

Carlsberg Brewery Malaysia Berhad
Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
30 September 2007

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the Quarter Ended 30 September 2007

	3 months ended 30 September		9 months ended 30 September	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	244,664	256,672	693,798	751,097
Cost of sales	(166,273)	(175,519)	(480,432)	(501,016)
Gross Profit	78,391	81,153	213,366	250,081
Other operating income	337	454	2,643	1,185
Sales & distribution costs	(38,810)	(41,868)	(127,875)	(128,292)
Administrative expenses	(5,421)	(6,033)	(18,101)	(16,348)
Other operating expenses	(1,338)	(1,104)	(4,028)	(5,751)
Operating profit	33,159	32,602	66,005	100,875
Interest income	1,443	1,478	4,933	4,792
Share of results of associated company	108	221	(257)	965
Profit Before Taxation	34,710	34,301	70,681	106,632
Taxation	(8,081)	(9,937)	(16,776)	(26,658)
Profit After Taxation	26,629	24,364	53,905	79,974
EPS - Basic (sen)	8.71	7.97	17.63	26.16
- 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 2006 and the accompanying explanatory notes attached to the interim financial statements.

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2007

	Note	AS AT END OF CURRENT QUARTER 30.09.07 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.12.06 (AUDITED) RM'000
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant & Equipment		150,830	148,862
Other Intangible Assets		2,292	3,082
Prepaid Lease Payments		8,615	8,704
Investment in an Associate		13,312	14,843
		175,049	175,491
<u>Current Assets</u>			
Prepaid Lease Payments		130	130
Other Investments		-	26,018
Inventories		35,354	39,957
Trade Receivables		131,698	112,934
Other Receivables and Prepayments		11,200	18,219
Amount due from related companies		14,373	17,661
Current Tax Assets		6,433	756
Cash & Cash Equivalents		182,133	201,226
		381,321	416,901
TOTAL ASSETS		556,370	592,392
EQUITY AND LIABILITIES			
Share Capital		154,039	154,039
Share Premium		7,367	7,367
Capital Reserve		8,678	8,678
Exchange Reserve		(6,130)	(4,856)
Retained Profit		305,813	323,331
		469,767	488,559
Less : Cost of treasury shares		(12,043)	(12,043)
Total Equity		457,724	476,516
<u>Non-Current Liabilities</u>			
Provision for Deferred Tax		22,395	22,395
<u>Current Liabilities</u>			
Trade Payables		55,465	71,076
Other Payables and Accruals		18,426	20,705
Amount due to holding company	15	1,299	1,558
Amount due to related companies		275	104
Short term borrowings		786	-
Current Tax Liabilities		-	38
		76,251	93,481
Total Liabilities		98,646	115,876
TOTAL EQUITY AND LIABILITIES		556,370	592,392
Net Assets Per Share (RM)		1.50	1.56

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Quarter Ended 30 September 2007

GROUP	Share Capital RM'000	Share Premium RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000
At 1 January 2006	154,039	7,367	(2,377)	8,678	(12,043)	324,259	479,923
Exchange differences	-	-	(1,283)	-	-	-	(1,283)
Profit for the period	-	-	-	-	-	79,974	79,974
Dividends	-	-	-	-	-	(70,322)	(70,322)
At 30 September 2006	154,039	7,367	(3,660)	8,678	(12,043)	333,911	488,292
At 1 January 2007	154,039	7,367	(4,856)	8,678	(12,043)	323,331	476,516
Exchange differences	-	-	(1,274)	-	-	-	(1,274)
Profit for the period	-	-	-	-	-	53,905	53,905
Dividends	-	-	-	-	-	(71,423)	(71,423)
At 30 September 2007	154,039	7,367	(6,130)	8,678	(12,043)	305,813	457,724

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 30 September 2007

	9 months ended 30 September	
	2007 RM'000	2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	70,681	106,632
Adjustments for:		
Interest income	(4,933)	(4,792)
Share of profit of associated company	257	(965)
Amortisation on intangible assets	1,485	1,137
Amortisation on prepaid lease payments	130	130
Depreciation on property, plant and equipment	16,089	15,548
Gain on unit trust funds	(531)	(510)
Gain on disposal of property, plant and equipment	(2,053)	(675)
Operating profit before working capital changes	81,125	116,505
Working capital changes:		
Trade and other receivables	(8,457)	(62,793)
Inventories	4,603	14,701
Trade and other payables	(17,978)	(6,007)
Cash generated from operations	59,293	62,406
Taxation paid	(22,491)	(21,138)
Net cash from operating activities	36,802	41,268
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	4,933	4,792
Dividend income - associated company	-	1,284
Proceeds from disposal of property, plant and equipment	2,125	804
Acquisition of property, plant and equipment	(18,123)	(8,483)
Acquisition of intangible assets	(742)	(1,391)
Disposal of unit trust funds	26,549	-
Net cash used in investing activities	14,742	(2,994)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(71,423)	(70,322)
Short term borrowings by a jointly-controlled entity	786	-
Net cash used in financing activities	(70,637)	(70,322)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(19,093)	(32,048)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	201,226	200,908
CASH AND CASH EQUIVALENTS AT END OF PERIOD	182,133	168,860

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 2006.

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 2006.

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 2006.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2006 was not qualified.

3. Seasonal or Cyclical Factors

The Group’s level of operations for the quarter under review was affected by a lower level of speculative sales (pre-National Budget 2008) compared with last year.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2007.

5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter.

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 following dividends were paid during the year:

- (a) In respect of the financial year ended 31 December 2006 as reported in the directors' report of that year.

