



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the quarter ended 30 September 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 3 MONTHS ENDED		
	30/9/2012	30/9/2011	% Change + / (-)	30/9/2012	30/9/2011	% Change + / (-)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	392,284	444,623	(11.8%)	392,284	444,623	(11.8%)
2. Operating expenses	(316,123)	(372,270)		(316,123)	(372,270)	
3. Interest income	1,481	1,271		1,481	1,271	
4. Profit from operations	77,642	73,624	5.5%	77,642	73,624	5.5%
5. Interest expense	(1,874)	(17)		(1,874)	(17)	
6. Profit before tax	75,768	73,607	2.9%	75,768	73,607	2.9%
7. Taxation	(18,941)	(18,399)		(18,941)	(18,399)	
8. Net profit for the period	<u>56,827</u>	<u>55,208</u>	2.9%	<u>56,827</u>	<u>55,208</u>	2.9%
9. Foreign currency translation differences for foreign operation	6	6		6	6	
10. Total comprehensive income for the period	<u>56,833</u>	<u>55,214</u>	2.9%	<u>56,833</u>	<u>55,214</u>	2.9%
11. Profit attributable to owners of the company	<u>56,827</u>	<u>55,208</u>		<u>56,827</u>	<u>55,208</u>	
12. Total comprehensive income attributable to owners of the company	<u>56,833</u>	<u>55,214</u>		<u>56,833</u>	<u>55,214</u>	
13. Earnings per share :						
(a) Basic (based on 302,098,000 stock units) (sen)	18.81	18.28		18.81	18.28	
(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 2012)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30/09/2012 RM'000	AS AT 30/06/2012 RM'000
Non-current assets		
Property, plant and equipment	231,109	231,549
Intangible assets	34,198	25,873
Other receivables	1,059	1,132
	<u>266,366</u>	<u>258,554</u>
Current assets		
Inventories	87,709	65,833
Trade and other receivables	305,993	284,478
Current tax assets	14,574	9,733
Cash and cash equivalents	158,510	160,820
	<u>566,786</u>	<u>520,864</u>
Current liabilities		
Trade and other payables	145,531	154,712
Current tax liabilities	18,400	12,318
Borrowings	50,000	50,000
	<u>213,931</u>	<u>217,030</u>
Net current assets	<u>352,855</u>	<u>303,834</u>
	<u>619,221</u>	<u>562,388</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves		
Capital reserve	5,199	5,193
Retained earnings	280,288	223,461
Shareholders' funds	<u>436,536</u>	<u>379,703</u>
Non-current liabilities		
Deferred tax liabilities	32,685	32,685
Borrowings	150,000	150,000
	<u>182,685</u>	<u>182,685</u>
	<u>619,221</u>	<u>562,388</u>
Net Assets per share attributable to owners of the company (RM)	<u>1.45</u>	<u>1.26</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 2012)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	3 MONTHS ENDED	
	30/09/2012	30/09/2011
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	75,768	73,607
Adjustments for:		
Amortisation of intangible assets	602	1,299
Depreciation of property, plant and equipment	7,903	7,080
(Gain)/loss on disposal of property, plant and equipment	255	(397)
Interest expense	1,874	17
Interest income	(1,481)	(1,271)
Translation differences of foreign operation	6	6
Operating profit before changes in working capital	84,927	80,341
(Increase)/Decrease in working capital		
Inventories	(21,876)	(976)
Receivables, deposits and prepayment	(21,442)	(119,548)
Payables and accruals	(9,181)	43,596
Cash generated from operations	32,428	3,413
Tax paid	(17,700)	(15,300)
Interest paid	(1,874)	(17)
Net cash from operating activities	12,854	(11,904)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,531)	(3,094)
Acquisition of intangible assets	(9,255)	(2,597)
Interest received	1,481	1,271
Proceeds from disposal of property, plant and equipment	141	528
Net cash used in investing activities	(15,164)	(3,892)
Cash flows from financing activity		
Dividends paid	-	-
Net cash used in financing activity	-	-
Net change in cash and cash equivalents	(2,310)	(15,796)
Cash and cash equivalents at beginning of year	160,820	179,777
Cash and cash equivalents at end of period	158,510	163,981

(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 2012)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	Attributable to equity holders of the Company			
	<i>Share Capital</i>	<i>Non- Distributable Capital Reserve</i>	<i>Distributable Retained Earnings</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000
<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
<u>3 months ended 30 September 2011</u>				
Balance at 1 July 2011	151,049	5,113	360,454	516,616
Total comprehensive income for the period	-	6	55,208	55,214
Dividends paid	-	-	-	-
Balance at 30 September 2011	151,049	5,119	415,662	571,830

(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 2012)

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 2012.

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 2012.

3. Realised and Unrealised Profits/Losses

	As at 30/09/2012 <u>RM’000</u>	As at 30/06/2012 <u>RM’000</u>
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	317,645	261,616
- Unrealised	(36,022)	(37,256)
	-----	-----
	281,623	224,360
Less: consolidation adjustment	(1,335)	(899)
	-----	-----
Total group retained profits / (accumulated losses) as per consolidated accounts	280,288	223,461
	=====	=====

4. Audit Report on Preceding Annual Financial Statements

The Group annual audited financial statements for the year ended 30 June 2012 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, other than the issuance of medium term notes and commercial papers of RM200,000,000 as disclosed under Note 22.

9. Dividend Paid

No dividends were paid during the financial quarter ended 30 September 2012.

