



11 April 2014

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

Investor Presentation

Please find attached an investor presentation provided by the Managing Director John Hoedemaker in connection with a number of investor meetings being held during the week.

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For further information please contact:

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AUSTRALIA'S CRAFT BREWERY

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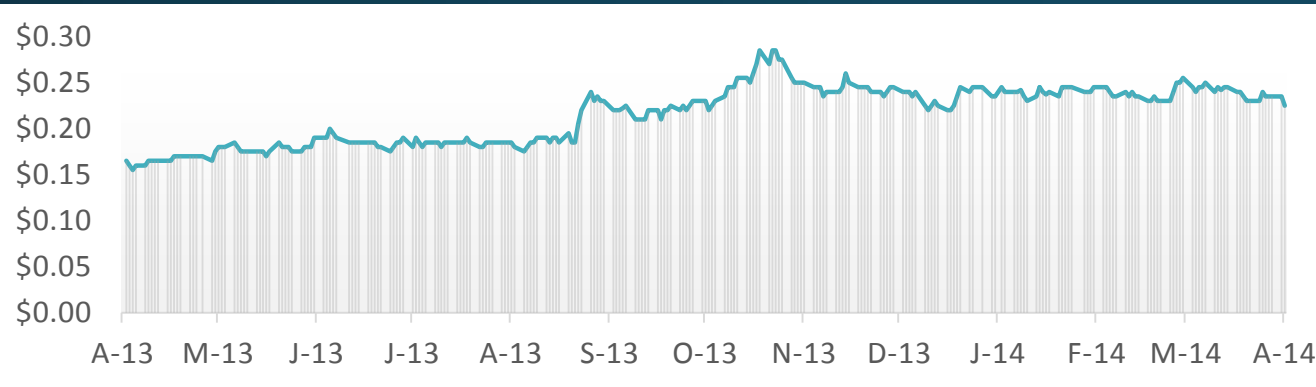


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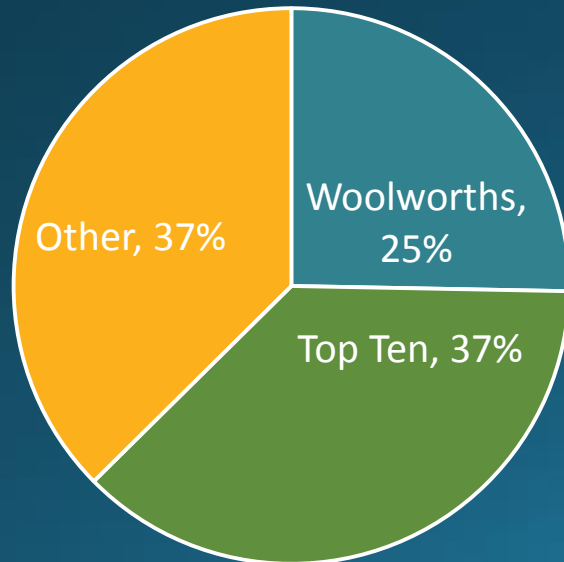
Gage Roads Investor Update

Company Snapshot

12 Month Share Price



Top Shareholders



Directors

Ian Olson – Chairman

Robert Gould – Non Executive Director

Brad Banducci – Non Executive Director

Bill Hoedemaker – Director Of Operations

John Hoedemaker – Managing Director

Market Info

Previous Close \$0.22

Shares On Issue 395,332,293

Market Cap \$87m

52 week high \$0.29

52 week low \$0.16

53 week avg vol 695,538

(as at April 2014)

The Journey so far...

FY09

- Change of strategy to become higher volume , lower cost , lower margin brewery.
- 3 year supply agreement with Woolworths Limited, min take 350K cartons p.a.

FY10

- Woolworths short term demand revised upwards to 1 million cartons per annum.
- \$4 million invested to increase capacity to 1.2 million cartons p.a.
- CAPEX funded by \$4.2 million facility with ANZ, guaranteed by Woolworths.
- Revenues grow at 328% to \$5.8 million.

The Journey so far...

