



**Carlsberg Brewery Malaysia Berhad**

Company No. 9210-K  
(Incorporated in Malaysia)

Interim Financial Report  
31 December 2011

## Interim Financial Report for the Quarter Ended 31 December 2011

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended 31 December 2011

	3 months ended 31 December		12 months ended 31 December	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	334,968	326,057	1,489,356	1,368,158
Operating expenses	(289,626)	(287,288)	(1,276,448)	(1,195,561)
Other operating income	218	696	3,128	1,989
Profit from operations	45,560	39,465	216,036	174,586
Interest income	176	243	783	1,084
Interest expense	(1,505)	(1,087)	(4,385)	(4,594)
Share of results of associated company	1,990	1,287	7,940	5,460
Profit Before Taxation	46,221	39,908	220,374	176,536
Taxation	(8,450)	(9,154)	(52,994)	(42,413)
Profit For The Period	37,771	30,754	167,380	134,123
Profit Attributable To:				
Equity holders of the parent	37,349	30,495	166,160	133,242
Non-controlling Interests	422	259	1,220	881
Profit For The Period	37,771	30,754	167,380	134,123
Profit For The Period	37,771	30,754	167,380	134,123
Other comprehensive income				
Foreign currency translation differences for foreign operations	(1,734)	(6,063)	9,236	(10,089)
Total comprehensive income for the period	36,037	24,691	176,616	124,034
Total Comprehensive Income Attributable To:				
Equity holders of the parent	35,615	24,432	175,396	123,153
Non-controlling Interests	422	259	1,220	881
Total Comprehensive Income For The Period	36,037	24,691	176,616	124,034
EPS - Basic (sen)	12.22	9.97	54.35	43.58
- 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 2010 and the accompanying explanatory notes attached to the interim financial statements.

## Interim Financial Report for the Quarter Ended 31 December 2011

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	AS AT END OF CURRENT QUARTER 31.12.11 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.12.10 (AUDITED) RM'000
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, Plant & Equipment	146,631	143,890
Other Intangible Assets	410,924	398,452
Other Investment	356	349
Investment in an Associate	33,407	26,337
Deferred tax assets	36	0
	591,354	569,028
<b><u>Current Assets</u></b>		
Inventories	62,538	48,834
Receivables, deposits and prepayment	231,108	207,223
Current Tax Assets	3,662	4,566
Cash & Cash Equivalents	72,196	101,370
	369,504	361,993
<b>TOTAL ASSETS</b>	<b>960,858</b>	<b>931,021</b>
<b>EQUITY</b>		
<b>Total Equity attributable to shareholders of the Company</b>		
Share Capital	154,039	154,039
Reserves	473,094	425,388
	627,133	579,427
Non-Controlling Interests	3,916	2,696
<b>Total Equity</b>	<b>631,049</b>	<b>582,123</b>
<b><u>Non-Current Liabilities</u></b>		
Provision for Deferred Tax	76,033	72,827
<b><u>Current Liabilities</u></b>		
Payables and Accruals	214,185	212,908
Current Tax Liabilities	17,340	10,212
Loans and Borrowings	22,251	52,951
	253,776	276,071
<b>Total Liabilities</b>	<b>329,809</b>	<b>348,898</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>960,858</b>	<b>931,021</b>
<b>Net Assets Per Share (RM)</b>	<b>2.06</b>	<b>1.90</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

## Interim Financial Report for the Quarter Ended 31 December 2011

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 31 December 2011

Group	<i>Attributable to Equity Holders of the Parent</i>						Share Option Reserve RM'000	Retained Earnings RM'000	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						
At 1 January 2010	154,039	(12,043)	7,367	(7,233)	8,678	524	363,464	514,796	1,815	516,611	
Total comprehensive income for the year	-	-	-	(10,089)	-	-	133,242	123,153	881	124,034	
Dividends to shareholders	-	-	-	-	-	-	(58,474)	(58,474)	-	(58,474)	
Others	-	-	-	-	-	(48)	-	(48)	-	(48)	
<b>At 31 December 2010</b>	<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(17,322)</b>	<b>8,678</b>	<b>476</b>	<b>438,232</b>	<b>579,427</b>	<b>2,696</b>	<b>582,123</b>	
At 1 January 2011	154,039	(12,043)	7,367	(17,322)	8,678	476	438,232	579,427	2,696	582,123	
Total comprehensive income for the year	-	-	-	9,236	-	-	166,160	175,396	1,220	176,616	
Dividends to shareholders	-	-	-	-	-	-	(127,268)	(127,268)	-	(127,268)	
Others	-	-	-	-	-	(422)	-	(422)	-	(422)	
<b>At 31 December 2011</b>	<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(8,086)</b>	<b>8,678</b>	<b>54</b>	<b>477,124</b>	<b>627,133</b>	<b>3,916</b>	<b>631,049</b>	

