2003 at a price of 415.2p. The second tranche of 72,866 (2000 - nil) 'A Ordinary Shares (limited voting rights) of 10p are exercisable between 27th June 2003 and 26th December 2003 at an exercise price of 344.2p.

On a winding up of the Company, the surplus assets remaining after payment of liabilities would be distributed among the holders of the 'A' Ordinary Shares (limited voting rights) and the 'B' Ordinary Shares rateably according to the amounts paid up on such shares held by them respectively.

NOTES ON THE ACCOUNTS
at 31st March 2001

24. Reserves

	Share Premium Account £000	Revaluation Reserve £000	Capital Redemption Reserve Fund £000	Profit and Loss Account £000
Group:				
At 1st April 2000	340	13,947	400	55,025
Amount included in depreciation charge for year transferred to retained profits	-	(269)	-	269
Retained profit for the year	-	-	-	2,712
At 31st March 2001	**340**	**13,678**	**400**	**58,006**
Company:				
At 1st April 2000	340	-	400	3,467
Retained profit for the year	-	-	-	23
At 31st March 2001	**340**	**-**	**400**	**3,490**

The cumulative amount of positive goodwill written off at 31st March 2001 is £1,170,000 (2000: £1,170,000)

25. Reconciliation of Movements in Shareholders' Funds

	2001 £000	2000 £000
Profit attributable to members of the parent undertaking	**5,032**	4,516
Ordinary dividends on equity shares	**(2,320)**	(2,184)
Net additions to shareholders' funds	**2,712**	2,332
Opening shareholders' funds	**71,077**	68,745
Closing shareholders' funds	**73,789**	71,077

26. Capital Commitments

	2001 £000	2000 £000
The directors have authorised future expenditure which amounts to:		
Contracted	**39**	127

27. Commitments to Pension Scheme

The market value at 1st April 1999 of the assets of the pension scheme was assessed to be £14.6 million and the actuarial value of these investments was estimated to be sufficient to cover accrued liabilities (some 109% thereof). The actuarial method used in that valuation was the projected unit method, with the main assumptions being:

Investment returns	**6/6.5% per annum**
Pay inflation	**4.5% per annum**
Pension increases	**3.0% per annum**

The pension costs charged to profit and loss for the year were £700,000 (2000 - £635,000). These costs reflected no movement in a provision to cover a potential shortfall on a discontinuance of the fund of £25,000 (2000 - £25,000). The balance sheet includes a recoverable amount of £51,000 (2000 - £16,000) representing differences between the amounts charged to profit and loss account and payments made by the Group.

NOTES ON THE ACCOUNTS
at 31st March 2001

28. Derivatives and Other Financial Instruments

An explanation of the Group's objectives, policies and strategies for the role of derivatives and other financial instruments in managing the risks of the Group can be found on page 34. Short term debtors and creditors, other than those related to bank financing and finance leases, have been excluded from the table below as allowed by Financial Reporting Standard 13.

(a) Interest rate and liquidity risk of financial liabilities at 31st March 2001:

	Fixed Rate Financial Liability 2001 £000	**Floating Rate Financial Liability 2001 £000**	Fixed Rate Financial Liability 2000 £000	Floating Rate Financial Liability 2000 £000
Falling due within one year:				
Bank loans and acceptance credits	**-**	**12,000**	-	20,000
Obligations under finance leases	**119**	**456**	110	543
Falling due in more than one year but not more than two years:				
Bank loans and acceptance credits	**5,000**	**20,000**	-	-
Obligations under finance leases	**128**	**484**	119	456
Falling due in more than two years but not more than five years:				
Bank loans and acceptance credits	**-**	**-**	5,000	17,500
Obligations under finance leases	**-**	**1,643**	128	1,546
Falling due after five years:				
Obligations under finance leases	**-**	**1,200**	-	1,781
	5,247	**35,783**	5,357	41,826

All of the financial liabilities are denominated in Sterling.

The floating rate bank loans and acceptance credits bear interest at rates fixed in advance for periods ranging from three to six months by reference to LIBOR.

The floating rate finance leases bear interest based on 12 month LIBOR.

The weighted average interest rate payable on the fixed rate finance leases is 7.62% (2000 - 7.62%).

The fixed rate bank loan reflects an interest swap bearing interest at 6.36% (2000 - 6.36%).

The Group does not hold financial liabilities on which no interest is paid.

