

Edinburgh Whisky company announces improved results



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Edinburgh based Ian Macleod Distillers Ltd, owners of Glengoyne Distillery and one of the largest independent family-owned companies in the UK spirits industry, has announced improved financial results for the eighth consecutive year.

Financial highlights for the year to 30 September 2010:

- Group turnover increased 22% to £31.9m (2009: £26.5m)
- Profit after tax increased 41% to £3.1m (2009: £2.2m)
- Overall stock has increased by £2.3m taking the total stock to £27m
- Case sales volume increased 20% and accounts for 93% of the revenue growth
- Within cased sales, Glengoyne Single Malt revenue grew by 49%

The 22% (£5.9m) turnover growth is due to increased sales of case goods to domestic and export markets. Export growth is broadly based across the company's traditional markets of Northern Europe, The Gulf and The Far East. UK turnover expanded well from increased supply and new listings of private label product to high street multiples.

The Group's flagship brand, Glengoyne Highland Single Malt, had an extremely positive year with case sales volume increasing 40%. Export sales of Glengoyne account for the majority of the growth, most notably in Travel Retail sales and the activity in traditional Glengoyne markets of France, Germany and Scandinavia.

The Group established a 100% owned Indian subsidiary during 2010, Ian Macleod Distillers India Private Limited. This move has been spearheaded by Managing Director, Leonard Russell and Area Sales Director for the Far East, Jonathan Scott.

Leonard Russell commented: "India is a key growth market for us and this is an ideal time to establish a presence due to recent and expected changes in the customs and state specific excise duty rates. The creation of this distribution company is an excellent spring board from which to establish our brands in India. It is something I have been personally striving to make happen and I believe it will lead to good growth opportunities for us."

The Norwegian spirits distribution company Cask Owners AS, in which the group took a 34% share during 2009, is now profitable with its trade growing throughout Scandinavia. The move has enabled Ian Macleod Distillers to be more directly involved in these markets by being closer to the local buyers.

Bank term financing of £1.7m was secured from the Royal Bank of Scotland for new warehousing at Glengoyne Distillery which is now complete and has created two new jobs. The Group has continued to invest in bulk stock and overall stock has increased by £2.4m (11%).

Leonard Russell said: "The warehouse development was funded readily by the Royal Bank and has allowed cash generated from operations to be invested in bulk stock. Investing in stock is an essential pre-requisite for growing the business and ensures long term stability and security."

Planned developments for this year include strengthening the UK business through the recruitment of Alan Wardrop as UK Sales Manager and Neil Boyd as UK Commercial Director. Visitor centre enhancements at Glengoyne Distillery are in progress and the new warehouse will become fully operational.

Leonard Russell said: "The addition of Alan and Neil to the

team has had a very positive effect on our UK sales. Also, the establishment of our Indian subsidiary and continued export sales focus will lead to further growth in our offering and capability.

“I am extremely happy with our progress over the last year. We are ahead of our internal forecasts and are growing strongly relative to our peers in the industry.”