



(Company No. 5350X)
(Incorporated in Malaysia)

**QUARTERLY FINANCIAL REPORT ON CONDENSED CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2010**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the first quarter ended 30 September 2009.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		3 MONTHS ENDED	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	RM'000	RM'000	RM'000	RM'000
1. Revenue	300,969	365,804	300,969	365,804
2. Operating expenses	265,694	303,328	265,694	303,328
3. Other operating income	626	846	626	846
4. Profit from operations	35,901	63,322	35,901	63,322
5. Finance cost	70	70	70	70
6. Profit before tax	35,831	63,252	35,831	63,252
7. Taxation	9,084	15,929	9,084	15,929
8. Profit/(loss) after tax	26,747	47,323	26,747	47,323
9. Net profit for the period	<u>26,747</u>	<u>47,323</u>	<u>26,747</u>	<u>47,323</u>
10. Profit attributable to equity holders of the company	<u>26,747</u>	<u>47,323</u>	<u>26,747</u>	<u>47,323</u>
11. Earnings per share :				
(a) Basic (based on 302,098,000 stock units) (sen)	8.85	15.66	8.85	15.66
(b) Fully diluted (based on stock units) (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009)

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT 30/09/2009 RM'000	AS AT 30/06/2009 RM'000
Non-current assets		
Property, plant and equipment	207,475	212,253
Intangible assets	5,932	6,529
Prepaid lease payment	13,793	13,857
Deferred tax assets	1,924	1,924
Receivables	1,481	1,585
	<u>230,605</u>	<u>236,148</u>
Current assets		
Inventories	64,868	69,453
Receivables, deposits and prepayments	215,941	176,777
Cash and cash equivalents	138,078	163,772
	<u>418,887</u>	<u>410,002</u>
Current liabilities		
Payables and accruals	142,064	162,970
Current tax liabilities	7,332	9,831
	<u>149,396</u>	<u>172,801</u>
Net current assets	<u>269,491</u>	<u>237,201</u>
	<u>500,096</u>	<u>473,349</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves		
Capital reserve	5,111	5,063
Retained earnings	312,888	286,189
Shareholders' funds	<u>469,048</u>	<u>442,301</u>
Non-current liabilities		
Deferred tax liabilities	31,048	31,048
	<u>500,096</u>	<u>473,349</u>
Net Assets per share attributable to equity holders of the company (RM)	<u>1.55</u>	<u>1.46</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	3 MONTHS ENDED	
	30/09/2009	30/09/2008
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	35,831	63,252
Adjustments for:		
Amortisation of intangible assets	547	242
Amortisation of prepaid lease prepayments	64	64
Depreciation of property, plant and equipment	7,092	6,876
Gain on disposal of property, plant and equipment	(10)	-
Interest expense	70	70
Interest income	(626)	(846)
Operating profit before changes in working capital	42,968	69,658
(Increase)/Decrease in working capital		
Inventories	4,585	(439)
Receivables, deposits and prepayment	(39,060)	(139,269)
Payables and accruals	(20,906)	(13,398)
Cash generated from operations	(12,413)	(83,448)
Tax paid	(11,583)	(9,500)
Interest paid	(70)	(70)
Net cash from operating activities	(24,066)	(93,018)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,271)	(7,955)
Interest received	626	846
Proceeds from disposal of property, plant and equipment	17	16
Net cash used in investing activities	(1,628)	(7,093)
Cash flows from financing activity		
Dividends paid	-	-
Net cash used in financing activity	-	-
Net change in cash and cash equivalents	(25,694)	(100,111)
Cash and cash equivalents at beginning of year	163,772	183,374
Cash and cash equivalents at end of period	138,078	83,263

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	Attributable to equity holders of the Company			
	Share Capital RM'000	<i>Non- Distributable</i> Capital Reserve RM'000	<i>Distributable</i> Retained Earnings RM'000	Total RM'000
<u>3 months quarter ended 30 September 2009</u>				
Balance at 1 July 2009	151,049	5,063	286,189	442,301
Net gains and losses recognised directly in equity :				
Foreign exchange translation difference	-	48	(48)	-
Profit after taxation	-	-	26,747	26,747
Dividends	-	-	-	-
Balance at 30 September 2009	151,049	5,111	312,888	469,048
<u>3 months quarter ended 30 September 2008</u>				
Balance at 1 July 2008	151,049	4,967	255,318	411,334
Net gains and losses recognised directly in equity :				
Foreign exchange translation difference	-	50	(50)	-
Profit after taxation	-	-	47,323	47,323
Dividends	-	-	-	-
Balance at 30 September 2008	151,049	5,017	302,591	458,657

**(The Condensed Consolidated Statement of Changes in Equity should be read in
conjunction with the Annual Financial Report for the year ended 30 June 2009)**

Notes:

1. Accounting Policies

The interim financial report has been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group's annual audited financial statements for the year ended 30 June 2009.

The accounting policies and methods of computation adopted by the Group for the interim financial report are consistent with those adopted in the financial statements for the year ended 30 June 2009 except for the adoption of FRS 8 : Operating Segments which became effective for the financial period beginning 1 July 2009.

FRS 8, *Operating Segment*

FRS 8, which replaces FRS 114, *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. FRS 8 also requires disclosures on Group's products, services, geographical areas and major customers. Currently, the Group does not present segmental information as it operates substantially in the brewing industry involving production, packaging, marketing and distribution of its products, principally in Malaysia.

The adoption of FRS 8 does not have an impact on reporting.

2. Audit Report on Preceding Annual Financial Statements

The Group annual financial statements for the year ended 30 June 2009 were not qualified.

