



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the quarter ended 30 September 2013.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 3 MONTHS ENDED		
	30/9/2013	30/9/2012	% Change + / (-)	30/9/2013	30/9/2012	% Change + / (-)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	325,793	392,284	(16.9%)	325,793	392,284	(16.9%)
2. Operating expenses	(259,004)	(316,123)		(259,004)	(316,123)	
3. Interest income	782	1,481		782	1,481	
4. Profit from operations	67,571	77,642	(13.0%)	67,571	77,642	(13.0%)
5. Interest expense	(1,409)	(1,874)		(1,409)	(1,874)	
6. Profit before tax	66,162	75,768	(12.7%)	66,162	75,768	(12.7%)
7. Taxation	(16,539)	(18,941)		(16,539)	(18,941)	
8. Net profit for the period	49,623	56,827	(12.7%)	49,623	56,827	(12.7%)
9. Foreign currency translation differences for foreign operation	0	6		0	6	
10. Total comprehensive income for the period	49,623	56,833	(12.7%)	49,623	56,833	(12.7%)
11. Profit attributable to owners of the company	49,623	56,827		49,623	56,827	
12. Total comprehensive income attributable to owners of the company	49,623	56,833		49,623	56,833	
13. Earnings per share :						
(a) Basic (based on 302,098,000 stock units) (sen)	16.43	18.81		16.43	18.81	
(b) Fully diluted (based on stock units) (sen)	N/A	N/A		N/A	N/A	

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 30 June 2013)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30/09/2013 RM'000	AS AT 30/06/2013 RM'000
Non-current assets		
Property, plant and equipment	223,562	225,775
Intangible assets	37,705	35,787
Other receivables	1,058	1,098
	<u>262,325</u>	<u>262,660</u>
Current assets		
Inventories	71,743	46,957
Trade and other receivables	289,747	341,359
Current tax assets	14,142	22,397
Cash and cash equivalents	121,157	68,242
	<u>496,789</u>	<u>478,955</u>
Current liabilities		
Trade and other payables	153,733	185,857
Current tax liabilities	0	0
Borrowings	0	0
	<u>153,733</u>	<u>185,857</u>
Net current assets	<u>343,056</u>	<u>293,098</u>
	<u>605,381</u>	<u>555,758</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves		
Capital reserve	0	0
Retained earnings	264,114	214,491
Shareholders' funds	<u>415,163</u>	<u>365,540</u>
Non-current liabilities		
Deferred tax liabilities	40,218	40,218
Borrowings	150,000	150,000
	<u>190,218</u>	<u>190,218</u>
	<u>605,381</u>	<u>555,758</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.37</u>	<u>1.21</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 30 June 2013)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	3 MONTHS ENDED	
	30/09/2013	30/09/2012
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	66,162	75,768
Adjustments for:		
Amortisation of intangible assets	2,094	602
Depreciation of property, plant and equipment	9,325	7,903
(Gain)/loss on disposal of property, plant and equipment	(417)	255
Interest expense	1,409	1,874
Interest income	(782)	(1,481)
Translation differences of foreign operation	0	6
Operating profit before changes in working capital	77,791	84,927
(Increase)/Decrease in working capital		
Inventories	(24,785)	(21,876)
Receivables, deposits and prepayment	51,652	(21,442)
Payables and accruals	(32,124)	(9,181)
Cash generated from operations	72,534	32,428
Tax paid	(8,285)	(17,700)
Interest paid	(1,409)	(1,874)
Net cash from operating activities	62,840	12,854
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,132)	(7,531)
Acquisition of intangible assets	(4,013)	(9,255)
Interest received	782	1,481
Proceeds from disposal of property, plant and equipment	438	141
Net cash used in investing activities	(9,925)	(15,164)
Cash flows from financing activity		
Dividends paid	-	-
Net cash used in financing activity	-	-
Net change in cash and cash equivalents	52,915	(2,310)
Cash and cash equivalents at beginning of year	68,242	160,820
Cash and cash equivalents at end of period	121,157	158,510

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 30 June 2013)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	Attributable to equity holders of the Company			
	<i>Non- Distributable</i>	<i>Capital Reserve</i>	<i>Distributable Retained Earnings</i>	<i>Total</i>
	Share Capital RM'000	RM'000	RM'000	RM'000
<u>3 months ended 30 September 2013</u>				
Balance at 1 July 2013	151,049	0	214,491	365,540
Total comprehensive income for the period	-	0	49,623	49,623
Dividends paid	-	-	-	-
Balance at 30 September 2013	151,049	0	264,114	415,163
<u>3 months ended 30 September 2012</u>				
Balance at 1 July 2012	151,049	5,193	223,461	379,703
Total comprehensive income for the period	-	6	56,827	56,833
Dividends paid	-	-	-	-
Balance at 30 September 2012	151,049	5,199	280,288	436,536

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 30 June 2013)

Notes:

1. Basis of Preparation

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 and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2013.

2. Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2013.

3. Realised and Unrealised Profits/Losses

	As at 30/09/2013 <u>RM’000</u>	As at 30/06/2013 <u>RM’000</u>
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	305,744	256,703
- Unrealised	(41,261)	(41,343)
	-----	-----
	264,483	215,360
Less: consolidation adjustment	(369)	(869)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	264,114	214,491
	=====	=====

4. Audit Report on Preceding Annual Financial Statements

The Group annual audited financial statements for the year ended 30 June 2013 were not qualified.

5. Seasonal or Cyclical Factors

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

6. Exceptional Items

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

7. Changes in Estimates

There were no changes in estimates that have had any material effect on current financial quarter under review.

8. Debt and Equity Securities

There were no issuance, repayment of debt and equity securities for the current financial quarter under review.

9. Dividend Paid

No dividends were paid during the financial quarter ended 30 September 2013.

10. Segmental Reporting

The Group's business is focused only in malt liquor brewing including production, packaging, marketing and distribution of its products, principally in Malaysia. Approximately 1% of the total sales was exported, mainly to Southeast Asian countries. As such, only one reportable segment analysis was prepared.

Segment assets, liabilities and capital expenditures information are included in the internal management reports that are reviewed by the Group's Managing Director.

	3 months ended 30/09/2013 RM'000	3 months ended 30/09/2012 RM'000
Total Segment Assets	759,114 =====	833,152 =====
Total Segment Liabilities	343,951	396,616
Total Segment Equity	415,163 ----- 759,114 =====	436,536 ----- 833,152 =====

No reconciliation was performed for the segment report as there was no difference.

	3 months ended 30/09/2013 RM'000	3 months ended 30/09/2012 RM'000
Segment profit	66,162	75,774
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	306,441	371,903
Cost of sales	(190,072)	(243,388)
Depreciation	11,419 =====	8,505 =====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Interest income/(expense)	(627) =====	(393) =====

10. Segmental Reporting (continued)

	3 months ended 30/09/2013 RM'000	3 months ended 30/09/2012 RM'000
Profit or loss		
Segment profit	66,162	75,774
Foreign Operation Translation	0	(6)
	-----	-----
Consolidated profit before tax	66,162	75,768
	=====	=====

11. Property, Plant and Equipment Valuation

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

12. 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 quarter ended 30 September 2013.

13. Changes in the Composition of the Group

There was no change 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.

The deregistration of Malayan Breweries (Malaya) Sdn Bhd ("MBM") is still pending completion. The deregistration of MBM is not expected to have any material impact on the net assets and earnings per share of the Group for the financial year ending 30 June 2014.

14. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the date of this report.

15. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2013 are as follows:

	RM'000
Property, plant and equipment	-----
Authorised but not contracted for	85,411
Authorised and contracted for	14,967

	100,378

16. Significant Related Party Transactions

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

	Heineken International BV and its related corporations		
	Diageo Plc and its related corporations	Heineken Asia Pacific Pte Ltd (HAPPL) and its related corporations	Other Heineken related corporations
	RM'000	RM'000	RM'000
Purchase of goods	1,918	1	3,012
Sale of products	3,638	-	-
Royalties payable	2,675	3,132	1,656
Marketing and technical services fees payable	-	-	-
Marketing and advertising services fee receivable	-	13,918*	1,696

All Related Party Transactions had been entered into in the ordinary course of business on normal commercial terms. Save for the transactions stated below, all the other transactions are within the ambit of the general mandate approved by the shareholders of the Company on 22 November 2012:

*Marketing and advertising services fee receivable from HAPPL Group

The total amount reported in respect of services provided to GAB Group for the period from 22 November 2012 to 30 September 2013 was RM27.3 million, which exceeded the estimated aggregate value provided in the shareholders' mandate by 110%. This is due to the change of timing in recognising the marketing and advertising services fee received/receivable from HAPPL Group. In the past, the Group recorded this transaction only upon receipt of the amount due i.e. on a receipt basis. In accordance with the normal accounting treatment, this transaction item is now recognised based on actual amount receivable in the period it is due.

