



Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
30 June 2011

Interim Financial Report for the Quarter Ended 30 June 2011

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended 30 June 2011

	3 months ended 30 June		6 months ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	345,512	334,154	752,727	712,609
Operating expenses	(307,300)	(293,717)	(652,184)	(624,357)
Other operating income	1,584	177	1,886	510
Profit from operations	39,796	40,614	102,429	88,762
Interest income	229	93	458	347
Interest expense	(669)	(1,210)	(1,386)	(2,204)
Share of results of associated company	1,592	1,088	3,746	2,898
Profit Before Taxation	40,948	40,585	105,247	89,803
Taxation	(9,706)	(9,510)	(24,624)	(20,610)
Profit For The Period	31,242	31,075	80,623	69,193
Profit Attributable To:				
Equity holders of the parent	31,019	30,815	79,963	68,660
Non-controlling Interests	223	260	660	533
Profit For The Period	31,242	31,075	80,623	69,193
Profit For The Period	31,242	31,075	80,623	69,193
Other comprehensive income				
Foreign currency translation differences for foreign operations	8,611	545	10,335	(2,772)
Total comprehensive income for the period	39,853	31,620	90,958	66,421
Total Comprehensive Income Attributable To:				
Equity holders of the parent	39,630	31,360	90,298	65,888
Non-controlling Interests	223	260	660	533
Total Comprehensive Income For The Period	39,853	31,620	90,958	66,421
EPS - Basic (sen)	10.15	10.08	26.15	22.46
- 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 30 June 2011

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	30.06.11 (UNAUDITED) RM'000	31.12.10 (AUDITED) RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant & Equipment	143,711	143,890
Other Intangible Assets	409,365	398,452
Other Investment	358	349
Investment in an Associate	27,744	26,337
	581,178	569,028
<u>Current Assets</u>		
Inventories	56,136	48,834
Receivables, deposits and prepayment	250,033	207,223
Current Tax Assets	222	4,566
Cash & Cash Equivalents	35,482	101,370
	341,873	361,993
TOTAL ASSETS	923,051	931,021
EQUITY		
Total Equity attributable to shareholders of the Company		
Share Capital	154,039	154,039
Reserves	400,293	425,388
	554,332	579,427
Non-Controlling Interests	3,356	2,696
Total Equity	557,688	582,123
<u>Non-Current Liabilities</u>		
Provision for Deferred Tax	74,473	72,827
<u>Current Liabilities</u>		
Payables and Accruals	193,484	212,908
Current Tax Liabilities	11,690	10,212
Loans and Borrowings	85,716	52,951
	290,890	276,071
Total Liabilities	365,363	348,898
TOTAL EQUITY AND LIABILITIES	923,051	931,021
Net Assets Per Share (RM)	1.82	1.90

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 30 June 2011

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.:
9210-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 30 June 2011

GROUP	Attributable to Equity Holders of the Parent							Total	Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium	Exchange Reserve	Capital Reserve	Share Option Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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 period	-	-	-	(2,772)	-	-	68,660	65,888	533	66,421
Dividends to shareholders	-	-	-	-	-	-	(41,276)	(41,276)	-	(41,276)
Others	-	-	-	-	-	422	-	422	-	422
At 30 June 2010	154,039	(12,043)	7,367	(10,005)	8,678	946	390,848	539,830	2,348	542,178
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 period	-	-	-	10,335	-	-	79,963	90,298	660	90,958
Dividends to shareholders	-	-	-	-	-	-	(115,802)	(115,802)	-	(115,802)
Others	-	-	-	-	-	409	-	409	-	409
At 30 June 2011	154,039	(12,043)	7,367	(6,987)	8,678	885	402,393	554,332	3,356	557,688

The condensed consolidated statements of changes in equity 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 30 June 2011

CARLSBERG BREWERY MALAYSIA BERHAD
(Company No.: 9210-K)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Quarter Ended 30 June 2011

