

GAB continues growth momentum with double-digit net profit for Q2 FY15 ended 31 December 2014

Petaling Jaya (5 February 2015): Guinness Anchor Berhad (GAB) today announced net profit for the Group of RM76 million for Q2 FY15 ended 31 December 2014. Net profit for the quarter increased 15.2% from RM66 million compared to the previous year's corresponding quarter.

Quarter revenue stands at RM521 million, a 4.3% increase compared to the corresponding quarter last year, while profit before tax (PBT) increased 15.1% to RM101 million. The improved performance for Q2 FY15 was mainly driven by favourable pricing, a well-rounded portfolio of global brands offering wide array of choices to consumers and increased purchases during the year-end festive season. The new product launches in 2014, i.e. Kirin Ichiban, Smirnoff Ice, Affligem and three new Strongbow flavours also attributed to the increase in volume.

"After the decline in FY14, we are pleased to have accomplished a turnaround by delivering double-digit profit growth for two consecutive quarters in FY15. During difficult times, we continued to invest behind our core portfolio coupled with the introduction of new brands and line-extensions, which has helped us deliver a strong set of results in FY15," said Hans Essaadi, Managing Director of GAB.

The Group's operating profit rose 13.6% in Q2 FY15 due to increase in revenue, cost efficiencies, optimisation and improvement of productivity across all aspects of GAB's operations. In addition, as a result of Chinese New Year taking place at a later date, the Group's investments in commercial activities to promote the festive celebrations in the quarter were lower compared to the corresponding quarter of the previous year.

The continued efforts by the Royal Malaysian Customs and various enforcement agencies to eradicate contraband beers also contributed to GAB's positive results. The Group's net profit for H1 FY15 increased by 13% to RM131 million compared to the previous year. GAB's earnings per share rose to 43.27 sen from 38.30 sen last year while net assets per share attributable to shareholders stood at RM1.17 as at 31 December 2014.

Outlook

The Group expects the external environment to be challenging in H2 FY15, as a result of reduced expenditure by the government and uncertainties related to the roll out of the Goods and Services Tax (GST) in April 2015.

"Despite the challenges, GAB remains committed to deliver value to shareholders by maintaining growth momentum through the strengthening of our portfolio and the implementation of comprehensive commercial initiatives. We will also continue to work on ensuring a smooth GST transition. GAB is confident that the Group can deliver a commendable performance this financial year," said Hans.

About Guinness Anchor Berhad (GAB)

GAB with its portfolio of iconic international brands, is the leading brewer in Malaysia. GAB brews, markets and distributes:

- World-acclaimed iconic Asian beer TIGER BEER, and its doubly refreshing variant TIGER RADLER;
- The World's No. 1 stout GUINNESS;
- The World's No. 1 international premium beer HEINEKEN;
- The all-time local favourite ANCHOR SMOOTH and its strong beer variant ANCHOR STRONG;
- The premium Irish ale KILKENNY;
- The Real Shandy ANGLIA;

GAB also produces the wholesome, premium quality non-alcoholic MALTA. GAB's brand portfolio also includes the World's No. 1 cider STRONGBOW, the No. 1 German wheat beer PAULANER, Japan's No. 1 100% malt beer KIRIN ICHIBAN, the World's No. 1 Ready-To-Drink alcoholic beverage SMIRNOFF ICE and the award-winning double fermented Belgian craft beer AFFLIGEM.

Listed on the Main Market of Bursa Malaysia, GAB's principal shareholder is GAPL Pte Ltd based in Singapore. GAPL Pte Ltd is a joint venture company whose ultimate owners are Diageo PLC, a company incorporated in England and Wales, and Heineken Asia Pacific Pte. Ltd., a company incorporated in Singapore, which in turn is also a subsidiary of Heineken NV. Guinness Anchor Marketing Sdn Bhd is a 100% owned subsidiary of GAB.

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