



24/11/2015

SOLID PERFORMANCE BY GAB DESPITE CHALLENGING ENVIRONMENT

Q1 FY16 KEY FINANCIAL RESULTS

Quarter ended **30 September 2015** in comparison with quarter ended **30 September 2014**

- Revenue grew 3% from RM393 million to RM405 million
- Profit before tax (PBT) increased by 16% from RM73 million to RM84 million
- Earnings per share increased from 18 sen to 21 sen

Q1 FY16 PERFORMANCE REVIEW

- GAB saw a strong performance in a tough external environment.
- Revenue grew 3% to RM405 million compared to the same quarter last year mainly due to higher sales. The underlying revenue growth was partially off-set by the replacement of sales tax with the Goods-and-Services Tax (GST). The Group PBT grew by 16% driven by increased revenue and improved cost efficiency across the business.
- GAB's strategic investments in selected channels and the improved brand visibility, better pricing and promotion within outlets played a pivotal role in driving the growth.
- In celebration of 50 years of brewing Guinness in Malaysia, GAB launched its first limited edition packaging on 10 September 2015 which was very well received by consumers.
- Additionally, one of the key factors which helped GAB's growth was greater enforcement efforts by the Royal Malaysian Customs Department (Customs) since January 2015, in stamping out contraband beers. GAB recognises and appreciates the efforts of Customs as this has helped the duty paid market and consequently resulted in higher sales for GAB in the quarter.
- As GAB continues to expand efforts on driving financial performance, it will also continue its efforts to build a sustainable environment, both for the business as well as the communities in which GAB operates through its responsible drinking advocacy and numerous initiatives through the GAB Foundation.

GAB SHAREHOLDING STRUCTURE CHANGE

- On 7 October 2015, Heineken NV acquired Diageo's shares in GAPL Pte Ltd (GAPL), which is the major shareholder of GAB. Heineken NV now owns 100% of GAPL, which in turn holds 51% interest in GAB.
- Heineken NV, with its wide portfolio of brands and established operational systems and processes will bring about a positive impact to GAB.
- Guinness will remain a key brand within GAB's award-winning portfolio as the current license agreements for the Diageo brands will continue, in pursuit of a long-term partnership.

FY16 OUTLOOK

- The external environment is expected to continue to be challenging. GAB remains optimistic in delivering an improved performance for the financial year 2016. This is supported by a strong performance for the quarter coming off a post-GST transitional period.
- The Group will continue to focus on proven growth drivers through commercial initiatives, innovation and operational efficiencies.

HANS ESSAADI: MANAGING DIRECTOR'S STATEMENT

"We are really glad to deliver a strong start to the Financial Year 2016 (FY16) with 16% PBT growth in Q1 FY16. We delivered a strong set of results in FY15 and the continuation of this trend will deliver holistic performance. This quarter saw a strong performance coming off a post-GST transitional period.

Throughout 2015, the Customs has stepped up their enforcement initiatives and conducted numerous raids on illegal importers and retailers. The efforts by Customs have reduced the presence of contraband beers and this has been instrumental in driving our growth.

We remain optimistic that GAB will continue on this positive trajectory in FY16. We expect to continue to create winning partnerships, engage with authorities on contraband beers, execute innovation brilliantly and drive cost effectiveness across our entire business.

In our commitment to innovate to meet changing consumer preferences, we have recently launched new variants – Tiger White, Strongbow Red Berries and Smirnoff Ice Black as well as a limited edition packaging – Heineken Spectre."

- End -

About 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, its doubly refreshing variant TIGER RADLER and its other innovative brew TIGER WHITE – Asia's Wheat Beer;
- 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 100% owned by Heineken N.V. indirectly.

For media enquiries, please contact:

Weber Shandwick on behalf of GAB

Kelvin Jude | DL: 03-6209 5225 | E: kjude@webershandwick.com

Chloe Pan | DL: 03-6209 5214 | E: cpan@webershandwick.com

T: 03-6209 5200 | F: 03-6209 5299