	6 months ended 30 June	
	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	105,247	89,803
Adjustments for:		
Amortisation of intangible assets	464	507
Depreciation of property, plant and equipment	9,394	9,127
Gain on disposal of property, plant and equipment	(1,548)	(112)
Property, plant & equipment written off	7	-
Share of profit after tax of equity accounted associate	(3,746)	(2,898)
Interest income	(458)	(347)
Interest expense	1,386	2,204
Others	409	(345)
Operating profit before working capital changes	111,155	97,939
Changes in working capital:		
Inventories	(7,302)	18,487
Receivables, deposits and prepayments	(42,809)	(34,619)
Payables and accruals	(19,425)	28,589
Cash generated from operations	41,619	110,396
Income taxes paid	(18,528)	(16,134)
Net cash from operating activities	23,091	94,262
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1,711	177
Acquisition of property, plant and equipment	(9,342)	(3,511)
Acquisition of intangible assets	(16)	(322)
Acquisition of a subsidiary	-	(198,560)
Interest income	458	347
Dividend received from associate	2,165	-
Net cash from / (used in) investing activities	(5,024)	(201,869)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the Company	(115,802)	(41,276)
Interest paid	(1,386)	(2,204)
Proceeds from short term borrowings	32,765	71,768
Net cash used in financing activities	(84,423)	28,288
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(66,356)	(79,319)
Effect of exchange rate fluctuations on cash held	468	3,094
CASH AND CASH EQUIVALENTS AT 1 JANUARY	101,370	118,585
CASH AND CASH EQUIVALENTS AT 30 JUNE	35,482	42,360

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:-

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 FRS7	Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments
Amendments to FRS2	Group Cash-settled Share-based Payment Transactions
IC Interpretation 4	Determining whether an Arrangement contains a lease
IC Interpretation 18	Transfers of Assets from Customers
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

In line with past trends, the Group's level of operations for the second quarter was lower as expected following the preceding quarter which was impacted by the higher local consumption of beer, stout and shandy during the 2011 Chinese New Year festive period.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2011.

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 Paid

The amount of dividends paid during the financial period ended 30 June 2011 was as follows:-

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

	<u>RM'000</u>
i) Final dividend of 7.5 sen per RM0.50 share less tax, paid on 18 May 2011	17,198
ii) Special dividend of 43.0 sen per RM0.50 share less tax, paid on 18 May 2011	98,604
	<u>115,802</u>

8. Operating Segments

FRS 8 Operating Segments replaces FRS 114²⁰⁰⁴ Segment Reporting. The Group concluded that the operating segments determined in accordance with FRS 8 are the same as the geographical segments 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.

Six Months Ended 30 June 2011	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:					
Total external revenue	568,136	175,809	8,782	-	752,727
Inter segment revenue	29,125	-	-	(29,125)	-
Total revenue	597,261	175,809	8,782	(29,125)	752,727
Segment result	76,783	26,656	(1,010)	-	102,429
Financing cost					(1,386)
Interest income					458
Share of profit of equity accounted associate					3,746
Profit before tax					105,247
Tax Expense					(24,624)
Profit for the period					80,623

Six Months Ended 30 June 2010	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:					
Total external revenue	545,156	161,312	6,141	-	712,609
Inter segment revenue	30,302	-	-	(30,302)	-
Total revenue	575,458	161,312	6,141	(30,302)	712,609
Segment result	61,199	28,707	(1,144)	-	88,762
Financing cost					(2,204)
Interest income					347
Share of profit of equity accounted associate					2,898
Profit before tax					89,8038
Tax Expense					(20,610)
Profit for the period					69,193

9. Material Contracts

There were no new material contracts in 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

There were no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly financial statements.

