



30 June 2014

Company Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

MANAGEMENT APPOINTMENTS, DEBT FACILITY EXTENTION AND Q4 FY2014 PRODUCTION UPDATE

Appointment of Chief Operating Officer

In keeping with the Company's succession plan, Aaron Heary has been appointed Chief Operating Officer (COO) of the Company effective 1 July 2014. Aaron has been with the business for 10 years, commencing as a Brewer during the Company's start up stage in 2004 and quickly advancing to become Head Brewer and then General Manager of Operations in 2009.

Aaron has been brewing professionally for 14 years, receiving his Diploma in Brewing qualifications through the Institute of Brewing and Distilling London. He has received a Master of Business Administration from the Curtin Graduate School of Business. Aaron is well respected within the brewing industry and as a qualified beer judge has been invited to adjudicate at the Australian International Beer Awards Melbourne, The Sydney Royal Beer and Cider Show, and the Perth Royal Beer Show where he contributes as a member of the Beer Committee and has been a tasting panel leader for 2 years.

The Board welcomes Aaron to the position of COO and looks forward to working with him in that capacity.

Resignation of Director - Bill Hoedemaker

Bill Hoedemaker has been the Company's Director of Operations since its inception in 2002 and has been an important contributor to the growth and success of the Company. Bill's professional brewing career has spanned 15 years, 4 of which were as a member of the multi-award winning brewing team at the Sail & Anchor Pub Brewery Fremantle and the last 11 years as Brewmaster for Gage Roads. During his tenure at Gage Roads, Bill has been instrumental in implementing expansion projects that have seen the business grow in production capacity from 350,000 to 3,000,000 cartons per annum. A highlight of Bill's stewardship over the Company's recipes and brewing is the success of Gage Roads' award winning craft range developed under his tenure including *Atomic Pale Ale*, currently Australia's 5th best selling Pale Ale, and *Sleeping Giant IPA* currently Australia's largest selling IPA.

AUSTRALIA'S CRAFT BREWERY

GAGE ROADS BREWING CO LTD
ABN 22 103 014 320

14 ABSOLON STREET PALMYRA WESTERN AUSTRALIA 6157 PO BOX 2024 PALMYRA DC WESTERN AUSTRALIA 6961
TELEPHONE: (08) 9331 2300 FACSIMILE: (08) 9331 2400 EMAIL: brewery@gageroads.com.au WEB: www.gageroads.com.au



Bill has indicated his intentions to resign as Director effective 30 June 2014 to pursue other personal business interests. The Board of Directors have accepted his resignation and expressed their gratitude to Bill for his services and wish him success in his future endeavours. Bill's role as Directors of Operations will be filled by Aaron Heary in his capacity as COO. During the past few months Aaron has led the Company's re-structure of the CAPEX and Maintenance teams into a single cohesive Engineering Department.

Appointment of Chief Financial Officer

The Board would also like to announce that Marcel Brandenburg has been appointed Chief Financial Officer (CFO) of the Company effective 1 July 2014. Marcel has been with the Company since October 2011 in the capacity of Financial Controller and was appointed Company Secretary in June 2013. Marcel is responsible for the financial accounting, financial reporting, governance and administration aspects of the business. He has extensive experience in dealing with ASX-listed companies, having spent a significant part of his career auditing publicly listed entities. As a Chartered Accountant and Chartered Company Secretary he has an excellent understanding of financial markets, market compliance and regulations.

Gage Roads Brewing Co seeks increase of ANZ debt facility

The Company is in the process of increasing its existing long-standing ANZ credit facility by \$4m to a total of \$9.7m. The variation to the facility, which expires 1 October 2015, is expected to be executed in the coming weeks. The Company has also increased its existing overdraft facility with the ANZ from \$1m to \$2m. The Directors are undertaking these extensions to secure funds for the Company to support the working capital requirements of the business in FY15 and allow the business to deliver on its FY15 sales and earnings growth expectations.

Q4 Update

The recovery from the processing fault as announced on 28 April 2014 has been slower than expected and consequently, sales volumes for Q4 FY14 have been adversely affected. During this recovery period, a number of design limitations in plant and equipment have been identified and resolved. Seasonally low sales and supplier related raw material quality issues have also impacted on sales volumes during Q4.

Management believes that a FY14 full year sales volume expectation of 1.7m carton equivalents, representing a growth of 21% over FY13, is reasonable given the difficult Q4 period.

This downward revision in sales of a further 125,000 carton equivalents, represents approximately \$1m in lost gross profits. The Company is also expected to incur impairment charges and disposal costs estimated at \$600,000 in relation to the production that was destroyed and disposed of in Q4.

Managing Director John Hoedemaker said "We view Q4 FY14 as a tough period of learning for the business, however we have utilised this period to de-risk the operations of our plant and equipment into the future. Whilst the production issues we have experienced in Q4 FY14 are disappointing,

AUSTRALIA'S CRAFT BREWERY

GAGE ROADS BREWING CO LTD
ABN 22 103 014 320

14 ABSOLON STREET PALMYRA WESTERN AUSTRALIA 6157 PO BOX 2024 PALMYRA DC WESTERN AUSTRALIA 6961
TELEPHONE: (08) 9331 2300 FACSIMILE: (08) 9331 2400 EMAIL: brewery@gageroads.com.au WEB: www.gageroads.com.au



they have been identified and resolved. Importantly the Company has worked hard over the last few months to contain the financial impact to FY14. Strategically I feel that the business is in a very strong position to achieve good earnings growth for FY15 and beyond. Demand for craft beer including both our contract brewed and Gage Roads' branded products and the relationships with our customers remains strong. I am confident the Company is in a much stronger and operationally de-risked position for FY15 and I look forward to delivering to our shareholders the FY15 earnings growth expected in our 4 year strategic plan."

-END-

For further information please contact:

Marcel Brandenburg
Company Secretary
Gage Roads Brewing Co Ltd
Tel: (08) 9314 0000

AUSTRALIA'S CRAFT BREWERY

GAGE ROADS BREWING Co LTD
ABN 22 103 014 320

14 ABSOLON STREET PALMYRA WESTERN AUSTRALIA 6157 PO BOX 2024 PALMYRA DC WESTERN AUSTRALIA 6961
TELEPHONE: (08) 9331 2300 FACSIMILE: (08) 9331 2400 EMAIL: brewery@gageroads.com.au WEB: www.gageroads.com.au