



Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
31 March 2012

Interim Financial Report for the Quarter Ended 31 March 2012

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended 31 March 2012

	3 months ended 31 March		3 months ended 31 March	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	454,047	407,215	454,047	407,215
Operating expenses	(391,276)	(345,017)	(391,276)	(345,017)
Other operating income	3,299	435	3,299	435
Profit from operations	66,070	62,633	66,070	62,633
Interest income	286	229	286	229
Interest expense	(1,027)	(717)	(1,027)	(717)
Share of results of associated company	2,451	2,154	2,451	2,154
Profit before taxation	67,780	64,299	67,780	64,299
Taxation	(14,718)	(14,918)	(14,718)	(14,918)
Profit for the period	53,062	49,381	53,062	49,381
Profit attributable To:				
Owner of the Company	52,362	48,944	52,362	48,944
Non-controlling Interests	700	437	700	437
Profit for the period	53,062	49,381	53,062	49,381
Profit for the period	53,062	49,381	53,062	49,381
Other comprehensive (expenses)/income				
Foreign currency translation differences for foreign operations	(5,986)	(239)	(5,986)	(239)
Total comprehensive income for the period	47,076	49,142	47,076	49,142
Total comprehensive income attributable to:				
Owner of the Company	46,376	48,705	46,376	48,705
Non-controlling Interests	700	437	700	437
Total comprehensive income for the period	47,076	49,142	47,076	49,142
EPS - Basic (sen)	17.13	16.01	17.13	16.01
- Diluted (sen)	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 31 March 2012

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	AS AT 31.03.12 RM'000	AS AT 31.12.11 RM'000	AS AT 1.1.11 RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant & equipment	144,141	146,631	143,890
Other intangible assets	11,041	11,588	7,945
Other investment	356	356	349
Investment in an associate	30,034	33,407	26,337
Deferred tax assets	158	36	-
	185,730	192,018	178,521
<u>Current assets</u>			
Inventories	44,926	62,538	48,834
Receivables, deposits and prepayments	270,460	231,108	207,223
Current tax assets	3,542	3,662	4,566
Cash & cash equivalents	100,195	72,196	101,370
	419,123	369,504	361,993
TOTAL ASSETS	604,853	561,522	540,514
EQUITY			
Total equity attributable to equity holders of the Company			
Share capital	154,039	154,039	154,039
Reserves	175,314	131,409	91,257
	329,353	285,448	245,296
Non-controlling interests	6,406	3,916	2,696
Total Equity	335,759	289,364	247,992
<u>Non-Current Liabilities</u>			
Provision for deferred tax	18,503	18,382	16,451
<u>Current Liabilities</u>			
Payables and accruals	209,619	214,185	212,908
Current tax liabilities	21,025	17,340	10,212
Loans and borrowings	19,947	22,251	52,951
	250,591	253,776	276,071
Total liabilities	269,094	272,158	292,522
TOTAL EQUITY AND LIABILITIES	604,853	561,522	540,514
Net assets per share (RM)	1.10	0.95	0.81

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 31 March 2012

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 31 March 2012

Group	<i>Attributable to Equity Holders of the Parent</i>								Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Share Option Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000			
At 1 January 2011, restated	154,039	(12,043)	7,367	-	3,931	476	-	91,526	245,296	2,696	247,992
Total comprehensive income for the year	-	-	-	(239)	-	-	-	48,944	48,705	437	49,142
Dividends to owner of the Company	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	204	-	-	204	-	204
At 31 March 2011, restated	154,039	(12,043)	7,367	(239)	3,931	680	-	140,470	294,205	3,133	297,338
At 1 January 2012, restated	154,039	(12,043)	7,367	1,682	3,931	54	-	130,418	285,448	3,916	289,364
Total comprehensive (expenses)/ income for the year	-	-	-	(5,986)	-	-	-	52,362	46,376	700	47,076
Dividends to owner of the Company	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling shareholder interests	-	-	-	-	-	-	(780)	(1,790)	(2,570)	1,790	(780)
Others	-	-	-	-	-	99	-	-	99	-	99
At 31 March 2012	154,039	(12,043)	7,367	(4,304)	3,931	153	(780)	180,990	329,353	6,406	335,759