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 30 June 2011 is as follows:

	RM'000
Commitments in respect of expenditure contracted for	8,718
Approved by the directors but not contracted for	16,691
	25,409

15. Financial Instruments

Derivatives

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

Forward Foreign Currency Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
- Less than 1 year	18,694	18,965	271
- 1 year to 3 years	5,701	5,741	40
- More than 3 years	-	-	-

16. Holding Company

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

17. Significant Related Party Transactions

**6 months to
30 June
2011**
RM'Million

Transactions with:

a) Holding company:		
Carlsberg Breweries A/S		
Purchases of materials and products		0.3
Reimbursement of expenses		2.7
Management fees receivable		0.1
Royalties		18.0
b) Related companies:		
i) Danish Malting Group Polska		
Purchases of materials and products		10.7
ii) Carlsberg Group Procurement AG		
Purchases of materials and products		3.5
iii) Slodownia Strzegom Sp.z.o.o.		
Purchases of materials and products		0.3
iv) Carlsberg Polska Sp.z.o.o.		
Purchases of materials and products		0.6
v) Brasseries Kronenbourg		
Purchases of materials and products		1.2
vi) Carlsberg Hong Kong Ltd.		
Sales of goods and service		1.2
Purchases of materials and products		0.1
vii) Carlsberg IT A/S		
Purchases of services		0.4
viii) Saku Olletehase AS		
Purchases of materials and products		0.6

18. Review of Performance

For the quarter under review, the Group's revenue of RM345.5 million was 3.4 per cent higher than the same period last year. The Group's Profit Before Tax for the current quarter of RM40.9 million was 0.9 per cent higher than previous year. Notwithstanding the substantial investment in new packaging design and introduction of new large bottles in line with the global rebranding of the Carlsberg brand, the Group's Profit Before Tax grew moderately.

For the first 6 months ended 30 June 2011, the Group's revenue of RM752.7 million was 5.6 per cent higher than the corresponding period last year. The Group's Profit Before Tax of RM105.2 million was 17.2 per cent higher than previous year. The increase was primarily contributed by a successful Chinese New Year sales campaign.

19. Variation of Result against the Preceding Quarter

As per previous years trend, the Group's revenue for the current quarter was 15.2 per cent lower than the preceding quarter. This was mainly due to the strong first quarter performance arising from higher domestic sales particularly during the peak Chinese New Year festive period.

Consequently, the Group's Profit Before Tax decreased by 36.3 per cent or RM23.4 million during the period. This was mainly due to investment in new packaging design and introduction of new large bottles in line with the global rebranding of the Carlsberg brand.

20. Current Year Prospects

The Group is likely to perform satisfactorily in line with the expected moderate growth of the various domestic and export beer markets.

21. Profit Forecast

Not applicable as no profit forecast was made.

22. Taxation

	6 months ended 30 June	
	2011 RM'000	2010 RM'000
Malaysian Income Tax - Current	24,624	20,610

23. Realised and Unrealised Profits/ Losses

	Group ended 30 June 2011 RM'000
Total retained earnings of the Company and its subsidiaries :	
- Realised	452,571
- Unrealised	(17,128)
Total retained earnings of an associate :	
- Realised	15,695
- Unrealised	(3,075)
Total accumulated losses of jointly-controlled entity :	
- Realised	(11,273)
- Unrealised	(45)
Less : Consolidation adjustments	(34,352)
Total retained earnings	402,393

24. Unquoted Investments and Properties

Apart from that disclosed in the previous announcements, there were no further changes.

25. Quoted Investments

There were no purchases or disposals of any quoted investment during the period under review.

Investments in quoted securities as at 30 June 2011:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	19,936	27,744	105,532

26. Corporate Proposals

There were no new corporate proposals announced as at 18 August 2011 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

27. Borrowing and Debt Securities

Group borrowings and Debt securities are as follows:

Short term – Unsecured loans	As at 30 June 2011 RM'000
Revolving credit	70,000
Other bank loan	15,716
Total short term loans	85,716

28. Material Litigation

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

29. Dividends

The Board of Directors have declared an interim dividend of 5 sen per 50 sen share, less 25% income tax (2010: 5 sen per 50 sen share, less 25% income tax) for the year ending 31 December 2011

Total amount payable is RM11.5m (2010: RM17.2m).

30. Basic 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:

	6 months ended 30.06.11	6 months ended 30.06.10
Net Profit attributable to shareholders (RM'000)	79,963	68,660
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	26.15	22.46

Diluted earnings per share

Not applicable.

31. 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 25 August 2011.