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the Quarter Ended 31 December 2011

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before taxation

Adjustments for:

Non-cash items

Interest income

Interest expense

Operating profit before working capital changes

Changes in working capital:

Inventories

Receivables, deposits and prepayments

Payables and accruals

Cash generated from operations

Income taxes paid

Net cash from operating activities

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from disposal of property, plant and equipment

Acquisition of property, plant and equipment

Acquisition of intangible assets

Acquisition of a subsidiary

Interest income

Dividend received from associate

Net cash used in investing activities

**CASH FLOWS FROM FINANCING ACTIVITIES**

Dividends paid to shareholders of the Company

Interest paid

Repayment to ultimate holding company

(Repayment of)/Proceeds from short term borrowings

Net cash used in financing activities

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

Effect of exchange rate fluctuations on cash held

**CASH AND CASH EQUIVALENTS AT 1 JANUARY**

**CASH AND CASH EQUIVALENTS AT 31 DECEMBER**

12 months ended 31 December	
2011 RM'000	2010 RM'000
220,374	176,536
29,191	13,759
(783)	(1,084)
4,385	4,594
253,167	193,805
(17,425)	9,498
(35,863)	9,759
(2,151)	47,227
197,728	260,289
(43,191)	(37,762)
154,537	222,527
3,943	2,001
(27,701)	(23,852)
(767)	(1,254)
-	(198,560)
783	1,084
2,165	1,652
(21,577)	(218,929)
(127,268)	(58,474)
(4,385)	(4,594)
(382)	(475)
(30,700)	44,365
(162,735)	(19,178)
(29,775)	(15,580)
601	(1,635)
101,370	118,585
72,196	101,370

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**Notes :****1. Basis of Preparation**

The interim financial statements are unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” (previously known as MASB 26) issued by the Malaysian Accounting Standard Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2010.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2010 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group’s financial period beginning 1 January 2011.

On 1 January 2011, the Group adopted the following FRSs, Amendment to FRSs and IC Interpretations:-

FRS 3	Business Combination (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 1	First Time Adoption of Financial Reporting standards
	- Limited Exemption from Comparative FRS7 Disclosures for First-time Adopters
	- Additional Exemption for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining whether an Arrangement contains a lease
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Improvements to FRSs (2010)	

**2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 31 December 2010 was not qualified.

### 3. Seasonal or Cyclical Factors

The level of operations in the current quarter was negatively impacted by trade stocking-up activities ahead of the Government Budget announcement in the previous quarter. However, the Chinese New Year which occurred earlier than in 2011 positively impacted December 2011 and therefore the results of the current quarter.

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

A one-off gain from the reversal of an over provision for royalty expenses in the prior year amounting to RM12.0 million by a subsidiary company was recorded in the current quarter.

### 5. Changes in Estimates

There were no estimates reported in the financial year.

### 6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

#### *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.

### 7. Dividends

The amount of dividends paid during the financial period ended 31 December 2011 was as follows:-

- a) In respect of the financial year ended 31 December 2010 as reported in the directors' report of the year:

	<b><u>RM'000</u></b>
i) Final dividend of 7.5 sen per RM0.50 share less tax, paid on 20 May 2011	17,198
ii) Special final dividend of 43.0 sen per RM0.50 share less tax, paid on 20 May 2011	98,604
	<u>115,802</u>

- b) In respect of the financial year ended 31 December 2011 :

	<b><u>RM'000</u></b>
i) Interim dividend of 5 sen per RM0.50 share less tax, paid on 7 October 2011	11,466

The Board of Directors propose the following dividends for shareholders' approval at the forthcoming Annual General Meeting on 26 April 2012 and if approved, to be paid on 18 May 2012.

- i) Final and Special dividend of 65.5 sen per RM0.50 share less Malaysian income tax.  
(2010: 50.5 sen per RM0.50 share less Malaysian income tax)
- ii) Special tax exempt dividend of 2 sen per RM0.50 share.  
(2010: Nil)

A depositor shall qualify for entitlement only in respect of:

- a) Securities deposited into the Depositor's Securities Accounts before 12.30 p.m. on 2 May 2012, in respect of securities exempted from mandatory deposit;
- b) Securities transferred to the Depositor's Securities Account before 4.00 p.m. on 4 May 2012, in respect of ordinary transfers; and
- c) Securities bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Total dividends (both declared and propose) for the current financial year amounted to 70.5 sen per share less tax and 2 sen per share tax exempt.

