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PRESS RELEASE

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GUINNESS GHANA BREWERIES LIMITED (GGBL)
FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDING DECEMBER 31, 2014

GGBL has released its un-audited Financial Statements for the half year ending December 31, 2014 as per the attached.

Issued in Accra, this 12th day of February, 2015

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att’d.

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

For enquiries, contact:
General Manager/Head of Listings, GSE on 0302 669908, 669914, 669935
*JEB
Despite tough economic conditions net sales in the first half of the year increased 28% largely driven by price increases and innovation which partially mitigated inflationary pressures. A strong Q1 performance was followed by a solid Q2 performance. Malta Guinness continued to perform strongly and Star Lager net sales were up 5% and gained share with both brands benefitting from our investment in route to consumer which led to expanded coverage and improved execution in the on-trade. Despite significant improvements at an operational level resulting from our investment in Perfect Plant and other cost improvement initiatives, including the substitution of locally sourced materials for imported components, the devaluation of the Ghana Cedi and its effect on the cost of imported raw materials, fuel price increases, utilities tariff increases and the higher mix of imported finished goods had a negative impact on production costs. This, coupled with higher first half volumes, resulted in cost of goods increasing 42% versus last year.

Selling, General and Administrative costs increased 39% versus the prior period as we continue to invest behind our core brands and innovations, including the new Guinness FES ‘Made of Black’ campaign. Expansion of the sales force, investment in Perfect Plant Management System, foreign exchange losses and redundancy costs resulted in Overheads increasing year on year. These increases were partly mitigated by the disposal of a property during the quarter. The funding of our brewery capacity expansion and higher interest rate resulted in Finance Charges increasing significantly versus last year resulting in a Loss before Taxation for the half.

Managing Director
Peter Ndegwa

Finance Director
Stephen Nirenstein