

FY16 6 MONTHS FINANCIAL RESULTS



CURRENT ECONOMIC OUTLOOK



Weak Ringgit

Weakened by 23% vs. a year ago



Higher Cost of Living

Consumer Price Index increased by 2.6% to 114.8 points in Nov 2015



Low Consumer Sentiment

CSI fell to a 10 year low of 78 points



Lower Retail Sales

Contracted by 2.3% driven by job insecurity and consumer sentiments



GDP

Slowed down to 4.7% in Q3 2015



Tourism

Impacted by security threat

We were able to achieve our results despite the challenging operating environment due to:



Better cost management



Timing of spend on commercial activities



Increased raids on contraband beers

However, we do foresee that the economic outlook will continue to remain soft

Increased efforts by Customs in stamping out contraband beers over the last 12 months has aided the duty paid market

MALAYSIAN NEWS

Kilang pembungkusan arak elak bayar cukai kena serbu

SEREMBAN - Sebuah kilang pembungkusan arak diserbu anggota pe-



Close to 1,300 cases recorded

Timbalan Ketua Pegawai Penguatkuasaan PPDNKK negeri, Mohd. Fuzi Hafid Abd. Latip berkata, serbuan dilakukan di premis terseret di Sungai Belanggang Kuala Sepetang, Rantau di sini yang bersebelahan di sebuah projek terminal air tawar kira-kira pukul 10 pagi semalam.

Beliau berkata, hasil pemeriksaan, pihaknya berjaya merampas 19,730 botol dan 3,325 tin arak pelbagai jenis yang bernilai RM900,000.

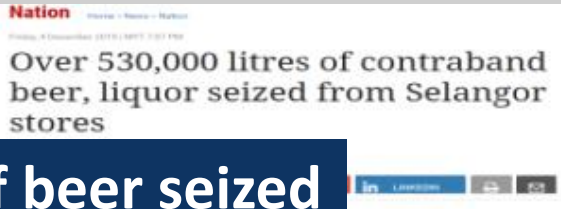
"Kerja pembungkusan dilakukan



ANGGOTA penguat kuasa memeriksa

PPDNKK Negeri Sembilan Rampas Arak Seludup Bernilai RM600,000

SEREMBAN, 8 Jan (Bernama) – Pejabat Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (PPDNKK) Negeri Sembilan hari ini merampas sebanyak 40,440 botol dan minuman keras pelbagai jenama bernilai RM600,000 yang diseludup ke negara ini di sebuah premis di Rantau dekat sini.



Over 1.2 million litres of beer seized

berdasarkan susutian, kilang yang beroperasi sejak setahun lalu dibumihkan memperoleh bekalan arak dari Si-

lambunya, dan pelajar warga tempatan dan tujuh pelajar warga Myanmar diarahkan untuk disaman di bawah Akta Perihal Dagangan 2011.



However, cheaply priced contraband beers are still easily accessible and widely available

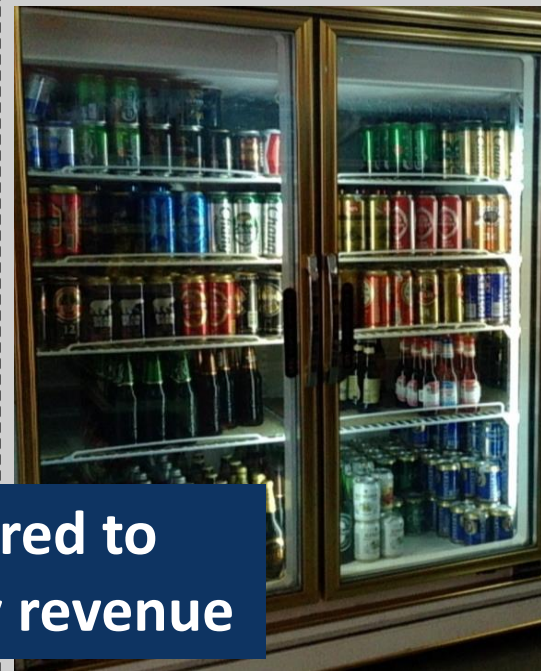


Government lost RM1.9 billion, RM500 million each year due to cigarette and alcohol smuggling

11:16AM 10/12/2014 Crime, Current Issue, Featured, Local, Tawau Elaine Mah 21 views



A concerted approach is required to secure Government and Industry revenue



The background image shows a financial statement table with a yellow overlay. The table includes columns for financial years (FY10 to FY14) and various financial metrics. The text is rotated 45 degrees for readability.