## 8. Operating Segments

The Group concluded that the operating segments determined in accordance with FRS 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 December 2011	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>Geographical Segments:</b>					
Total external revenue	242,252	85,627	7,089	-	334,968
Inter segment revenue	16,886	-	-	(16,886)	-
<b>Total revenue</b>	<b>259,138</b>	<b>85,627</b>	<b>7,089</b>	<b>(16,886)</b>	<b>334,968</b>
<b>Profit from operations</b>	<b>19,471</b>	<b>28,288</b>	<b>(1,686)</b>	<b>(513)</b>	<b>45,560</b>



**Interim Financial Report for the Quarter Ended 31 December 2011**

Quarter Ended 31 December 2010	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>					
Total external revenue	243,218	76,912	5,927	-	326,057
Inter segment revenue	13,178	-	-	(13,178)	-
<b>Total revenue</b>	<b>256,396</b>	<b>76,912</b>	<b>5,927</b>	<b>(13,178)</b>	<b>326,057</b>
<b>Profit from operations</b>	<b>26,882</b>	<b>12,479</b>	<b>(254)</b>	<b>358</b>	<b>39,465</b>

Twelve Months Ended 31 December 2011	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>					
Total external revenue	1,117,964	349,717	21,675	-	1,489,356
Inter segment revenue	62,000	-	-	(62,000)	-
<b>Total revenue</b>	<b>1,179,964</b>	<b>349,717</b>	<b>21,675</b>	<b>(16,886)</b>	<b>1,489,356</b>
<b>Profit from operations</b>	<b>142,437</b>	<b>77,019</b>	<b>(3,117)</b>	<b>(303)</b>	<b>216,036</b>

Twelve Months Ended 31 December 2010	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>					
Total external revenue	1,038,432	314,459	15,267	-	1,368,158
Inter segment revenue	52,586	-	-	(52,586)	-
<b>Total revenue</b>	<b>1,091,018</b>	<b>314,459</b>	<b>15,267</b>	<b>(52,586)</b>	<b>1,368,158</b>
<b>Profit from operations</b>	<b>124,393</b>	<b>52,744</b>	<b>(2,172)</b>	<b>(379)</b>	<b>174,586</b>

**9. Material Contracts**

No new material contracts were concluded during the quarter under review.

**10. Carrying Amount of Revalued Assets**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2010.

**11. Subsequent Events**

Subsequent to the financial year ended 31 December 2011, the Group has undertaken a capital restructuring exercise for its jointly-controlled entity, Carlsberg Distributors Taiwan Ltd (CDTL). The capital restructuring exercise is expected to dilute the shareholdings in CDTL from 50% to 0.36%, and this exercise is expected to be completed by the end of first quarter 2012.

**12. Changes in Composition of the Group**

There has been no change in the composition of the Group in the quarter.

**13. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last annual Balance Sheet as at 31 December 2010.

**14. Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2011 is as follows:

	<u>RM'000</u>
Commitments in respect of contracted expenditure	570
Approved by the directors but not yet under contract	-
	<u>570</u>

**15. 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	16,662	13,383	(3,269)

**16. Holding Company**

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

**17. Significant Related Party Transactions**

**12 months to  
31 December 2011**  
RM' million

Transactions with:

a) Holding company:		
Carlsberg Breweries A/S		
Purchases of materials and products		0.9
Reimbursement of expenses		9.4
Management fees payable		3.8
Royalties payable		22.1
b) Related companies:		
i) Danish Malting Group Polska		
Purchases of materials and products		16.4
ii) Carlsberg Group Procurement AG		
Purchases of materials and products		6.1
Purchase of services		0.6
iii) Slodownia Strzegom Sp.z.o.o.		
Purchases of materials and products		0.7
iv) Carlsberg Polska Sp.z.o.o.		
Purchases of materials and products		0.6
v) Brasseries Kronenbourg		
Purchases of materials and products		2.2
vi) Carlsberg Hong Kong Ltd.		
Sales of goods and services		1.2
vii) Carlsberg IT A/S		
Purchases of services		0.4
viii) Saku Ollethase AS		
Purchases of materials and products		2.0
xi) Danish Malting AS		
Purchases of materials and products		2.9

## 18. Review of Performance

### Current Quarter Performance

The revenue from the Malaysia business increased by 1.1 percent compared to the corresponding quarter in the previous year. However, the net profit was lower than last year by 27.6 percent due to higher promotional expenses incurred ahead of the 2012 Chinese New Year.

