



(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 second quarter ended 31 December 2009.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		6 MONTHS ENDED	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
1. Revenue	378,134	328,519	679,103	694,323
2. Operating expenses	319,777	282,952	585,471	586,280
3. Other operating income	438	1,077	1,064	1,923
4. Profit from operations	58,795	46,644	94,696	109,966
5. Finance cost	150	336	220	406
6. Profit before tax	58,645	46,308	94,476	109,560
7. Taxation	14,827	11,633	23,911	27,562
8. Profit/(loss) after tax	43,818	34,675	70,565	81,998
9. Net profit for the period	<u>43,818</u>	<u>34,675</u>	<u>70,565</u>	<u>81,998</u>
10. Profit attributable to equity holders of the company	<u>43,818</u>	<u>34,675</u>	<u>70,565</u>	<u>81,998</u>
11. Earnings per share :				
(a) Basic (based on 302,098,000 stock units) (sen)	14.5	11.48	23.36	27.14
(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 31/12/2009 RM'000	AS AT 30/06/2009 RM'000
Non-current assets		
Property, plant and equipment	205,486	212,253
Intangible assets	6,862	6,529
Prepaid lease payment	13,730	13,857
Deferred tax assets	1,924	1,924
Receivables	1,406	1,585
	<u>229,408</u>	<u>236,148</u>
Current assets		
Inventories	109,574	69,453
Receivables, deposits and prepayments	256,522	176,777
Cash and cash equivalents	40,497	163,772
	<u>406,593</u>	<u>410,002</u>
Current liabilities		
Payables and accruals	159,328	162,970
Current tax liabilities	11,409	9,831
Short term borrowings	15,000	-
	<u>185,737</u>	<u>172,801</u>
Net current assets	<u>220,856</u>	<u>237,201</u>
	<u>450,264</u>	<u>473,349</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves		
Capital reserve	5,093	5,063
Retained earnings	263,074	286,189
Shareholders' funds	<u>419,216</u>	<u>442,301</u>
Non-current liabilities		
Deferred tax liabilities	31,048	31,048
	<u>450,264</u>	<u>473,349</u>
Net Assets per share attributable to equity holders of the company (RM)	<u>1.39</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 31 DECEMBER 2009**

	6 MONTHS ENDED	
	31/12/2009	31/12/2008
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	94,476	109,560
Adjustments for:		
Amortisation of intangible assets	1,103	541
Amortisation of prepaid lease prepayments	128	128
Depreciation of property, plant and equipment	14,182	13,595
(Gain)/Loss on disposal of property, plant and equipment	(409)	23
Interest expense	220	406
Interest income	(1,064)	(1,923)
Operating profit before changes in working capital	108,636	122,330
(Increase)/Decrease in working capital		
Inventories	(40,121)	(13,614)
Receivables, deposits and prepayment	(79,566)	(143,763)
Payables and accruals	(3,642)	8,629
Cash generated from operations	(14,693)	(26,418)
Tax paid	(22,333)	(19,000)
Interest paid	(220)	(406)
Net cash from operating activities	(37,246)	(45,824)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,926)	(13,351)
Interest received	1,064	1,923
Proceeds from disposal of property, plant and equipment	483	16
Net cash used in investing activities	(7,379)	(11,412)
Cash flows from financing activity		
Dividends paid	(93,650)	(80,811)
Borrowings	15,000	31,500
Net cash used in financing activity	(78,650)	(49,311)
Net change in cash and cash equivalents	(123,275)	(106,547)
Cash and cash equivalents at beginning of year	163,772	183,374
Cash and cash equivalents at end of period	40,497	76,827

(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 31 DECEMBER 2009**

	Attributable to equity holders of the Company			Total RM'000
	Share Capital RM'000	<i>Non- Distributable</i> Capital Reserve RM'000	<i>Distributable</i> Retained Earnings RM'000	
<u>6 months quarter ended 31 December 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	-	30	(30)	-
Profit after taxation	-	-	70,565	70,565
Dividends	-	-	(93,650)	(93,650)
Balance at 31 December 2009	151,049	5,093	263,074	419,216
<u>6 months quarter ended 31 December 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	-	70	(70)	-
Profit after taxation	-	-	81,998	81,998
Dividends	-	-	(80,811)	(80,811)
Balance at 31 December 2008	151,049	5,037	256,435	412,521

