

09/05/2014

GUINNESS ANCHOR BERHAD (GAB) REPORTS WEAK 3rd QUARTER EARNINGS REFLECTING MARKET SOFTNESS

Third quarter (Q3) FY14 Key Financial Information

1. Nine months ended 31 March 2014 versus nine months ended 31 March 2013

- Revenue declined slightly by 5.3% to RM1.2 billion, from RM1.26 billion
- Profit before tax (PBT) declined by 17.8% to RM201.7 million
- Net profit is down 17.9% to RM151.3 million
- Earnings per share decreased to 50.07 sen from 60.96 sen

2. Quarter ended 31 March 2014 in comparison with quarter ended 31 March 2013

- Revenue declined by 15.8% to RM372.5 million
- PBT is down 41.9% at RM47.4 million
- Net profit decreased by 41.9% to RM35.5 million

Performance review:

- The drop in revenue was due to the earlier timing of Chinese New Year in FY2014.
- The decline in profit is due to market softness, as consumers have reduced their spending due to inflationary pressure. The hikes in electricity tariffs and fuel costs have also impacted private consumption.
- Quarter ended 31 March 2014 in comparison with quarter ended 31 March 2013, sales was also affected by poor weather conditions and the drop in tourist numbers.
- We continue to increase our investments in advertising and promotions to create and build long term brand equity for our brands.
- The implementation of goods and services tax (GST) in 2015 may further impact consumer spending behaviour.

Hans Essaadi: Managing Director's statement

“While GAB expects the domestic beer business environment to remain challenging and competitive going forward, it has put in place an innovation strategy to refresh its brand portfolio. Apart from that, the company will also implement better cost discipline and cost optimization exercise to improve productivity and efficiency across all aspects of the business.”

“With this in place, GAB is confident of navigating our way through this challenging time to deliver an improved performance in the remaining quarter.”

- End -



About Guinness Anchor Berhad (GAB)

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

- Award-winning no.1 international Asian beer TIGER BEER, and its double 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 UK's bestselling cider STRONGBOW, the no.1 German wheat beer PAULANER and Japan's no. 1 100% malt beer KIRIN ICHIBAN.

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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