The revenue from the Singapore business increased by 11.3 percent as market place execution and premium brands improved both the sales mix and volume performance. The net profit increased by 126.7 percent from the higher revenue and the one-off gain from reversal of over provision of royalty expenses in prior year.

The higher net loss from the other operations was primarily contributed by one-off restructuring expenses coupled with the write down of inventory for slow moving stocks in Taiwan.

### Year-To-Date Performance

The revenue from the Malaysia business increased by 8.2 percent compared to last year. This was mainly from the better sales mix due to the premiumisation of the portfolio in 2011. The net profit was higher than last year by 14.5 percent with the productivity improvements and cost efficiency initiatives in Supply Chain, Sales and Marketing further contributing to the positive revenue growth.

The revenue from the Singapore business increased by 11.2 percent with positive brand and volume development being achieved in 2011. The net profit increased by 46.0 percent contributed mainly by higher revenue and also the one-off gain from the reversal of the over provision for royalty expenses in the prior year.

The higher net loss from the other operations was primarily contributed by the one-off restructuring expenses coupled with the write down of the inventory value for slow moving stock in Taiwan.

## 19. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter decreased by 16.6 per cent or RM66.7 million compared to the preceding quarter. The lower revenue was mainly due to a temporary lull in sales following the stocking up by the trade in previous quarter ahead of the 2012 Government Budget announcement. Consequently, the Group's Profit Before Tax reduced by 32.9 per cent or RM22.7 million.

## 20. Current Year Prospects

We expect the domestic beer market to grow moderately in 2012, with the stable excise environment providing certainty for investment and employment in the industry.

## 21. Profit Forecast

Not applicable as no profit forecast was published.

**22. Taxation**

	<b>12 months ended 31 December</b>	
	<b>2011 RM'000</b>	<b>2010 RM'000</b>
<u>Taxation</u>		
- Malaysia	37,050	30,744
- Outside Malaysia	14,015	9,904
	<b>51,065</b>	<b>40,648</b>
<u>Deferred Tax</u>		
- Malaysia	1,927	1,655
- Outside Malaysia	2	110
<b>Total taxation and deferred tax expenses</b>	<b>52,944</b>	<b>42,413</b>

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.

**23. Realised and Unrealised Profits/ Losses**

	<b>Group ended 31 December 2011 RM'000</b>
Total retained earnings of the Company and its subsidiaries :	
- Realised	529,503
- Unrealised	(21,770)
Total retained earnings of an associate :	
- Realised	18,369
- Unrealised	(3,106)
Total accumulated losses of jointly-controlled entity :	
- Realised	(13,219)
- Unrealised	(7)
Less : Consolidation adjustments	(32,646)
<b>Total retained earnings</b>	<b>477,124</b>

**24. Corporate Proposals**

There were no new corporate proposals announced as at 17 February 2012 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

**25. Borrowing and Debt Securities**

Group borrowings and Debt securities are as follows:

<b>Short term – Unsecured loans</b>	<b>As at 31 December 2011 RM'000</b>
Revolving credit	8,000
Other bank loan	14,251
<b>Total short term loans</b>	<b>22,251</b>

**26. Material Litigation**

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

**27. 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:

	<b>12 months ended 31.12.11</b>	<b>12 months ended 31.12.10</b>
Net Profit attributable to shareholders (RM'000)	166,160	133,242
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	54.35	43.58

***Diluted earnings per share***

Not applicable.

**28. Notes to the Statement of Comprehensive Income**

	<b>3 months ended 31.12.11 RM'000</b>	<b>12 months ended 31.12.11 RM'000</b>
Depreciation and amortisation	(5,245)	(20,090)
Property, plant and equipment write-off	(141)	(196)
Gain on disposal of property, plant and equipments	(73)	2,182
Impairment loss on receivables	(6,138)	(12,722)
Write-off of inventories	(917)	(4,227)
Allowance for inventories obsolescence	(1,752)	(1,832)
Reversal of over provision of royalty expenses in prior year	12,044	12,044
Net foreign exchange gain/(loss)	(1,561)	504

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 and financial year ended 31 December 2011.

**29. 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 24 February 2012.