



## **GAB ANNOUNCES RM198 MILLION NET PROFIT FOR FINANCIAL YEAR ENDED 30 JUNE 2014**

Petaling Jaya (21 August 2014): Guinness Anchor Berhad (GAB) today announced a net profit for the Group of RM198.2 million for the year ended 30 June 2014. This comes on the back of a strong Q4 performance, with net profit for the quarter rising by 40.3% to RM46.9 million compared to the previous year's corresponding quarter.

The improved performance for Q4 was mainly due to lower commercial spend and more efficient cost management. Quarterly revenue remained flat at RM412.9 million compared to the corresponding quarter last year, while profit before interest and tax (PBIT) increased 47.5% to RM65.2 million.

The Group's net profit for the year ending 30 June 2014 slid by 8.9% from RM217.6 million the year before, due to challenges such as weak domestic consumption, competition from contraband beers, and increased excise duty due to a new valuation method imposed by the Royal Malaysian Customs on 1 November 2013. The mix of challenges facing the Group resulted in a decline in revenue to RM1.6 billion, or 3.9%, compared to the previous financial year. PBIT also recorded a decline of 7.6% to RM270.6 million.

"The results are a reflection of the challenging environment the Group faced during the last financial year. Inflationary pressures and overall economic challenges caused weak domestic consumption of GAB products. Rounding out the tougher environment was the unfair competition from contraband beers, and increased excise duty due to the new valuation method. This negatively impacted profits by RM18 million or 80% of the 7.6% decline for profit from operations," said Hans Essaadi, Managing Director of GAB.

GAB's earnings per share (EPS) fell to 65.61 sen from 72.03 sen last year, while net assets per share attributable to shareholders stood at RM1.18 as at 30 June 2014.

Based on the Group's performance, the Board has proposed a final single tier dividend of 44.5 sen per 50 sen stock unit for the financial year ended 30 June 2014. This is subject to the approval of shareholders at the upcoming 50<sup>th</sup> Annual General Meeting, following which the final single tier dividend will be paid on 31 December 2014. If approved, the total dividend payment for the year ended 30 June 2014 will amount to 64.5 sen per 50 sen stock unit.

In a year marked by challenging external environment, the Group invested in initiatives for long-term growth while managing the overall cost base efficiently. In the financial year ended 30 June 2014, GAB focused on efficient cost management in terms of production cost as well as fixed overheads to free up resources for increased investment behind its core portfolio and launch of new brands such as Kirin Ichiban and Smirnoff Ice. The investments were directed to ensure the business is set-up for success and deliver competitive advantage in the market place.

## **Outlook**

GAB expects the domestic beer business environment to remain challenging and competitive, with competition from contraband beers continuing to pose a challenge to duty paid products in a country where excise duties for beer and stout products are the second highest in the world and the highest in Asia.

The Government's rationalization of subsidies of petrol, sugar and electricity, and the shrinking of disposable income caused consumers to scale back on discretionary spending. The approaching implementation of the Goods and Services Tax (GST) in 2015 may further impact customer spending.

In order to remain relevant to consumers and to compete effectively in a challenging and changing market, GAB will continue to strengthen its portfolio through investments in innovation. The Group will also focus on cost efficiency and optimization while simultaneously improving productivity across all aspects of its operations, including brand building and promotions.

Hans said, "With our strong strategy and fundamentals in place, GAB remains confident of navigating its way through the challenging fiscal year to ensure that the business comes out even stronger and set for sustainable performance delivery in future".

- 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 and the World's No. 1 Ready-To-Drink alcoholic beverage SMIRNOFF ICE.

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.

**For further enquiries, please contact:**

### **Tiffany Chew**

Head of Communications and Corporate  
Responsibility

[tiffany.chew@gab.com.my](mailto:tiffany.chew@gab.com.my)

+603-7861 4547

### **Teh Eng Hock**

Corporate Communications Manager

[eng-hock.teh@gab.com.my](mailto:eng-hock.teh@gab.com.my)

+603-7861 4581