The undrawn committed borrowing facilities available to the Group at 31st March in respect of which all conditions precedent had been met at such date are as follows:

	2001 £000	2000 £000
Expiring in one year or less	**18,000**	7,000

(b) Interest rate risk of financial assets at 31st March 2001:

All cash at bank balances are converted to Sterling after taking account of forward exchange contracts and all accrue interest at floating rates by reference to LIBOR. Other financial assets consist of other investments and trade and other debtors as disclosed in notes 14 and 16 respectively. These assets earn no interest.

NOTES ON THE ACCOUNTS
at 31st March 2001

(c) Currency exposure:

As explained on page 34 the Group has transaction currency exposures arising from sales and purchases in currencies other than Sterling, notably in US Dollars, Canadian Dollars, Italian Lire and Deutschmarks. The Group periodically enters into forward contracts to hedge a proportion of any exposure.

The table below shows the Group's currency exposure (transactional exposures that may give rise to net gains and losses in the profit and loss account). Such exposures comprise monetary assets and liabilities of the Group that are not denominated in Sterling. As at 31st March these exposures were as follows:

Net foreign currency monetary assets/(liabilities):

	2001	2000
	£000	£000
US Dollars	**96**	135
Canadian Dollars	**759**	412
Deutschmarks	**1,780**	1,529
Italian Lire	**315**	222
Other	**89**	(73)
Total	**3,039**	2,225

The amounts shown in the table above take into account the effect of any forward currency contracts and other derivatives entered into to manage these currency exposures.

(d) Fair value of financial assets and liabilities:

This does not materially differ from the values disclosed in these accounts.

29. Related Party Transactions

The Group undertook related party transactions with Brown-Forman Corporation during the year. Brown-Forman Corporation, which acts as distributor in the USA for our malt brands and has entered into an agreement to represent our brands in certain other export markets, purchased 25.4% of the 'A' Ordinary Shares (limited voting rights) of the Company during the year and Mr. M. V. Cheek, Executive Vice President of Brown-Forman Beverages Worldwide and President of their Global Spirits Group, joined the Board as a non-executive director. The related party transactions were:

	£000
Purchases as distributor	**4,577**
Costs reimbursed	**63**

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable it to ensure that the accounts comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS OF GLENMORANGIE PLC

We have audited the accounts on pages 36 to 53 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 40 and 41.

/ Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report. As described on page 54, this includes responsibility for preparing the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Securities Authority and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the Group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law or the Listing Rules regarding directors' remuneration and transactions with the Group is not disclosed.

We review whether the corporate governance statement on pages 26 and 27 reflects the Group's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of either the Group's corporate governance procedures or its risks and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

/ Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

/ Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group at 31st March 2001 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

/ Ernst & Young
EDINBURGH
16th May 2001

SHAREHOLDER SERVICES

Computershare Investor Services PLC, our registrar, has introduced a facility where shareholders in Glenmorangie plc are able to access details of their shareholding over the internet, subject to passing an identity check. You can access this service on their website at – http://www.computershare.com. The site also includes information on recent trends in our share price. Alternatively, shareholder information can be obtained by telephoning 0870 702 0010.

Additionally, Computershare Investor Services PLC has installed textphones in its call centre which allow speech and hearing impaired people who have their own textphone to contact Computershare directly without the need for an intermediate operator. Specially trained operators are always available during normal business hours to answer queries via this service.
Telephone: 0870 702 0005.

Glenmorangie plc has recently set up a low cost dealing service for employees and other shareholders in conjunction with Stocktrade, a wholly owned subsidiary of Brewin Dolphin Securities Ltd. Details of the company-specific telephone dealing service, a postal dealing service and internet facility are available from the Company on request.
Telephone: 0845 601 0995 (quote reference LOW C0082).

/ 29th June 2001
Annual General Meeting

/ 24th July 2001
Payment of Final Dividend on Ordinary Shares in respect of year ended 31st March 2001 (Ex Dividend Date 11th July 2001; to shareholders on the register on 13th July 2001).

/ 15th November 2001
Announcement of unaudited results for six months to 30th September 2001 and declaration of Interim Dividend on Ordinary Shares in respect of year ended 31st March 2002.

/ 11th January 2002
Payment of Interim Dividend (Ex Dividend Date 19th December 2001; to shareholders on the register on 21st December 2001).

/ 15th May 2002
Announcement of results for the year to 31st March 2002 and declaration of Final Dividend on Ordinary Shares.

/ 28th June 2002
Annual General Meeting

/ 26th July 2002
Payment of Final Dividend on Ordinary Shares in respect of year ended 31st March 2002 (Ex Dividend Date 10th July 2002; to shareholders on the register on 12th July 2002).

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