	<u>RM'000</u>
i) Final dividend of 7.5 sen per RM0.50 share less tax, paid on 18 May 2007	16,740
ii) Special dividend of 17.5 sen per RM0.50 share less tax, paid on 18 May 2007	54,683

71,423
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- (b) In respect of the financial year ended 31 December 2007.

i) Interim dividend of 5.0 sen per RM0.50 share less tax, paid on 8 October 2007	11,160
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8. Segmental Information

There is no segmental analysis disclosed as the Group operates in the brewing industry in Malaysia involving the production, packaging, marketing and distribution of its products principally in Malaysia. Approximately 15.0 per cent of the total sales revenue are exports including sales to Singapore.

9. Material Contracts

Apart from that disclosed in the previous announcements, the Company's subsidiary, Carlsberg Marketing Sdn. Bhd. has signed an International Importer Agreement with the Mexican brewer group Modelo, which gives it exclusive rights to import, promote and resell in Malaysia the company's flagship brand, Corona, and any other brands manufactured by Modelo.

The agreement for Malaysia will be effective as of 1st January 2008.

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 2006.

11. Subsequent Events

There were no material events subsequent to the end of the current quarter.

12. Changes in Composition of the Group

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

The Group's associate company, The Lion Brewery Ceylon Limited has changed its name to Lion Brewery (Ceylon) PLC.

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 2006.

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 September 2007 is as follows:

	RM'000
Commitments in respect of expenditure contracted for	2,831
Approved by the directors but not contracted for	<u>17,805</u>
	<u>20,636</u>

15. Holding Company

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

16. Significant Related Party Transactions

**9 Months To
30 September 2007
RM'Million**

Transactions with:

1) Holding company	
Carlsberg Breweries A/S	
Purchase of materials and services	3.8
Royalties	12.1
2) Related companies:	
a) Carlsberg Singapore Pte Ltd	
Sale of goods and services	45.7
Reimbursement of marketing expenditures	11.8
b) Carlsberg Brewery (Guangdong) Ltd	
Purchases	1.4
3) Associated company:	
Lion Brewery (Ceylon) PLC	
Sale of goods and services	0.4
4) Jointly-controlled entity:	
Carlsberg Distributors Taiwan Ltd	
Sales of goods and services	1.2

17. Review Of Performance

The Group's revenue for the third quarter ended 30 September 2007 decreased by RM12.0m or 4.7 per cent as compared to the corresponding quarter in the previous year mainly due to a lower level of speculation sales in connection with the 2008 Government Budget announcement. However, Group profit before tax increased marginally by RM0.4m or 1.2 per cent.

The Group's re-structuring programme since the 1st quarter continued according to plan where inventory levels in the trade were optimised to manage operations and working capital more effectively and to ensure the continued quality and freshness of Carlsberg products to consumers. The effect of this process had a short term impact on the Group's market share. However, the results achieved in the current quarter, both in sales and profitability had been encouraging.

On a cumulative nine months period ended 30 September 2007, Group profit before tax of RM70.7m was RM35.9m lower than the same period in the previous year. The decline in profit was mainly attributable to the weak 1st half 2007 financial performance due to lower domestic sales revenue and higher costs arising from the re-structuring programme as explained in the preceding quarters' announcements. The Group meanwhile has continued its commitment in trade and marketing investments to commemorate Carlsberg's 160th anniversary and ensure that Carlsberg continues to be the largest beer brand in Malaysia.

18. Variation Of Result Against The Preceding Quarter

Group revenue for the quarter increased by RM48.5m or 24.7 per cent as compared to the previous quarter. This was mainly due to the higher domestic sales following the moderate pre-National Budget speculation sales and stabilisation of the duty paid market. Consequently, Group profit before tax increased by RM12.9m or 58.9 per cent.

19. Current Year Prospects

The brewing Industry is pleased to note that there was no increase in duties for beer and stout products in the recent 2008 Government Budget Announcement. Arising from this, the Group expects the decline in the Malaysian duty paid beer and stout products over the last 3 years to stabilise. At the same time, the Group is hopeful for more effective enforcement to curb smuggled beer products in the country.

The Group's revised commercial re-structuring strategy had taken off according to plan and when fully implemented, is expected to place the Group in a stronger position to achieve its medium to long term commercial objectives in a fast changing and challenging environment.

The Group expects the performance for the remaining period of 2007 to be better than that of the corresponding period last year.

20. Profit Forecast

Not applicable as no profit forecast was published.

21. Taxation

	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>30 September</u>		<u>30 September</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysian Income Tax				
- Current	8,081	9,937	16,776	26,658
Deferred taxation	-	-	-	-
	8,081	9,937	16,776	26,658

The effective tax rates for the Group is lower than the statutory tax rate as the Group is entitled to claim export incentives.

22. Quoted Investments

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

Investments in quoted securities as at 30 September 2007:-

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	10,940	13,312	16,070

23. Status Of Corporate Proposals Announced

Status of corporate proposals announced but not completed: NIL.

24. Borrowing And Debt Securities

There were no Group borrowings and debt as at 30 September 2007.

25. Off Balance Sheet Financial Instruments

Forward Foreign Exchange Contracts

As at 14 November 2007 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report), the foreign exchange currency contracts which have been entered into by the Group to hedge its foreign sales proceeds are as follows:

Currency	Contract Amount In FCY'000	Date of Contract	Value Date of Contract	Equivalent amount in RM'000
Singapore Dollars (SGD)	9,000	29/10/2007	26/11/07-25/03/08	20,744

Foreign currency transactions in the Group are accounted for at exchange rates ruling at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

26. Material Litigation

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

27. 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.

	3 Months Ended 30.09.07	9 Months Ended 30.09.07
Net Profit for the period (RM'000)	26,629	53,905
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	8.71	17.63

Diluted earnings per share

Not applicable.

28. 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 21 November 2007.