Pursuant to the Bursa Malaysia's Main Market Listing Requirements, transactions entered into with the same party or parties connected with one another may be aggregated for the purpose of determining whether a public disclosure is required in the event that the actual value of a related party transaction exceeds the estimated value disclosed in the mandate by 10% or more. Given that the total actual value transacted with the HAPPL Group is reported to be within the total estimated value stipulated in the existing Shareholders' Mandate, no separate announcement to Bursa Securities is required.

Save for the item disclosed above, none of the actual value of other recurrent related transactions has exceeded the estimated value by 10% or more.

17. Review of Performance

Performance for the quarter ended 30 September 2013 versus the same quarter in 2012

In the quarter ended 30 September 2013, the Group revenue dropped by 16.9% compared to the same quarter last year. This was mainly due to a planned reduction in distributor stocks. Apart from that, consumer spending was dampened by the rise of fuel prices and inflation rate over the past quarter.

Correspondingly, profit before interest and tax (PBIT) was down by RM9 million or 12.3%.

Comparison of Results with Preceding Quarter

Group revenue for the quarter under review declined by 20.9% against the preceding quarter due to the reasons mentioned above.

However, the Group PBIT improved 51.1% mainly due to lower commercial spend in the current quarter.

18. Prospects

The Malaysian economy is expected to register a moderate growth in 2014. However, there are still uncertainties in the global economic outlook which could dampen domestic consumer sentiment.

Given this, the Group remains cautiously optimistic of its future performance.

19. Variance from Profit Forecast

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

20. Taxation

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

	Current quarter / Year to date 30/09/2013 RM'000
Taxation	
Malaysian - current	16,539
- prior year	-
	<hr/>
	16,539
Deferred taxation	
Malaysian - current	-
- prior year	-
	<hr/>
	-
	<hr/>
	16,539

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

21. Status of Corporate Proposals

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

22. Group Borrowings and Debt Securities

Total Group borrowings as at 30 September 2013 was as follows:

	<u>RM'000</u>
<u>Non-Current - Unsecured</u>	
Medium Term Notes (MTNs)	150,000
	<u>150,000</u>

MTNs of RM150 million in nominal value, which were issued in December 2011, are repayable in two tranches at RM100 million and RM50 million in December 2014 and December 2016 respectively.

The aforesaid MTNs have been assigned a rating of AAA by RAM Ratings Services Berhad.

23. Financial Instruments

The outstanding derivative as at the end of the reporting period was as follows:

	Notional Value	Fair Value	(Gain)/Loss arising from fair value changes
	RM'000	RM'000	RM'000
<u>Type of derivative</u>			
Forward foreign exchange contracts	4,630	4,738	(108)
- Less than one year			

The above forward foreign exchange contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities; in accordance with the Group's foreign currency hedging policy.

Transactions in foreign currencies were translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Foreign currency differences arising on retranslation were recognised in comprehensive income, except for differences arising on the retranslation of a financial instrument designated as a hedge of currency risk, which was recognised in other comprehensive income.

There is minimal credit and market risk as the above forward contracts were 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.

24. Notes to the Statement of Comprehensive Income

	Current quarter ended 30/09/2013 RM'000	Current quarter ended 30/09/2012 RM'000
Depreciation and amortization	11,419	8,505
Provision for and write-off of receivables	(237)	-
Provision for and write-off of inventories	869	1,171
(Gain)/loss on derivatives	(108)	82

Other than the items highlighted above which have been included in the Consolidated Statement of Comprehensive Income, there were no impairment of assets nor profits/(losses) on any other items and sale of quoted securities, investments and properties included in the results for the quarter ended 30 September 2013.

25. Material Litigation

Neither the Company nor any of its subsidiaries was engaged in any 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 2013.

27. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share for the period under review was calculated by dividing the net profit attributable to the shareholders of RM49,623,000 by the weighted average number of ordinary stock units outstanding as at 30 September 2013 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Hans Essaadi
Managing Director

8 November 2013