3. Seasonal or Cyclical Factors

The business operations of the Group are generally affected by festive seasons.

4. Exceptional Items

There were no exceptional items for the current financial quarter under review.

5. Changes in Estimates

There were no estimates of amount reported in prior financial years.

6. Changes in Share Capital

There were no issuance and repayment of debt or any movement in the share capital for the current financial quarter under review.

7. Dividend Paid

No dividends were paid during the financial quarter ended 30 September 2009.

8. Segmental Reporting

There was no segmental analysis prepared as the Group operated solely in the brewing industry involving production, packaging, marketing and distribution of its products principally in Malaysia. Approximately 2% of the total sales are exports, mainly to South East Asian countries based on location of customers.

9. Property, Plant and Equipment Valuation

There were no changes in the valuation of property, plant and equipment for the current financial quarter under review.

10. Events Subsequent to the End of the Period

Between the end of the first quarter and the date of this announcement, there has not been any item, transaction or event of a material and unusual nature which, in the opinion of the Directors is likely to affect substantially the results of the operations of the Group for the first quarter ended 30 September 2009.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

12. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the date of this report. (see also Note 25 below).

13. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2009 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	7,981
Authorised and contracted for	<u>5,728</u>
	<u>13,709</u>

14. Significant Related Party Transactions

As at the end of the current period under review, the Group has entered into/or completed the following Significant Related Party Transactions:

	Diageo Plc and its related corporations	Fraser and Neave ("F&N") and its related corporations Asia Pacific Breweries Limited Group	Other F&N related corporations	Heineken and its related corporations
	RM'000	RM'000	RM'000	RM'000
Purchase of goods	2,604	-	2,800	-
Sale of products	2,949	-	-	1,186
Royalties payable	892	3,282	-	585
Marketing and technical services payable	534	-	-	46

All Related Party Transactions had been entered into in the ordinary course of business on normal commercial terms. These transactions are within the ambit of the general mandate approved by the shareholders of the Company on 26 November 2009.

15. Review of Performance

Group revenue for the first quarter ended 30 September 2009 declined by 17.7% to RM300.9 million from RM365.8 million in the corresponding quarter of previous fiscal year mainly due to the difference in timing of the Fiscal Budget announcement.

Correspondingly, Group profit before tax for the same period decreased by RM27.4 million to RM35.8 million.

16. Comparison of Results with Preceding Quarter

Group revenue for the current quarter under review was higher at RM300.9 million compared to RM276.3 million in the preceding quarter. This was primarily due to higher sales in the malt liquor market ("MLM").

Profit before tax for the Group declined marginally by RM2.2 million or 5.7% compared to the preceding quarter mainly due to increased investment in brand building activities and lower other operating income.

17. Prospects

The Industry welcomes the Government's decision not to increase excise duties on beer and stout as announced in the Fiscal Budget 2010. The Malaysian excise duty rate for beer and stout remains the second highest in the world.

Industry margin has tightened due to intense market competition. The global financial crisis and the resultant economic slowdown in Malaysia have led to reduced MLM growth. In this environment, the Group will continue to strive to strengthen brand equity, operational efficiencies and effectiveness and increase market share.

Notwithstanding these challenges, the Board expects the Group to achieve satisfactory results for the financial year ending 30 June 2010.

18. Variance from Profit Forecast

No profit forecast was issued during the financial quarter under review.

19. Taxation

Taxation in respect of the current financial period comprises the following:

	Current Year Quarter 30/09/2009 RM'000	Current Year To date 30/09/2009 RM'000
Taxation		
Malaysian - current	9,084	9,084
- prior year	-	-
	<u>9,084</u>	<u>9,084</u>
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	<u>-</u>	<u>-</u>
	<u>9,084</u>	<u>9,084</u>

The Group's effective tax rate for the current financial quarter under review is in line with the statutory tax rate.

20. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties for the current financial quarter under review.

21. Quoted Securities

There were no purchases or disposal of quoted securities for the current financial quarter under review.

22. Status of Corporate Proposals

There was no corporate proposal announced but not completed at the date of this report.

23. Group Borrowings and Debt Securities

There were no borrowings or debt securities as at 30 September 2009

24. Off Balance Sheet Financial Instruments

Forward Foreign Exchange Contracts

Forward foreign exchange contracts are used by the Group as hedges in currencies other than the functional currency to manage exposure to fluctuations in foreign exchange risk. Under the Group accounting policies, foreign currency transactions that are hedged by forward foreign exchange contracts are booked in at the contracted rates. Foreign currency monetary assets and liabilities which are not hedged are translated at exchange rates ruling at balance sheet date.

As at 19 November 2009, the notional amount of forward foreign exchange contracts that were entered into by the Group to hedge its foreign purchases was RM11.7 million. The settlement dates of these forward contracts ranged between 1 and 6 months.

There is minimal credit and market risk as the above forward contracts are executed with creditworthy financial institutions. The Group is of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

25. Material Litigation

Save and except as disclosed in previous quarterly financial results announcements and where applicable as disclosed in the audited financial statements of the Company or its subsidiaries, neither the Company nor any of its subsidiaries is engaged in any other material litigation either as Plaintiff or as Defendant as of the date of this report.

26. Dividend

The Board of Directors does not recommend any dividend to be paid in respect of the quarter ended 30 September 2009.

27. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share for the quarter under review is calculated by dividing the net profit attributable to the shareholders of RM26,747,000 by the weighted average number of ordinary stock units outstanding as at 30 September 2009 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Charles Ireland
Managing Director

26 November 2009
