GHANA
STOCK
EXCHANGE

**PRESS RELEASE**

**PR. No 135/2010**

**GUINNESS GHANA BREWERIES LIMITED (GGBL)**
**UN-AUDITED FINANCIAL STATEMENTS**
**FOR THE THIRD QUARTER - MARCH 31, 2010**

GGBL has released its un-audited Financial Statements for the third quarter ending March 31, 2010 as per the attached.

Issued in Accra, this 7th
day of May, 2010

.

- **E N D -**

att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, GGBL
4. MBG Registrars, (Registrars for GGBL shares)
5. SEC
6. GSE Securities Depository
7. GSE Council Members
8. GSE Notice Board

**For enquiries, contact:**
**General Manager/Head of Listings, GSE on 669908, 669914, 669935**
*AAS

GUINNESS GHANA BREWERIES LIMITED

Unaudited Financial Results For The Nine Months Ending 31 March 2010

| | 2010<br>GH¢'000 | 2009<br>GH¢'000 |
|---|---|---|
| Net Turnover | 161,286 | 151,535 |
| Cost of sales | (110,284) | (104,271) |
| **Gross Profit** | 51,002 | 47,264 |
| Selling, General & Administrative Expenses | (27,635) | (21,689) |
| **Operating Profit** | 23,367 | 25,575 |
| Other Income / (Charges) | (2,671) | (3,308) |
| **Profit Before financial Charges** | 20,696 | 22,267 |
| Financial Charges (Net) | (20,427) | (6,087) |
| **Profit before Taxation** | 269 | 16,180 |
| Taxation | (61) | (2,006) |
| Profit After Tax | 208 | 14,174 |

Unaudited Statement of Retained Earnings for The Nine months Ending 31st March 2010

| | 2010<br>GH¢'m | 2009<br>GH¢'m |
|---|---|---|
| Balance as at 1st July | 37,501 | 35,913 |
| Profit for the Period | 208 | 14,174 |
| Dividends | (4,726) | (2,987) |
| **Balance as at 31st March** | 32,983 | 47,100 |

GUINNESS GHANA BREWERIES LIMITED

Unaudited Balance Sheet As At 31 March 2010

| | 2010 GH¢'000 | 2009 GH¢'000 |
|---|---|---|
| **FIXED ASSETS** | **115,393** | **108,721** |
| CURRENT ASSETS | | |
| Stocks | 71,078 | 50,491 |
| Debtors | 24,445 | 24,498 |
| Bank and Cash Balances | 4,107 | 14,067 |
| Total Current Assets | 99,630 | 89,056 |
| CURRENT LIABILITIES | | |
| Creditors | (45,266) | (40,353) |
| Taxation | (496) | (2,048) |
| Dividend | (2,874) | - |
| Bank Overdraft | (24,505) | - |
| Amount due to related Companies | (14,813) | (45,792) |
| Short term loans | - | (9,000) |
| **Total Current Liabilities** | **(87,954)** | **(97,193)** |
| NET CURRENT ASSETS/(LIABILITIES) | **11,676** | **(8,137)** |
| NON-CURRENT LIABILITIES | | |
| **Medium Term Loans** | (59,000) | (18,000) |
| Deferred Tax Liability | (8,834) | (9,232) |
| **Total Non-Current Liabilities** | **(67,834)** | **(27,232)** |
| NET ASSETS | **59,235** | **73,352** |
| REPRESENTING: | | |
| SHARE CAPITAL | 26,252 | 26,252 |
| RETAINED EARNINGS | 32,983 | 47,100 |
| TOTAL EQUITY | 59,235 | 73,352 |

The financial statements do not contain untrue statements , misleading facts or omits material facts to the best of our knowledge

Ekwunife Okoli
Managing Director

Robert Pilkington
Finance Director

GUINNESS GHANA BREWERIES LIMITED

Unaudited Cash Flow Statement For The Nine Months Ending 31 March 2010

| | 2010<br>GH¢'000 | 2009<br>GH¢'000 |
|---|---|---|
| Operating Profit (before investment Returns & | 20,696 | 22,267 |
| Depreciation charges | 8,044 | 6,056 |
| Loss on sale of fixed assets | 316 | 0 |
| Increase in Stocks | (8,397) | (16,930) |
| Increase in Debtors | (2,647) | (8,881) |
| Increase in Creditors | 6,854 | 21,294 |
| (Decrease)/ Increase in Related company balance | (44,707) | 18,085 |
| Net Cash Inflow From Operations | (19,841) | 41,891 |
| Interest Paid | (20,427) | (6,087) |
| Income Tax Paid | (372) | (1,485) |
| Net Cash Outflow from Operating Activities | (20,799) | (7,572) |
| Cash Flow from Investing Activities | | |
| Fixed Assets Purchase | (10,167) | (14,777) |
| Proceeds from Sale of Fixed Assets | 73 | 0 |
| Net Cash Outflow from Investing Activities | (10,094) | (14,777) |
| Net Cash Flow before Financing | (50,734) | 19,542 |
| Financing | | |
| Dividends paid | (8,922) | (2,987) |
| Bank Loan Received | 32,000 | 0 |
| Net Cash flow from Financing Activities | 23,078 | (2,987) |
| (Decrease)/ Increase in cash and cash equivalents | (27,656) | 16,555 |
| Analysis of changes in cash & cash equivalents during the year | | |
| Balance as at 1st July | 7,258 | (2,487) |
| Net Cash flow | (27,656) | 16,555 |
| Balance at 31 March 2010 | (20,398) | 14,068 |
| Analysis of cash and Cash Equivanlents in the Balance Sheet | | |
| Cash at Bank | 4,107 | 14,068 |
| Bank Overdraft | (24,505) | 0 |
| Balance at 31 March 2010 | (20,398) | 14,068 |

## Financial performance - YTD March 2010

The company recorded an operating profit (after other income and expenses) of GH¢ 20.7million for the nine months which is 7% down on last year. However, we continued to show positive gearing at gross margin level with a 6% increase in turnover giving an 8% increase in margin as we continued to focus on our cost control measures.

Operating performance has been challenging given the effects of the change in the excise regime implemented in early January by Government, which changed from a specific basis to an Ad Valorem basis. This increased our duty payments by over GH¢8m. This change has seen real adverse reaction from the consumer with a decline in consumption across our product range.

The company has faced increased finance charges versus last year as a result of its increase in its external borrowings at the beginning of the year, to enable it to repay its inter-company obligations that had accumulated due to the lack of foreign currency in the market in the first half of 2009. This resulted in an increase in external debt and resultant increase in finance costs that has been exacerbated by the impact of adverse foreign exchange rates versus last year and the higher interest rates.

## Outlook for 2010

As the economy begins to show signs of recovery and stability, with inflation decreasing slightly, currency more stable and interests rate reductions already happening the company is seeing some level of stability in its cost base. Our strong investment behind our brands should support consumer acceptance but recovery from the excise increase could be slow. We are however, confident that we will maintain or grow market share as supply improves.