	FY14	FY13	FY12	FY11	FY10
Profit after tax (RM'000)	204,391	202,392	198,206	217,904	207,389
Earnings per 50 sen stock	198,206	181,378	152,691		
Reserves					
Total					

FINANCIAL

REVIEW

FY16 6 MONTHS FINANCIAL RESULTS

REVENUE

+1.7%from RM913.9 million to **RM929.5 million**

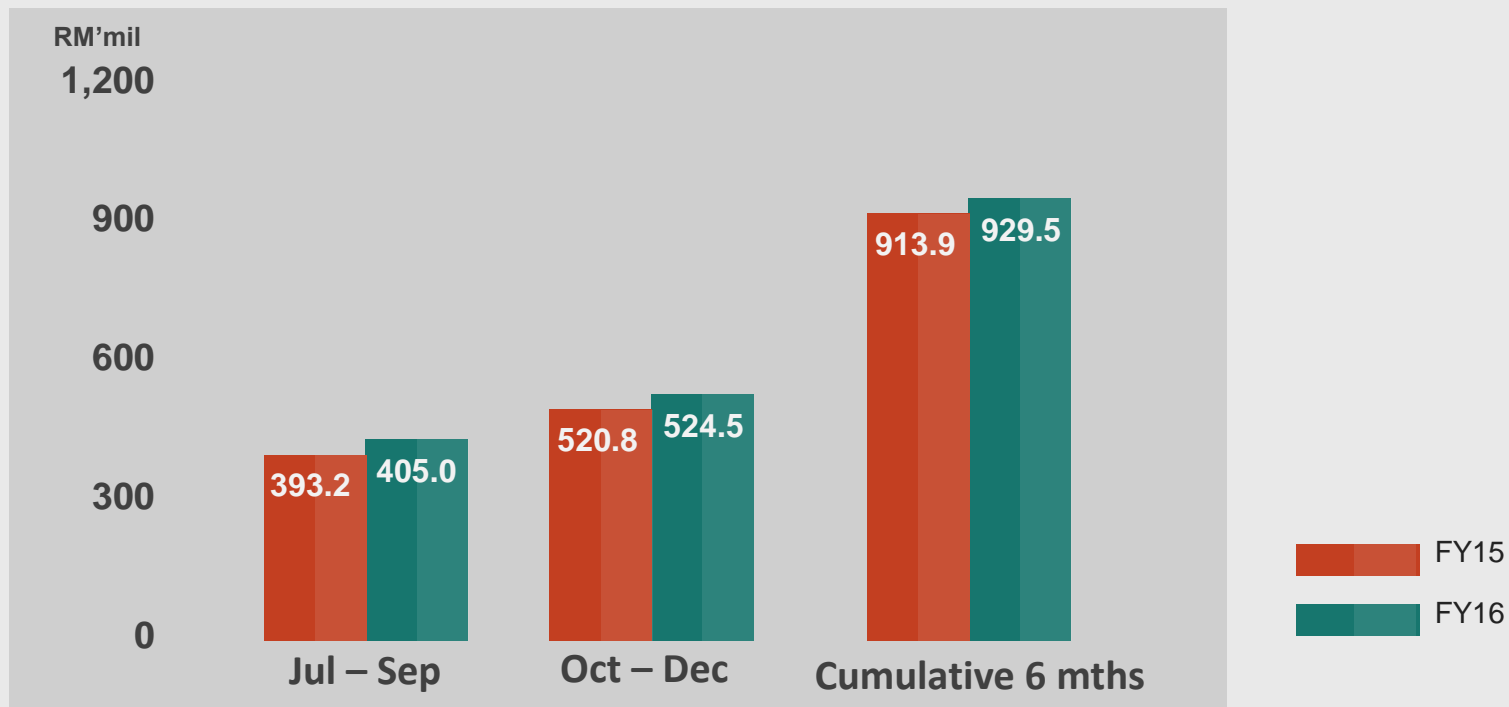
PROFIT BEFORE TAX

+16.0%from RM174.3 million to **RM202.1 million**

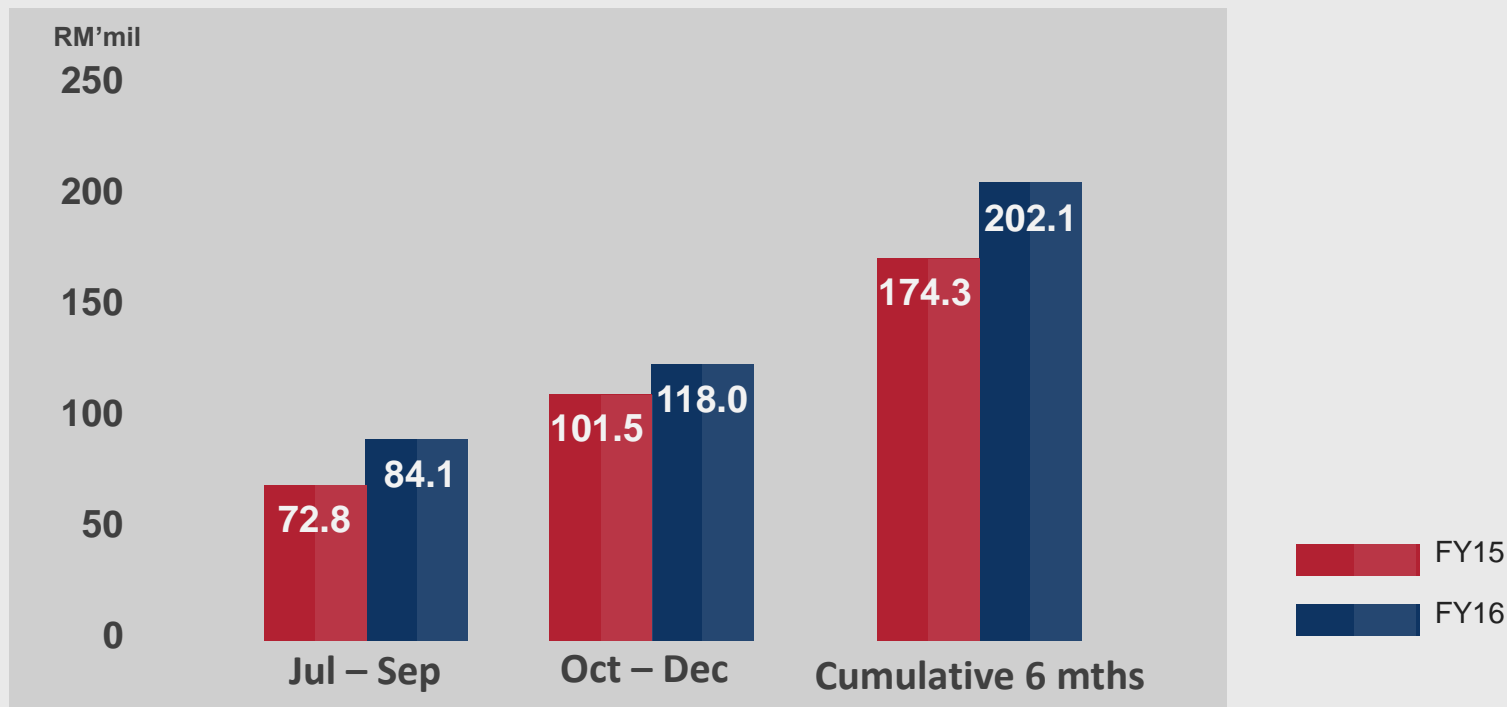
OPERATING CASH

+3.8%from RM123.3 million
to **RM127.9 million**

REVENUE increased by 1.7% compared to last year



PROFIT registered a 16% growth driven by improved cost efficiency, phasing of brand advertisement & promotion investments and higher sales



Driving robust cost efficiencies resulted in profit growth



Production Process



Advertisement & Promotion



Fixed Overheads

PROPOSED DIVIDEND (per 50 sen stock unit)**INTERIM DIVIDEND**

20 sen**SPECIAL DIVIDEND**

30 sen**TOTAL DIVIDEND**

50 sen**To commemorate our 50th anniversary**

GAB^U SUMMING UP THE PAST 6 MONTHS

FINANCIALS	Revenue +1.7%	Profit Before Tax +16.0%	Operating Cash +3.8%	Interim Dividend 20 sen Special Dividend 30 sen
DRIVERS	Effective commercial executions	Cost efficiencies	Reduced contraband	
KEY POSITIVES	Consistent solid performance delivery	Focused strategy	Continued underlying cost efficiencies	
KEY WATCH OUT	Challenging external environment			

The background of the slide features several stacks of coins of varying heights, some in sharp focus and others blurred, creating a sense of depth and financial activity. The lighting is warm and soft, highlighting the metallic texture of the coins.

