

INVER HOUSE DISTILLERS ANNOUNCES 2007 FINANCIAL RESULTS

- Results show doubling of pre-tax profits -

Inver House Distillers, producer of several of Scotland's most exciting and fastest growing malts, has released its 2007 financial results, demonstrating a doubling of pre-tax profits (representing an increase of 107%).

The results also show a 52% increase in turnover as well as a 39% uplift in gross profit, confirming that the Airdrie-based distiller – recently awarded the prestigious accolade of International Distiller of the Year – has continued to grow strongly throughout 2007, establishing itself as ‘one to watch’ within the industry. The distiller’s key single malt whisky brands include Old Pulteney, Balblair, Speyburn and anCnoc.

Inver House Distillers’ topline financial results to 31 December 2007 are as follows:

	2007	2006
	£000	£000
Turnover	57,824	38,054
Cost of sales	(42,945)	(27,374)
Gross profit	14,879	10,680
Other operating expenses	(10,294)	(8,110)
Operating profit	4,585	2,570
Interest receivable and similar income	6	11
Interest payable and similar charges	(793)	(753)
Profit on ordinary activities before taxation	3,798	1,828
Tax on profit on ordinary activities	(897)	(357)
Profit on ordinary activities after taxation and for the financial year	<u>2,901</u>	<u>1,471</u>

Inver House Distillers has continued to develop an enviable standing within the sector and is increasingly recognised as one of the industry's most innovative companies, thanks to its diverse portfolio of quality brands and fresh approach to Scotch whisky. With headquarters near Airdrie and five distilleries (Pulteney, Balblair, Speyburn, Knockdhu and Balmenach), Inver House products are currently sold in 85 countries worldwide.

In what has been an enormously successful twelve months for Inver House Distillers, September 2007 saw it win the Icons of Whisky 'Scottish Distiller of the Year' Award, beating off stiff competition from Glenmorangie, Bowmore and William Grant & Sons. This significant success then allowed the distiller to be considered for whisky's highest accolade in 2008 ('International Distiller of the Year'), which it subsequently won over seven other global finalists, including Brown Foreman (USA), Nikka (Japan) and Irish Distillers Group, to name but a few. This independently-judged award is designed to highlight the company that has 'shown the most commitment to the development of whisky at all levels'.

The significant marketing investment that Inver House Distillers has put behind its brands has also been pivotal in its recent growth. Marketing investment into its core single malt portfolio (including Old Pulteney and Balblair) has been increased by 15%, with investment behind the malt portfolio now amounting to just under 30% of the revenue from single malt sales. This has seen Inver House's single malt portfolio grow by 24% over the previous year.

Inver House Distillers' Managing Director, Graham Stevenson, commented: *"Our 2007 results show continued positive growth for Inver House Distillers, with a very significant upwards shift in pre-tax profits from 2006. This success has been driven in part by our ongoing expansion into growing international markets, as well as continued brand extensions and the marketing support that we have put behind our key malt whisky products. Investing in our core portfolio is continuing to pay dividends, with value share continuing to grow ahead of volume as we keep focusing on building our brands.*

"We are both determined and focused within our key markets, for example, our Speyburn brand is now the number six single malt whisky in the USA, which is the world's largest market. Our blended Scotch whisky brands have also performed well, allowing us to maximise our potential in our markets for the first time in a number of years.

“We fully expect to continue this growth trajectory in 2008, driven by ambitious plans to further develop our overseas markets, both in Europe and worldwide, and tap into the increasing demand for quality whisky brands that have a strong Scottish heritage.”

Inver House Distillers invested a ‘significant sum’ in the development and marketing of its brands last year. This included the re-launch of its Balblair Single Malt Whisky as a super-premium vintage whisky (each vintage is chosen in its optimum ‘year’ in a similar way to wine), as well as consolidating Old Pulteney as ‘The Genuine Maritime Malt’, through a high-profile, international sponsorship of sailing legend, Sir Robin Knox Johnson. Activity such as this, as well as particular attention to the craft and quality of its whisky has, from the beginning of 2007 alone, seen Inver House win:

- ‘International Distiller of the Year’ (February 2008)
- ‘Distiller of the Year’ (November 2007)
- ‘Best in class’ (Gold) for Balblair 1989 and 1979 at the International Wine & Spirit Competition (June 2007)
- ‘Best in Class’ (Gold) for Old Pulteney at the International Wine & Spirit Competition (June 2007)

Graham Stevenson concluded: *“In 2008, we will continue to develop our creative approach to whisky, both in terms of our own brands and the whisky category as a whole. Fundamental to our approach is creating an exciting balance between the contemporary and the traditional: by ensuring that we hold dear the tradition of our brands, whilst at the same time always looking ahead and giving them a contemporary and international outlook, we anticipate a very positive future.*

“It is this approach that has contributed to our positive results against the backdrop of a marketplace that is currently going through an exciting renaissance.”

For further media information, please contact Pamela Scobbie or Lisa Mennie at Burt Greener Communications on 0141 248 6007 / pam@burtgreener.co.uk or lisa@burtgreener.co.uk

Photographs show: Inver House Distiller’s managing director, Graham Stevenson; Old Pulteney; and Malcolm Waring, Pulteney Distillery Manager (with trophy)

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