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements

Interim Financial Report for the Quarter Ended 31 March 2012

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 31 March 2012

	3 months ended 31 March	
	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,780	64,299
Adjustments for:		
Non-cash items	2,068	2,858
Interest income	(286)	(229)
Interest expense	1,027	717
Operating profit before working capital changes	70,589	67,645
Changes in working capital:		
Inventories	17,612	967
Receivables, deposits and prepayments	(39,660)	(45,297)
Payables and accruals	(4,525)	(15,923)
Cash generated from operations	44,016	7,392
Income taxes paid	(10,913)	(9,090)
Net cash generated from/(used in) operating activities	33,103	(1,698)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	456	112
Acquisition of property, plant and equipment	(2,072)	(1,826)
Acquisition of intangible assets	-	(15)
Interest income	286	229
Net cash used in investing activities	(1,330)	(1,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,027)	(717)
Repayment of short term borrowings	(2,304)	(38,341)
Net cash used in financing activities	(3,331)	(39,058)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	28,442	(42,256)
Effect of exchange rate fluctuations on cash held	(443)	145
CASH AND CASH EQUIVALENTS AT 1 JANUARY	72,196	101,370
CASH AND CASH EQUIVALENTS AT 31 MARCH	100,195	59,259

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

Notes :

1. Basis of Preparation

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134, *Interim Financial Reporting* issued by Malaysian Accounting Standards Board, and International Accounting Standard (IAS) 34, *Interim Financial Reporting* issued by International Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2011.

The consolidated financial statements of the Group as at and for the year ended 31 December 2011 were prepared under Financial Reporting Standards (FRSs).

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition from FRS to MFRS does not have a material impact on the statement of cash flows. The impact of the transition from FRS to MFRS is described in Note 2 below.

2. Significant Accounting Policies

2.1. Adoption of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011, except as discussed below.

a) Business Combinations

MFRS 1 provides the option to apply MFRS 3, *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. The Group has applied the transition exemption to apply MFRS 3 to business combinations commencing from 8th September 2009, the acquisition of Carlsberg Singapore Pte. Ltd. ("CSPL"). From this date, the Group also adopted the accounting policy to account for common control business combinations using book value accounting, by recognising assets and liabilities acquired using the book value of the entity transferred. By applying this accounting policy, the goodwill, distribution rights, deferred tax liabilities and their consequential exchange differences arising from the acquisition of CSPL have been derecognised.

2. Significant Accounting Policies (continued)

2.1. Adoption of MFRS 1 (continued)

b) Property, Plant and Equipment

Under MFRS 116, *Property, Plant and Equipment*, the Group elected to state assets at cost less accumulated depreciation and impairment, if any. However as permitted by MFRS 1, the Group has availed to the option to carry revalued assets as deemed cost at the date of transition. Consequently, these assets have not been restated. Nonetheless, the revaluation reserve of RM4.7 million at 1 January 2011, 1 January 2012 and 31 March 2012 was classified to retained earnings. The deferred tax liabilities have also been adjusted.

c) Foreign currency translation reserve

As allowed by MFRS 1, the Group's cumulative foreign currency translation reserve has been reset to zero on the date of transition. Under MFRS 121, *The Effect of Changes in Foreign Exchange Rate*, the Group has classified the exchange reserve to retained earnings.

Effects of adopting MFRS on financial position are provided as below:

Reconciliation as at 1 January 2011

	FRS as at 1 January 2011 RM'000	Reclassification RM'000	MFRS as at 1 January 2011 RM'000
Intangible assets	398,452	(390,507)	7,945
Deferred tax liabilities	(72,827)	56,376	(16,451)
Capital reserves	(8,678)	4,747	(3,931)
Exchange reserves	17,322	(17,322)	-
Retained earnings	(438,232)	346,706	(91,526)

