



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

**QUARTERLY FINANCIAL REPORT ON CONDENSED CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDING 30 JUNE 2009**

The Board of Directors of Guinness Anchor Berhad wishes to announce the unaudited results of the Group for the first quarter ended 30 September 2008.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		3 MONTHS ENDED	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	RM'000	RM'000	RM'000	RM'000
1. Revenue	365,804	325,200	365,804	325,200
2. Operating expenses	303,328	267,940	303,328	267,940
3. Other operating income	846	1,018	846	1,018
4. Profit from operations	63,322	58,278	63,322	58,278
5. Finance cost	70	86	70	86
6. Profit before tax	63,252	58,192	63,252	58,192
7. Taxation	15,929	15,086	15,929	15,086
8. Profit/(loss) after tax	47,323	43,106	47,323	43,106
9. Net profit for the period	<u>47,323</u>	<u>43,106</u>	<u>47,323</u>	<u>43,106</u>
10. Profit attributable to equity holders of the company	<u>47,323</u>	<u>43,106</u>	<u>47,323</u>	<u>43,106</u>
11. Earnings per share :				
(a) Basic (based on 302,098,000 stock units) (sen)	15.66	14.27	15.66	14.27
(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 2008)

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT 30/09/2008 RM'000	AS AT 30/06/2008 RM'000
Non-current assets		
Property, plant and equipment	210,458	210,532
Intangible assets	3,848	2,953
Prepaid lease payment	14,049	14,113
Deferred tax assets	2,338	2,338
Receivables	1,783	1,858
	<u>232,476</u>	<u>231,794</u>
Current assets		
Inventories	65,415	64,976
Receivables, deposits and prepayments	282,649	143,305
Cash and cash equivalents	83,263	183,374
	<u>431,327</u>	<u>391,655</u>
Current liabilities		
Payables and accruals	158,883	172,281
Current tax liabilities	15,997	9,568
	<u>174,880</u>	<u>181,849</u>
Net current assets	<u>256,447</u>	<u>209,806</u>
	<u>488,923</u>	<u>441,600</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves		
Capital reserve	5,017	4,967
Retained earnings	302,591	255,318
Shareholders' funds	<u>458,657</u>	<u>411,334</u>
Non-current liabilities		
Deferred tax liabilities	30,266	30,266
	<u>488,923</u>	<u>441,600</u>
Net Assets per share attributable to equity holders of the company (RM)	<u>1.52</u>	<u>1.36</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	3 MONTHS ENDED	
	30/09/2008	30/09/2007
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	63,252	58,192
Adjustments for:		
Amortisation of intangible assets	242	490
Amortisation of prepaid lease prepayments	64	64
Depreciation of property, plant and equipment	6,876	6,382
Gain on disposal of property, plant and equipment	-	(633)
Interest expense	70	86
Interest income	(846)	(1,018)
Operating profit before changes in working capital	69,658	63,563
(Increase)/Decrease in working capital		
Inventories	(439)	(8,722)
Receivables, deposits and prepayment	(139,269)	(96,975)
Payables and accruals	(13,398)	5,614
Cash generated from operations	(83,448)	(36,520)
Tax paid	(9,500)	(9,417)
Interest paid	(70)	(86)
Net cash from operating activities	(93,018)	(46,023)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,955)	(4,112)
Interest received	846	1,018
Proceeds from disposal of property, plant and equipment	16	635
Net cash used in investing activities	(7,093)	(2,459)
Cash flows from financing activity		
Dividends paid	-	-
Net cash used in financing activity	-	-
Net change in cash and cash equivalents	(100,111)	(48,482)
Cash and cash equivalents at beginning of year	183,374	154,605
Cash and cash equivalents at end of period	83,263	106,123

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

GUINNESS ANCHOR BERHAD
(Company No. 5350X)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	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>3 months quarter ended</u> <u>30 September 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	-	50	(50)	-
Profit after taxation	-	-	47,323	47,323
Dividends	-	-	-	-
Balance at 30 September 2008	151,049	5,017	302,591	458,657
<u>3 months quarter ended</u> <u>30 September 2007</u>				
Balance at 1 July 2007	151,049	4,695	229,365	385,109
Net gains and losses recognised directly in equity :				
Foreign exchange translation difference	-	72	(72)	-
Profit after taxation	-	-	43,106	43,106
Dividends	-	-	-	-
Balance at 30 September 2007	151,049	4,767	272,399	428,215

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30th June 2008)

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 2008.

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 2008.

2. Audit Report on Preceding Annual Financial Statements

The Group annual financial statements for the year ended 30 June 2008 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 year.

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

No dividends were paid during the financial quarter ended 30 September 2008.

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 2% 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 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 first quarter ended 30 September 2008.

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 30 September 2008 are as follows:

	<u>RM'000</u>
Property, plant and equipment	
Authorised but not contracted for	10,509
Authorised and contracted for	<u>4,643</u>
	<u>15,152</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	3,685	-	7,132	112
Sale of products	2,384	-	-	2,174
Royalties payable	997	2,748	-	620
Marketing and technical services payable	614	-	-	12
Marketing fees receivable	-	50	-	-

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 2008.

15. Review of Performance

Group revenue for the first quarter ended 30 September 2008 increased by RM40.6 million or 12.5% as compared to the corresponding period last year driven by significant pre-budget speculation by our customers.

Group profit before tax for the same quarter was higher at RM63.3 million compared to RM58.2 million in the corresponding quarter of 2007.

The current volatile global economy coupled with the recent increases in raw and packaging material prices and operational costs have impacted negatively on industry margins.

16. Comparison of Results with Preceding Quarter

Group revenue for the current quarter under review improved by RM115.5 million from RM250.3 million in the previous quarter to RM365.8 million. This was primarily due to significant pre-budget speculation by our customers.

Profit before tax for the Group improved significantly by RM38.0 million or 150.4% compared to the previous quarter.

17. Prospects

The Industry welcomes the Government's decision not to increase excise duties on beer and stout as announced in the Budget 2009. Notwithstanding this, the Malaysian excise duty rate for beer and stout remains the second highest in the world.

The forecasted decline in economic growth is likely to negatively impact overall market performance and competition is expected to remain intense.

Despite these challenges, we will continue to invest in developing and building our brands to ensure satisfactory results for the financial year ending 30 June 2009.

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 30/09/2008 RM'000	Current Year To date 30/09/2008 RM'000
Taxation		
Malaysian - current	15,929	15,929
- prior year	-	-
	<hr/> 15,929	<hr/> 15,929
Deferred taxation		
Malaysian - current	-	-
- prior year	-	-
	<hr/> -	<hr/> -
	<hr/> <hr/> 15,929	<hr/> <hr/> 15,929

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

There were no borrowings or debt securities as at 30 September 2008

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 19 November 2008, the notional amount of forward foreign exchange contracts that were entered into by the Group to hedge its foreign purchases was RM6.8 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 of Directors does not recommend any dividend to be paid in respect of the quarter ended 30 September 2008.

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 RM47,323,000 by the weighted average number of ordinary stock units outstanding as at 30 September 2008 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board

Charles Ireland
Managing Director

26 November 2008