FY11

- Production capacity requirements revised upwards to circa 3 million cases in FY15.
- \$9.6 million invested on 4 year capacity expansion to 3 million cases p.a. in FY15 and reduce operating costs by 50% per carton.
- ANZ facility limit increased by \$5.5 million, balance of CAPEX funded via positive operating cashflows.
- Revenues grow at 171% to \$15.8 million.
- Maiden NPAT of \$0.12 million on sales of just over 1 million cartons

FY12

- 4 year capacity expansion on track and 70% complete, current installed capacity circa 2.5 million cartons p.a.
- Additional \$2.8million invested on cellar system, CIP and yeast system to increase efficiencies.
- Achieved operating internal goal of 70% operating efficiency.
- Revenues grow at 25% to \$19.7 million.
- 2nd year of profitability, NPAT of \$0.5 million on sales of just over 1 million cartons

The Journey so far...

FY13

- Revenue increased 15% to \$22.6 million
- Volume increased 10% to 11 million litres
- NPAT increased 72% to \$0.86 million
- Gage Roads proprietary brands grew 35%
- Contract brewing services grew 103%
- Capital expansion program achieves 2.5 million carton annual capacity
 - New brewhouse
 - Automated fermentation cellar
 - Filtration Equipment
 - Automated Clean-In-Place (CIP) system
- Growth achieved whilst executing expansion program – “Renovating your house while living in it”

The Journey so far...

H1 FY14

- NPAT increased 99% over H1 FY13 to \$1m
- Revenue increased 44% to \$16 million
- Gross profit maintained (49%)
- Total volume increased by 42% to 960k carton equivalents*
- Keg production volume increased 129% to 8,600 kegs
- Commenced production of new high volume SKU
- Up-skilled brewery management

** One carton equivalent = 7.92L = 24 x 330mL bottles = 0.16 x 50L kegs*

1. Deliver Volume Growth

- Three Tier Growth Strategy

2. Maintain gross profit margin

- Sustainable gross profit margin through focus on craft segment and diversification of product mix and customer base

3. Keep a lid on operating costs

- Capital expansion program
- Human Resources & Improving productivity (5S program)

Earnings
Growth

Update Outline

- FY14 9-month YTD Update
- Warehousing strategy
- Capex program FY14-FY15
- Marketing update

FY14 9-Month YTD Update

- Sales
 - 9-month YTD revenue: \$23m, 39% increase on prior year-to-date
 - 9-month YTD volume: 1.4m case equivalents, 37% increase on prior year-to-date
 - Draught volume up 75% on prior year
- Costs and Productivity
 - Cost structure at high volumes has proven more fixed in nature, benefiting our leverage model
 - Warehousing strategy (as discussed below) will allow for consistent production volumes throughout the year, utilising the fixed cost structure.
 - Enables more efficient use of brew house resulting in lower cost (full mash-tun policy)

Warehousing strategy

- Warehousing option has been investigated and is being executed
- Commit to external warehouse for raw materials and finished goods storage, near to existing brewery, fixed cost centre
- Designed to reduce operational risks including breakdown, forecasting error, supply failure
- Strategy to improve operational and logistical efficiencies
 - Enable longer pack-runs to take advantage of higher labour and productivity efficiencies to drive down operational costs
- Smoothen peak period demand profile and eliminate seasonal constraints
- Production at critical mass volumes allows coverage of cost structure
- Expected to be cost-neutral
 - Savings through bulk-purchasing
 - Savings through brewery labour gains
 - Savings through improved ability to manage operational risks

Capex program FY14-FY15

- Currently committed
 - Finalise brewery process components, circa \$0.5m
 - Yeast management plant
 - Automated Clean-in-place system
- Under consideration
 - New sterile bottle filler
 - Designed for high-quality craft beer filling
 - Superior quality and greater flexibility
 - Will replace two pieces of ageing equipment on existing packaging line and expected to improve efficiencies and reduce operational risks
 - New packaging formats
 - Enables company to enter into new market and provide first-mover advantage
 - Will provide added capacity beyond 3m cartons per annum
 - Waste Water Treatment plant
 - Expected to provide significant on-going cost reductions in waste water charges
 - Expected short payback period

Marketing update

- New brand agency
- Total of 8 SKUs, including 3 new SKUs
 - 5 craft SKUs
 - 2 premium SKUs
 - 1 main-stream SKU
- Will incorporate sub-brands to distinguish between craft, premium and main-stream products
- Artwork currently being commissioned
- Expected to be launched in-store by September 2014 in time for summer peak demand