Reconciliation as at 31 March 2011

	FRS as at 31 March 2011 RM'000	Reclassification RM'000	MFRS as at 31 March 2011 RM'000
Intangible assets	400,548	(392,801)	7,747
Deferred tax liabilities	(73,163)	56,707	16,456
Capital reserves	(8,678)	4,747	(3,931)
Exchange reserves	15,598	(15,359)	239
Retained earnings	(487,176)	346,706	(140,470)

2. Significant Accounting Policies (continued)

2.1. Adoption of MFRS 1 (continued)

c) Foreign currency translation reserve (continued)

Reconciliation as at 1 January 2012

	FRS as at 1 January 2012 RM'000	Reclassification RM'000	MFRS as at 1 January 2012 RM'000
Intangible assets	410,924	(399,336)	11,588
Deferred tax liabilities	(76,033)	57,651	(18,382)
Capital reserves	(8,678)	4,747	(3,931)
Exchange reserves	8,086	(9,768)	(1,682)
Retained earnings	(477,124)	346,706	(130,418)

There is no impact to profit or loss.

2.2 MFRS, Amendments to MFRSs and IC Interpretation Issued But Not Yet Effective

At the date of authorization of these financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual period beginning on or after	
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investment in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's level of operations for the quarter was positively impacted by the higher local consumption of beer, stout and shandy during the 2012 Chinese New Year festive period.

5. Unusual Items affecting the assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current financial period under review.

6. Changes in Estimates

There were no significant changes in estimates that have had a material effect in the current financial period under review.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period under review.

Share Buyback

During the period, there was no purchase of shares by the Company.

All shares bought back in 1999 were retained as treasury shares for the current quarter and financial year-to-date.

8. Dividends

There were no dividends paid during the financial quarter under review.

9. Operating Segments

The Group concluded that the operating segments determined in accordance with MFRS/IFRS 8 are the same as the geographical segments as previously adopted.

Segment assets and liabilities are not included in the internal management reports nor provided regularly to the Group's Managing Director. Hence no disclosure is made.

Quarter Ended 31 March 2012	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:					
Total external revenue	355,036	95,707	3,304	-	454,047
Inter segment revenue	13,283	-	-	(13,283)	-
Total revenue	368,319	95,707	3,304	(13,283)	454,047
Profit from operations	49,492	16,156	(471)	893	66,070

Quarter Ended 31 March 2011	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:					
Total external revenue	310,908	93,209	3,098	-	407,215
Inter segment revenue	15,270	-	-	(15,270)	-
Total revenue	326,178	93,209	3,098	(15,270)	407,215
Profit from operations	46,349	16,262	(522)	544	62,633

10. Material Contracts

No new material contracts were concluded during current financial period under review.

11. Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

12. Subsequent Events

The Board is not aware of any material event or transaction during the current financial period under review to the date of this announcement, which affects substantially the results of the operation of the Group.

13. Changes in Composition of the Group

On 22 February 2012, the Group had undertaken a capital restructuring exercise to dilute the shareholdings of its jointly-controlled entity, Carlsberg Distributors Taiwan Ltd. (“CDTL”) from 50% to 0.36%. This exercise is expected to be completed by May 2012.

14. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities or contingent assets as disclosed in the Audited Financial Statement for the financial year ended 31 December 2011.

15. Capital Commitments

Capital commitments for property, plant and equipment and intangibles assets approved by the Board but not provided for in the financial statements as at 31 March 2012 are as follows:

	<u>RM'000</u>
Contracted for	2,674
Not contracted for	28,865
	<u>31,539</u>

16. Financial Instruments

Derivatives

The outstanding derivative as at the end of the current period is as follows:

Aluminium Hedging Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
- Less than 1 year	13,063	11,987	(1,076)

17. Holding Company

The Directors regard Carlsberg Breweries A/S, a company incorporated in Denmark, as the holding company.

