

14/08/15

GUINNESS ANCHOR BERHAD (GAB) DELIVERS COMMENDABLE PROFIT GROWTH DESPITE CHALLENGING ENVIRONMENT

F15 Full Year Key Financial Information

12 months ended 30 June 2015 versus 12 months ended 30 June 2014

- Revenue grew by 8.6% to RM1,749 million from RM1,611 million
- Profit before tax (PBT) increased by 10% to RM292 million
- Earnings per share increased to 70.90 sen from 65.61 sen
- Net profit increased by 8.1% to RM214 million

Q4 results

Quarter ended 30 June 2015 in comparison with quarter ended 30 June 2014

- Revenue declined by 3.7% to RM398 million
- PBT is up 2.2% at RM66 million

Performance review

- GAB successfully implemented several initiatives in F15 to deal with a number of challenges in the operating environment such as low consumer sentiment, post-Goods and Services Tax (GST) inflationary pressure and unfair competition from contraband.
- GAB successfully prepared for GST implementation with a holistic commercial approach which minimised the impact of GST for consumers and its business partners. Continuous engagement with distributors, trade associations and outlets ensured a smooth transition for GAB's business partners.
- In addition to increasing investments in brand building, GAB stepped up focus in innovation to meet changing consumer needs. New variants of cider i.e. Strongbow Gold, Strongbow Elderflower and Strongbow Honey were successfully launched. The Company also optimised value beer opportunities in light of low consumer sentiment.
- An in-depth study of the Company's commercial investments was carried out and the Company implemented a robust commercial strategy to optimise its commercial investments.
- The continued efforts of Royal Malaysian Customs and other enforcement agencies to eradicate contraband contributed to the Company's positive results.
- The Group will continue to drive cost efficiency and optimisation across its business and operations.

Proposed Final Dividend

Based on the Group's performance, the Board has proposed a final single tier dividend of 51 sen per 50 sen stock unit for the financial year ended 30 June 2015. This is subject to approval of shareholders at the upcoming 51st Annual General Meeting of the Company, following which the final single tier dividend will be paid on 31 December 2015. If approved, the total dividend payment for the financial year ended 30 June 2015 will amount to 71 sen per 50 sen stock unit.

Outlook

The domestic business environment remains challenging in the short term as consumers are expected to remain cautious in their spending post-GST implementation for the next 3 to 6 months. As excise duty for beer and stout in Malaysia is amongst the highest in the world, competition from contraband beers is expected to continue posing challenges to the duty paid market.

Hans Essaadi, Managing Director's statement

“GAB delivered commendable profit growth versus last year despite low consumer sentiment which was aggravated by the implementation of GST. This good performance was a direct result of a highly successful and effective commercial strategy, and a holistic GST implementation. Focused strategy and increased commercial investments have enabled us to deliver healthy growth.

GAB appreciates the efforts of the Royal Malaysian Customs which made an impact on reducing contraband beers. The stepping up of enforcement initiatives in the past year and the numerous raids conducted on illegal importers and retailers have been instrumental in helping with our growth.

Despite the best efforts of the Royal Malaysian Customs, the availability of cheaply priced illegally imported beers continues to be an issue. Industry, retailers and consumers must continue to support efforts that are being made to fight the sale of contraband beers in Malaysia as these illicit products are depriving the nation of significant tax revenue.

With the strong strategy and fundamentals which we have demonstrated in F15, GAB remains confident in navigating through the challenging environment ahead in order to deliver sustainable performance in the coming financial year.”

- 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:

- 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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