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 5% of the total sales is exported, mainly to Southeast Asian countries. As such, only one reportable segment analysis is 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 30/09/2012 RM'000	3 months ended 30/09/2011 RM'000
Total Segment Assets	833,152	789,307
	=====	=====
Total Segment Liabilities	396,616	217,477
Total Segment Equity	436,536	571,830
	-----	-----
	833,152	789,307
	=====	=====

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

	3 months ended 30/09/2012 RM'000	3 months ended 30/09/2011 RM'000
Segment profit	75,774	73,613
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	371,903	418,005
Cost of sales	(243,388)	(280,933)
Depreciation	8,505	8,379
	=====	=====
<i>Not included in the measure of segment profit but provided to Managing Director</i>		
Interest income/(expense)	(393)	1,254
	=====	=====

10. Segmental Reporting (continued)

	3 months ended 30/09/2012 RM'000	3 months ended 30/09/2011 RM'000
Profit or loss		
Segment profit	75,774	73,613
Foreign Operation Translation	(6)	(6)
	-----	-----
Consolidated profit before tax	75,768	73,607
	=====	=====

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 2012.

13. Changes in the Composition of the Group

Save and except as disclosed in the Group's audited financial statements for the year ended 30 June 2012, 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.

The deregistration of Malayan Breweries (Malaya) Sdn Bhd is still pending completion. It 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 2013.

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 2012 are as follows:

	RM'000
Property, plant and equipment	-----
Authorised but not contracted for	45,574
Authorised and contracted for	23,053

	68,627

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:

	Diageo Plc and its related corporations	Fraser and Neave, Limited ("F&N") and its related corporations Asia Pacific Breweries Limited Group	Other F&N related corporations	Heineken International BV and its related corporations
	RM'000	RM'000	RM'000	RM'000
Purchase of goods	2,948	-	-	4,402
Sale of products	4,055	-	-	-
Royalties payable	1,499	4,801	-	1,507
Marketing and technical services fees payable	882	-	-	-
Marketing fees receivable	-	-	-	1,223

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 3 November 2011.

17. Review of Performance

Performance for the quarter ended 30 September 2012 versus the same quarter in 2011

In the quarter ended 30 September 2012, the Group's revenue declined by 11.8% compared to the same quarter last year. The drop in revenue was mainly due to no pre-budget speculation buy ahead of the National Budget announcement and the planned reduction in duty not paid volume.

In addition, the Group closed its books 9 days earlier in September in preparation for implementing the new IT systems on 1 October 2012. This has had the impact of both deferring some volume and commercial expenditure into Quarter 2.

Despite the above, the Group managed to achieve growth in pre-tax profit before interest of 5.3%. Improved pricing in the malt liquor market (MLM) and favourable product mix contributed to this growth.

Comparison of Results with Preceding Quarter

Group revenue for the quarter under review improved by RM46 million or 13.4% higher against the preceding quarter. This was mainly driven by volume increase for Tiger and Guinness.

Correspondingly, pre-tax profit grew by 61.6% to RM75.8 million. This growth was due to seasonal reasons, better product mix, and the timing of the commercial expenditure referred to above.

18. Prospects

To date, the Group has achieved a RM5 billion market capitalisation with a healthy portfolio of iconic brands and solid financials over the last decade. The Group is committed to continue this momentum and believes that it has the right strategies, network and resources to achieve a sustainable growth in the current financial year. The migration to a new IT infrastructure will also enhance operational efficiency and productivity to support the growing business needs.

With the exclusion of an excise tax increase in the recent National Budget announcement, the Group expects the domestic market to remain fairly robust in the current financial year. However, the many uncertainties in the global economic outlook still pose a concern which may adversely impact consumer sentiment and dampen the overall domestic economic growth.

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 30/09/2012 RM'000
Taxation	
Malaysian - current	18,941
- prior year	-
	<hr/> 18,941
Deferred taxation	
Malaysian - current	-
- prior year	-
	<hr/> -
	<hr/> <hr/> 18,941

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 2012 are as follows:

	<u>RM'000</u>
<u>Current</u>	
Commercial Papers (CPs)	50,000
<u>Non-Current - Unsecured</u>	
Medium Term Notes (MTNs)	150,000
	<u>200,000</u>

Repayment of RM50 million of CPs with a 9 months maturity period was made in October 2012.

The non-current portion of the MTNs of RM150 million in nominal value, which were issued in December 2011, is repayable at RM100 million and RM50 million in December 2014 and December 2016 respectively.

In October 2012, RAM Ratings Services Berhad reaffirmed the respective long term and short term ratings of AAA of the CP/MTN Programme.

23. Financial Instruments

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

	Notional Value	Fair Value	Loss arising from fair value changes
	RM'000	RM'000	RM'000
<u>Type of derivative</u>			
Forward foreign exchange contracts	10,486	10,404	82
- 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 are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Foreign currency differences arising on retranslation are recognised in comprehensive income, except for differences arising on the retranslation of a financial instrument designated as a hedge of currency risk, which is recognised in other comprehensive income.

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.

24. Notes to the Statement of Comprehensive Income

	Current quarter ended 30/09/2012 RM'000	Current quarter ended 30/09/2011 RM'000
Depreciation and amortization	8,505	8,379
Provision for and write-off of receivables	-	-
Provision for and write-off of inventories	1,171	594
(Gain)/loss on derivatives	98	(119)

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 2012.

With effect from 1 July 2012, the estimated useful lives for intangible assets has been revised from 4 years to 7 years in line with the practice adopted by the ultimate holding company.

25. 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.

26. Dividend

The Board of Directors does not recommend any dividend to be paid in respect of the quarter ended 30 September 2012.

27. 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 RM56,827,000 by the weighted average number of ordinary stock units outstanding as at 30 September 2012 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Charles Ireland
Managing Director