



## **GUINNESS ANCHOR BERHAD (GAB) BREWS 11 YEARS OF RECORD BREAKING PERFORMANCE**

### **Full year 2012 profit grows by 14.3%**

PETALING JAYA, 28 August 2012 - Guinness Anchor Berhad (GAB) today announced that it has successfully delivered an 11th consecutive year of profit growth. The company recorded an increase of 14.3% in its profit after tax, from RM181.4 million to a total of RM207.4 million for the 12 months ended 30 June 2012.

Group revenue for the year ended 30 June 2012 increased by RM135 million or 9.1% to RM1.62 billion compared with the previous financial year. For the fourth quarter ended 30 June 2012, GAB achieved RM34.8 million in net profit, up 19.8% from RM29.1 million a year earlier.

The group saw a large increase in MLM (Malt Liquor Market) volume as its brands continued to grow and take additional market share. Guinness and Heineken performed particularly strongly whilst Tiger maintained its healthy growth trajectory.

Profit before tax grew by 14% reflecting improved pricing, favourable product mix and good cost control. This performance was achieved despite a significant planned reduction of volume for export and duty free zones and major investments made in brand building activities and in systems, processes and group production facilities.

Earnings per share grew to 68.65 sen compared to 60.04 sen last year, while net assets per share attributable to shareholders stood at RM1.26 as at 30 June 2012.

In view of the strong performance, the Board has proposed a final single tier dividend of 55 sen per 50 sen stock unit for the financial year ended 30 June 2012, an increase of 11 sen compared to 2011.

Subject to shareholders' approval at the forthcoming 48<sup>th</sup> Annual General Meeting at a date to be announced later, the final single tier dividend will be paid on 21 December 2012. The entitlement date shall be on 10 December 2012.

This will bring the total dividend payment to 125 sen per 50 sen stock unit, 71 sen higher than 2011.

GAB Managing Director, Charles Ireland said, "I'm delighted with our performance as we have achieved growth for each of our top five brands, with exceptionally strong growth for Guinness and Heineken. This is despite us reducing our export and duty free volume during the year.

“With our strong growth in the domestic market, we have now delivered 11 successive years of profit. This is a great achievement, reflecting our brands’ popularity and resilience made possible by extraordinary teamwork.”

GAB has four out of the five top alcohol brands in Malaysia and they were all recognised at the 2012 Putra Brand awards. Tiger, Guinness, Heineken and Anchor all won awards making GAB the most awarded company of the night.

GAB also continues to lead the market in providing world-class brand experiences. Its Guinness St. Patrick’s Celebration at Changkat Bukit Bintang was Asia’s largest St. Patrick’s Day celebration attracting 11,500 party goers whilst the Tiger Asian Music Festival drew a crowd of over 40,000. The company also organised a portfolio of promotions such as the “Win Exciting European Action Here” which took place in the last two months of the previous financial year.

“To sustain growth, we have and will continue to invest in our brands. Just recently, we invested over RM35 million to roll out the new Heineken bottle. Consumer response has been really positive, and I’m proud to say that Heineken remains the preferred brand in the premium category, out-selling its next nearest competitor by around RM15 million,” he added.

In the coming months, GAB expects an increase in productivity and enhanced synergy across departments with the completion of its RM40 million capex investment called Project Quantum by year end.

“Project Quantum will introduce two new IT systems to replace our current four platforms. This will simplify and standardise processes, increasing our efficiency and productivity and enabling us to make smarter commercial investment decisions,” Charles added.

### **Targeted Dividend Payout**

When asked about the targeted dividend payout, Charles pointed out that GAB has for several years maintained an informal dividend policy of 85% to 90% of the company’s net profit. The Board recently reviewed this informal policy and dividend payouts over the past financial years and the decision is to still maintain an informal policy.

“However, the target level of dividend payout has been revised to now range from 90% to 95% of our profit after tax,” said Charles.

Charles explained that this will optimise the company’s return to shareholders whilst maintaining equilibrium between balanced dividend payment and adequate capital retention for growth.

The revised targeted dividend payout will be adopted for the financial year ending 30 June 2013 and thereafter.

<sup>1</sup>The winners of the Putra Brand Awards are determined by an online poll of 6,000 consumers nationwide - the largest consumer research sampling of its kind in the country. The Awards is endorsed by the Government and supported by industry players ranging from ad agencies to media specialists.

In determining and recommending the level of dividend payments in any particular financial year or period, GAB will take into consideration the overall financial performance including the operating cash flow, free cash flow positions and expansion plans.

## **Outlook**

GAB expects to increase its market share again during the financial year 2013. Despite uncertainties in the global economic outlook, the local malt liquor market has continued to grow, albeit quite modestly. The market remains resilient and consumer sentiment remains positive as a result of Malaysia's economic growth.

However, profit growth is expected to be relatively modest in view of the rising cost of raw materials, the easy availability of contraband products, and a possible increase in excise duties.

Moving forward, GAB remains committed to maintaining its competitiveness and solid position in the industry through continued investments in its people, brands and performance.

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## **About Guinness Anchor Berhad (GAB)**

GAB with its portfolio of iconic, international brands, is one of the beer and stout market leaders in Malaysia. GAB brews, markets and distributes:

- Asia's fastest growing beer TIGER;
- The world's No 1 stout GUINNESS Foreign Extra Stout and its variant Guinness Draught;
- The world's No 1 international premium beer HEINEKEN;
- The all-time favourite quality local brew 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 best selling cider STRONGBOW and the no.1 German wheat beer PAULANER.

Listed on the Main Market of Bursa Malaysia, GAB evolved from the merger between Guinness Malaysia Bhd and Malayan Breweries (Malaya) Sdn Bhd. The company's principal shareholder is GAPL Pte Ltd based in Singapore. GAPL Pte Ltd is a joint venture between Diageo PLC and Asia Pacific Breweries Ltd. Guinness Anchor Marketing Sdn Bhd is a 100% owned subsidiary of GAB.

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