



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the period ended 31 March 2011.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 9 MONTHS ENDED	
	31/3/2011 RM'000	31/3/2010 RM'000	31/3/2011 RM'000	31/3/2010 RM'000
1. Revenue	351,916	370,817	1,139,961	1,049,920
2. Operating expenses	284,802	308,214	936,124	893,715
3. Other operating income	344	267	1,730	1,331
4. Profit from operations	67,458	62,870	205,567	157,536
5. Finance cost	134	147	409	367
6. Profit before tax	67,324	62,723	205,158	157,169
7. Taxation	18,352	16,044	52,856	39,955
8. Profit after tax	48,972	46,679	152,302	117,214
9. Net profit for the period	<u>48,972</u>	<u>46,679</u>	<u>152,302</u>	<u>117,214</u>
10. Foreign currency translation differences for foreign operation	20	(218)	146	(188)
11. Total comprehensive income for the period	<u>48,992</u>	<u>46,461</u>	<u>152,448</u>	<u>117,026</u>
12. Profit attributable to shareholders of the company	<u>48,972</u>	<u>46,679</u>	<u>152,302</u>	<u>117,214</u>
13. Earnings per share :				
(a) Basic (based on 302,098,000 stock units) (sen)	16.21	15.45	50.41	38.80
(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 Financial Statements for the year ended 30 June 2010)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31/03/2011 RM'000	AS AT 30/06/2010 RM'000
Non-current assets		
Property, plant and equipment	225,537	227,103
Intangible assets	9,362	10,434
Deferred tax assets	1,412	1,412
Other receivables	1,001	728
	<u>237,312</u>	<u>239,677</u>
Current assets		
Inventories	72,216	75,691
Trade and other receivables	280,701	196,135
Current tax assets	-	1,433
Cash and cash equivalents	134,357	149,626
	<u>487,274</u>	<u>422,885</u>
Current liabilities		
Trade and other payables	150,731	155,064
Current tax liabilities	14,367	4,724
Short term borrowings	10,000	-
	<u>175,098</u>	<u>159,788</u>
Net current assets	<u>312,176</u>	<u>263,097</u>
	<u>549,488</u>	<u>502,774</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves		
Capital Reserve	5,005	4,859
Retained earnings	361,588	315,020
Shareholders' funds	<u>517,642</u>	<u>470,928</u>
Non-current liabilities		
Deferred tax liabilities	31,846	31,846
	<u>549,488</u>	<u>502,774</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.71</u>	<u>1.56</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Financial Statement for the year ended 30 June 2010)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2011**

	9 MONTHS ENDED	
	31/03/2011	31/3/2010
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	205,304	156,981
Adjustments for:		
Amortisation of intangible assets	1,607	1,731
Depreciation of property, plant and equipment	23,025	21,431
Gain on disposal of property, plant and equipment	(385)	(660)
Interest expense	409	367
Interest income	(1,730)	(1,331)
Operating profit before changes in working capital	228,230	178,519
(Increase)/Decrease in working capital		
Inventories	3,475	12,692
Receivables, deposits and prepayment	(84,839)	(85,730)
Payables and accruals	(4,333)	(3,681)
Cash generated from operations	142,533	101,800
Tax paid	(41,780)	(38,196)
Interest paid	(409)	(367)
Net cash from operating activities	100,344	63,237
Cash flows from investing activities		
Acquisition of property, plant and equipment	(21,658)	(16,197)
Acquisition of intangible assets	(353)	-
Interest received	1,730	1,331
Proceeds from disposal of property, plant and equipment	402	759
Net cash used in investing activities	(19,879)	(14,107)
Cash flows from financing activity		
Dividends paid	(105,734)	(93,650)
Borrowings	10,000	15,000
Net cash used in financing activity	(95,734)	(78,650)
Net change in cash and cash equivalents	(15,269)	(29,520)
Cash and cash equivalents at beginning of year	149,626	163,772
Cash and cash equivalents at end of period	134,357	134,252

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's Annual Financial Statement for the year ended 30 June 2010)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011**

	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>9 months ended 31 March 2011</u>				
Balance at 1 July 2010	151,049	4,859	315,020	470,928
Total comprehensive income for the period	-	146	152,302	152,448
Dividends paid	-	-	(105,734)	(105,734)
Balance at 31 March 2011	151,049	5,005	361,588	517,642
<u>9 months ended 31 March 2010</u>				
Balance at 1 July 2009	151,049	5,063	286,189	442,301
Total comprehensive income for the period	-	(188)	117,214	117,026
Dividends paid	-	-	(93,650)	(93,650)
Balance at 31 March 2010	151,049	4,875	309,753	465,677

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Financial Statements for the year ended 30 June 2010)

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 2010.

2. Significant Accounting Policies

Except as described below, 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 2010.

On 1 July 2010, the Group adopted the following FRS:-

Amendments to FRS 117, Leases (*effective for annual periods beginning on or after 1 January 2010*)

The amendments to FRS 117 clarify the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease.

The Group has reassessed and determined that all leasehold land are in substance finance lease and will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions and has no effect on reported profit equity. This change in accounting policy will result in reclassification of the carrying amount of lease of land amounting to RM13,601,000 as at 30 June 2010 from prepaid lease payments to property, plant and equipment. The following comparative figures have been restated following the adoption of the amendments to FRS117 :

Group	As reported 30 June 2010 RM'000	Adoption of FRS117 RM'000	As restated RM'000
Property, plant and equipment	213,502	13,601	227,103
Prepaid lease payment	13,601	(13,601)	-

3. Realised and Unrealised Profits/Losses

	Current Year Quarter Ended 31/03/2011
	RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries :	
- Realised	362,205
- Unrealised	(617)
Total group retained profits / (accumulated losses) as per consolidated accounts	361,588

4. Audit Report on Preceding Annual Financial Statements

The Group annual financial statements for the year ended 30 June 2010 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 except for the effects arising from the adoption of FRS 117 as disclosed in Note 2.