GAB⁷ GAB'S CHANGE IN FINANCIAL YEAR

On 25 November 2015, the Company changed its financial year from 30 June to 31 December. The financial results for 2016 shall be for a period of 18 months - from 1 July 2015 to 31 December 2016



CHANGE IN

OWNERSHIP

STRUCTURE

CHANGE IN OWNERSHIP STRUCTURE

- ▶ On 7 October 2015, HEINEKEN acquired Diageo's shares and is now the major shareholder of GAB
- ▶ **Business as usual** for GAB as Heineken has been part of GAB family for more than 50 years now and with greater ownership, our bond is further strengthened

IMPACT

- ▶ We will benefit even more from access to HEINEKEN's international brand portfolio, best practices, systems and processes
- ▶ HEINEKEN and Diageo are pursuing a long-term relationship
- ▶ Guinness will remain a key brand in GAB's award-winning portfolio



STRATEGIC

PRIORITIES

GAB continues to create value through business simplification and clear priorities



VALUE-ADDED BREAKOUT DELIVERY

V

12 months business transformation programme aimed to increase operational efficiencies across GAB's entire value chain



AGGRESSIVE INNOVATION EXECUTION

A

We have been innovating to meet changing consumer needs however we recognise to be successful we need to uplift our execution



LIVE PREMIUM

L

Live premium drives the longer term consumer trends and improves mix



UNMATCHED DISTRIBUTOR PARTNERSHIP

U

Improve competencies and capabilities of distributors to drive better profitability for GAB and distributors



EFFECTIVE CONTRACT MANAGEMENT

E

Effective contract management to ensure better control and structure

We continue to introduce new additions in our growing portfolio

**RED BERRIES
MEET APPLE CIDER**

STRONGBOW APPLE CIDERS RED BERRIES

FOR A LIMITED TIME ONLY.

Celebrate this festive season with the new Red Berries, a mix of sweet juicy berries with crisp lemon acid and an apple finish. Try it over ice.
#EffortlesslyOriginal

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**AWESOME
IGNITES THE
DARK SIDE**

INTRODUCING SMIRNOFF ICE BLACK.
TAKE THE NIGHT TO THE NEXT LEVEL
WITH THE WORLD'S NO. 1 PRE-MIXED
DRINK WITH A CRISP LIME BITE.

#BEAWESOME

CRISP LIME BITE

**SMIRNOFF
ICE**

**SMIRNOFF
ICE**
EXCLUSIVELY
FOR EVERYBODY

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We continue to introduce new additions in our growing portfolio



IT ALL STARTS WITH WHITE

It all starts with a white canvas and the courage to create. A desire to quench your thirst for new experiences. A mission to make wheat beer accessible to all. Introducing a cloudy wheat beer with subtle spicy hints of clove, coriander and orange peel that delivers smooth refreshment with bite.

Like every great invention. #ItAllStartsWithWhite

ASIA'S WHEAT BEER



DOUBLE UP ON REFRESHMENT THIS FESTIVE SEASON WITH AN ALL-NEW TWIST!

MANDARIN ORANGE

Tiger
SINCE 1932
Radler
MANDARIN ORANGE
DOUBLE REFRESHMENT

LIMITED EDITION

This festive season, Tiger Radler Lemon is not alone. Have your friends and family enjoy refreshing moments with the new Tiger Radler Mandarin Orange. Bringing double the refreshment as we usher





Over the years, we have grown and expanded our portfolio of brands to fill the gaps within each beer segment

BEER SEGMENT

VALUE

MAINSTREAM

PREMIUM

SUPER PREMIUM

OTHERS



2012

PRESENT

While we focus on growing our business, we also continue to lead the responsible consumption agenda in the country

INVESTED MORE THAN
RM2.7 MILLION
IN OUR
RESPONSIBLE
DRINKING
INITIATIVES



140,000+

CONSUMERS
ENGAGED
ACROSS MALAYSIA THROUGH
ON-GROUND INITIATIVES



11,000+

FRONTLINE STAFF
OF OUTLETS TRAINED
ON SENSIBLE DRINKING
AND SENSIBLE SERVING



7,000+

DOWNLOADS
OF THE
DRINK SENSIBLY APP



In 2015, we revamped our Drink Sensibly website – www.drinksensibly.com.my

Worked with our trade partners to install unique point-of-sale materials in

28 outlets



Our DS Festive Campaign 2014 was shortlisted for the **'Best Consumer Engagement Campaign'** at the Ethical Corporation Responsible Business Awards 2015.



MALAYSIA'S LEADING BREWERY