18. Significant Related Party Transactions

**3 months to
31 March 2012
RM'million**

Transactions with:

a) Holding company:		
Carlsberg Breweries A/S		
Reimbursement of expenses		2.8
Royalties payable		8.4
b) Related companies:		
i) Carlsberg Group Procurement AG		
Purchases of materials and products		0.7
Purchase of services		0.2
ii) Slodownia Strzegom Sp.z.o.o.		
Purchases of materials and products		0.3
iii) Brasseries Kronenbourg		
Purchases of materials and products		0.7
iv) Na Noi Vung Tau Beer Joint Stock Company		
Sales of goods and services		2.5
v) Eurobier Koncepts SB		
Sales of products		0.8
vi) Carlsberg Sverige AB		
Purchases of materials and products		0.3
vii) Luen Heng Agency		
Rental expenses		0.2

19. Review of Performance

Current Quarter Performance

The revenue from the Malaysia business increased by 12.9 percent compared to the corresponding quarter in the previous year. The growth in revenue was mainly due to a successful 2012 Chinese New Year campaign on the back of higher sales recorded during the period and the strong growth in the Group's share of the premium beer segment with the launch of locally produced Asahi Beer.

The revenue from the Singapore business increased by 2.7 percent compared to the corresponding quarter in the previous year. The growth in revenue would have been stronger but for the phasing effect of higher sales in the month of December 2011 in connection with 2012 Chinese Year campaign.

Arising from the higher revenue mentioned above, the Group's Profit Before Tax for the quarter of RM67.8 million was 5.5 per cent higher than the same period last year. The Group's profit was marginally impacted by the increase in raw material prices during this period.

20. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter increased by RM119.1 million or 35.5 percent compared to the preceding quarter. The higher revenue followed the trend in previous years with a strong first quarter performance arising mainly from higher domestic sales particularly during the peak Chinese New Year festive period.

Consequently, the Group's Profit Before Tax increased by 46.6 per cent or RM21.6 million during the period.

21. Current Year Prospects

Carlsberg Malaysia is likely to perform satisfactorily in line with the expected moderate growth of the domestic beer market.

22. Profit Forecast

The Group did not issue any profit forecast or profit guarantee in respect of the financial period under review.

23. Taxation

	3 months ended 31 March	
	2012 RM'000	2011 RM'000
<u>Taxation</u>		
- Malaysia	12,165	11,728
- Outside Malaysia	2,553	3,190
Tax expense	14,718	14,918

The effective tax rate differs from the statutory tax rate of Malaysia mainly due to the consolidation of financial results from the Singapore business, which has a lower statutory tax rate.

24. Realised and Unrealised Profits/ Losses

	Group as at 31 March 2012 RM'000	Group as at 31 December 2011 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	576,763	525,600
- Unrealised	(19,357)	(17,867)
Total retained earnings of an associate :		
- Realised	17,670	18,369
- Unrealised	(2,576)	(3,106)
Total accumulated losses of jointly-controlled entity :		
- Realised	(15,534)	(13,219)
- Unrealised	-	(7)
Less : Consolidation adjustments	(375,976)	(379,352)
Total retained earnings	180,990	130,418

25. Corporate Proposals

There were no corporate proposals announced but not completed at the date of this announcement.

26. Borrowing and Debt Securities

Group borrowings and Debt securities are as follows:

Short term – Unsecured loans	As at 31 March 2012 RM'000
Revolving credit	8,000
Other bank loan	11,947
Total short term loans	19,947

27. Material Litigation

There was no material litigation action since the last annual balance sheet date to the date of this report.

28. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company:

	3 months ended 31.03.12	3 months ended 31.03.11
Net Profit attributable to shareholders (RM'000)	52,362	48,944
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	17.13	16.01

Diluted earnings per share

Not applicable.

29. Notes to the Statement of Comprehensive Income

	3 months ended 31.03.12 RM'000	3 months ended 31.03.11 RM'000
Depreciation and amortisation	(5,261)	(4,914)
Property, plant and equipment write-off	(2)	(3)
Gain on disposal of property, plant and equipments	403	103
Impairment loss on receivables	(288)	(244)
Write-off of inventories	(644)	(663)
Allowance for inventories obsolescence	(436)	-
Net foreign exchange gain/(loss)	853	(482)

Other than the above and disclosed in the Statement of Comprehensive Income, there were no gain or loss on disposal of quoted or unquoted investment for the current quarter.

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 May 2012.