7. Changes in Estimates

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

8. 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.

9. Dividend Paid

	9 Months Ended 31 March	
	2011	2010
	RM'000	RM'000
<u>Final Dividend Paid</u>		
2010 – 35 sen per share tax exempt	105,734	
2009 – 31 sen per share tax exempt		93,650

10. 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.

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 third 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 31 March 2011.

13. 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 except for the following:-

- a) On 27 October 2010, the Company announced that Guinness (B) Sendirian Berhad, a wholly-owned subsidiary of Guinness Singapore Pte Limited which in turn is a wholly-owned subsidiary of Guinness Anchor Berhad, was placed under Member's Voluntary Liquidation pursuant to Section 154(1)(b) of the Companies Act, Cap 39. The liquidation is pending completion.
- b) The Company announced that the following subsidiary companies had, on 11 February 2011, applied to the Companies Commission of Malaysia ("CCM") to strike-off their names from the register of CCM pursuant to Section 308 of the Companies Act, 1965:
 - (i) Guinness Sarawak Sdn Bhd
 - (ii) Malayan Breweries (Malaya) Sendirian Berhad; and
 - (iii) Malayan Breweries Marketing Sdn Bhd.

The liquidation / striking off of the above dormant subsidiaries are not expected to have any material impact on the net assets and earnings per share of the GAB Group for the financial year ending 30 June 2011.

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 31 March 2011 are as follows:

	<u>RM'000</u>
Property, plant and equipment Authorised but not contracted for	16,032
Authorised and contracted for	<u>8,001</u>
	<u>24,033</u>

16. Significant Related Party Transactions

As at the end of the 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 International BV and its related corporations
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Purchase of goods	8,528	15	18,235	318
Sale of products	7,976	-	-	-
Royalties payable	3,939	12,144	-	2,449
Marketing and technical services fees payable	2,106	-	-	61
Marketing fees receivable	-	8,996	-	2,362

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 4 November 2010.

17. Review of Performance

Performance for the quarter ended 31 March 2011 versus the same quarter in 2010

Group revenue for the third quarter ended 31 March 2011 decreased by RM18.9 million or 5.1% compared to the corresponding quarter in the previous financial year. The decline was mainly due to an earlier Chinese New Year.

Group profit before tax for the same quarter, however, was higher by RM4.6 million or 7.3% compared to RM62.7 million in the corresponding quarter of the previous financial year, mainly due to supply chain efficiencies.

Performance for the 9 months ended 31 March 2011 versus the same period in 2010

For the 9 months ended 31 March 2011, Group revenue increased by 8.6% to RM1,139.9 million from RM1,049.9 million in the corresponding period in the previous financial year. Profit before tax for the Group was higher by RM48 million or 30.5% compared to the corresponding period in the previous financial year.

This performance is due to the write-back of some costs over-accrued, supply chain efficiencies and a further improvement in the Group's market performance.

18. Comparison of Results with Preceding Quarter

Group revenue for the quarter under review was lower by RM69.5 million or 16.5% compared to RM421.4 million recorded for the preceding quarter. The decline was again due to the timing of Chinese New Year sales.

Correspondingly, Group profit before tax for the same quarter was lower by RM18.9 million or 21.9% compared to the preceding quarter.

19. Prospects

The Group expects the Malt Liquor Market to grow further as the local economic outlook is expected to be positive driven by the Government's initiatives including the recent launch of Economic Transformation Plan.

The Group will continue to focus on driving sales, strengthening market position and delivering profit through its proven strategies on brands, people and performance.

The Group is confident in delivering a strong performance for the financial year ending 30 June 2011.

20. Variance from Profit Forecast

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

21. Taxation

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

	Current Year Quarter 31/03/2011 RM'000	Current Year To date 31/03/2011 RM'000
Taxation		
Malaysian - current - prior year	18,352	52,856
Deferred taxation		
Malaysian - current - prior year	-	-
	-	-
	<u>18,352</u>	<u>52,856</u>

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

22. Sale of Unquoted Investments and/or Properties

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

23. Quoted Securities

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

24. Status of Corporate Proposals

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

25. Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2011 are as follows:

	RM'000
<u>Short term - unsecured</u>	
Bankers Acceptance	<u>10,000</u>

The short term funding requirement is due to the Group receivable and inventory position at the end of March 2011 influenced by Chinese New Year sales.

26. Financial Instruments

The outstanding derivative as at the end of the current period is as follows:

	Notional Value RM'000	Fair Value RM'000
Forward foreign exchange contracts	4,762	4,792

These forward foreign exchange contracts expire within a year from end of reporting period.

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.

27. Material Litigation

Neither the Company nor any of its subsidiaries is engaged in any material litigation either as Plaintiff or as Defendant as of the date of this report.

28. Dividend

The Board does not recommend any dividend to be paid in respect of the quarter ended 31 March 2011.

Total dividend declared for the financial period ended 31 March 2011 amounted to 10 sen per 50 sen stock unit tax exempt.

29. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share for the period under review is calculated by dividing the net profit attributable to the shareholders of RM152,302,000 by the weighted average number of ordinary stock units outstanding as at 31 March 2011 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Charles Ireland
Managing Director

5 May 2011