**(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. The adoption of FRS 8 does not have any 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

	6 Months Ended 31 December	
	2009	2008
	RM'000	RM'000
<u>Final Paid</u>		
2009 – 31 sen per share tax exempt	93,650	
(2008 – 14 sen per share tax exempt and 17 sen per share less income tax @ 25%)		80,811

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 1% 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 second 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 second quarter ended 31 December 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 31 December 2009 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	15,789
Authorised and contracted for	<u>6,065</u>
	<u>21,854</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	5,841	-	6,375	144
Sale of products	5,423	-	-	1,186
Royalties payable	2,589	7,738	-	1,483
Marketing and technical services payable	1,380	-	-	60
Marketing fees receivable	-	1,267	-	526

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

Comparison of second quarter against corresponding quarter 2008

Group revenue for the second quarter ended 31 December 2009 increased by RM49.6 million or 15.1% as compared to the corresponding quarter in 2008 mainly due to pre-budget speculation purchases falling in the second quarter (last year they fell in the first quarter) offset by lower sales due to the later timing of Chinese New Year.

Group profit before tax for the same quarter was higher at RM58.6 million compared to RM46.3 million in the corresponding quarter 2008.

Current 6 months results against same 6 months period of the last financial year

For the 6 months ended 31 December 2009, Group revenue decreased by 2.2% to RM679.1 million from RM694.3 million in the corresponding period of last financial year. Profit before tax was lower by RM15 million or 13.8%. This was mainly due to the later timing of the Chinese New Year and earlier phasing of investments in brand building activities.

16. Comparison of Results with Preceding Quarter

Group revenue for the quarter under review increased by RM77.1 million from RM301 million in the preceding quarter to RM378.1 million. This was mainly due to a volume shift from the preceding quarter to the current quarter, reflecting the later timing of the Fiscal Budget announcement.

Consequently, profit before tax for the Group rose by RM22.8 million or 63.7% compared to the preceding quarter.

17. Prospects

The Group believes the market is firming up. Smuggling remains a major concern having a negative impact on both Government and Industry revenue.

Competition is expected to remain intense resulting in increasing pressure on Industry margin.

Despite these challenges, the Group remains confident in delivering 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 31/12/2009 RM'000	Current Year To date 31/12/2009 RM'000
Taxation		
Malaysian - current	14,827	23,911
- prior year	-	-
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	<u>14,827</u>	<u>23,911</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

Total Group borrowings as at 31 December 2009 are as follows:

	RM'000
<u>Short term - unsecured</u>	
Bankers Acceptance	<u>15,000</u>

This short term funding requirement is due to Group receivable and inventory position at the end of December 2009 influenced by budget speculation and build up of stocks ahead of Chinese New Year.

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 4 February 2010, the notional amount of forward foreign exchange contracts that were entered into by the Group to hedge its foreign purchases was RM7.9 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 result 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 has declared an interim dividend of 10 sen per 50 sen stock unit tax exempt for the financial year ending 30 June 2010 (2009 – 10 sen per 50 sen stock unit tax exempt), payable on **6 May 2010** to stockholders registered at the close of business on **20 April 2010**. The entitlement date shall therefore be **20 April 2010**.

Net dividend payable to stockholders will be at 10 sen per 50 sen stock unit (2008 – 10 sen per 50 sen stock unit).

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares deposited into the Depositor's securities account before 12.30 p.m. on 15 April 2010 (in respect of shares which are exempted from mandatory deposit),
- (b) Shares transferred into the Depositor's securities account before 4.00 p.m. on 20 April 2010 in respect of ordinary transfers; and
- (c) Shares bought on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Total dividend for the financial period ended 31 December 2009 amounted to 10 sen per 50 sen stock unit tax exempt.

27. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share for the period is calculated by dividing the net profit attributable to the shareholders of RM70,565,000 by the weighted average number of ordinary stock units outstanding as at 31 December 2009 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Charles Ireland
Managing Director

9 February 2010
