

Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
31 March 2008

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the Quarter Ended 31 March 2008

| | 3 months ended 31 March | | 3 months ended 31 March | |
|---|----------------------------|----------------|----------------------------|----------------|
| | 2008 RM'000 | 2007 RM'000 | 2008 RM'000 | 2007 RM'000 |
| Revenue | 289,433 | 252,990 | 289,433 | 252,990 |
| Cost of sales | (204,886) | (183,515) | (204,886) | (183,515) |
| Gross Profit | 84,547 | 69,475 | 84,547 | 69,475 |
| Other operating income | 442 | 1,603 | 442 | 1,603 |
| Sales & distribution costs | (44,403) | (49,969) | (44,403) | (49,969) |
| Administrative expenses | (6,193) | (7,118) | (6,193) | (7,118) |
| Other operating expenses | (1,130) | (985) | (1,130) | (985) |
| Operating profit | 33,263 | 13,006 | 33,263 | 13,006 |
| Interest income | 1,950 | 1,562 | 1,950 | 1,562 |
| Share of results of associated company | 278 | (442) | 278 | (442) |
| Profit Before Taxation | 35,491 | 14,126 | 35,491 | 14,126 |
| Taxation | (8,991) | (3,487) | (8,991) | (3,487) |
| Profit After Taxation | 26,500 | 10,639 | 26,500 | 10,639 |
| EPS - Basic (sen) | 8.67 | 3.48 | 8.67 | 3.48 |
| - 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 2007 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 31 March 2008

| | Note | AS AT END OF CURRENT QUARTER 31.03.08 (UNAUDITED) RM'000 | AS AT PRECEDING FINANCIAL YEAR END 31.12.07 (AUDITED) RM'000 |
|---|------|--|--|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | | 143,803 | 146,684 |
| Other Intangible Assets | | 2,414 | 2,716 |
| Prepaid Lease Payments | | 8,709 | 8,742 |
| Investment in an Associate | | 14,073 | 13,782 |
| | | 168,999 | 171,924 |
| Current Assets | | | |
| Inventories | | 33,222 | 41,551 |
| Trade Receivables | | 106,990 | 117,115 |
| Other Receivables and Prepayments | | 15,863 | 24,791 |
| Amount due from related companies | | 13,970 | 18,376 |
| Current Tax Assets | | 0 | 2,724 |
| Cash & Cash Equivalents | | 257,290 | 216,774 |
| | | 427,335 | 421,331 |
| TOTAL ASSETS | | 596,334 | 593,255 |
| EQUITY | | | |
| Share Capital | | 141,996 | 141,996 |
| Reserves | | 10,158 | 10,145 |
| Retained Earnings | | 345,741 | 319,241 |
| Total Equity attributable to shareholders of the Company | | 497,895 | 471,382 |
| Non-Current Liabilities | | | |
| Provision for Deferred Tax | | 19,648 | 19,648 |
| Current Liabilities | | | |
| Trade Payables | | 56,461 | 72,158 |
| Other Payables and Accruals | | 14,528 | 20,430 |
| Amount due to holding company | 15 | 912 | 3,445 |
| Amount due to related companies | | 1,526 | 3,957 |
| Short term borrowings | | 1,970 | 1,310 |
| Current Tax Liabilities | | 3,394 | 925 |
| | | 78,791 | 102,225 |
| Total Liabilities | | 98,439 | 121,873 |
| TOTAL EQUITY AND LIABILITIES | | 596,334 | 593,255 |
| Net Assets Per Share (RM) | | 1.63 | 1.54 |

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 31 March 2008

| 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 2007 | 154,039 | 7,367 | (4,856) | 8,678 | (12,043) | 323,331 | 476,516 |
| Exchange differences | - | - | (575) | - | - | - | (575) |
| Profit for the period | - | - | - | - | - | 10,639 | 10,639 |
| At 31 March 2007 | 154,039 | 7,367 | (5,431) | 8,678 | (12,043) | 333,970 | 486,580 |
| At 1 January 2008 | 154,039 | 7,367 | (5,900) | 8,678 | (12,043) | 319,241 | 471,382 |
| Exchange differences | - | - | 13 | - | - | - | 13 |
| Profit for the period | - | - | - | - | - | 26,500 | 26,500 |
| At 31 March 2008 | 154,039 | 7,367 | (5,887) | 8,678 | (12,043) | 345,741 | 497,895 |

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 March 2008

| | 3 months ended | |
|---|-----------------------|----------------|
| | 31 March | |
| | 2008 | 2007 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 35,490 | 14,126 |
| Adjustments for: | | |
| Amortisation of intangible assets | 522 | 481 |
| Amortisation of prepaid lease payments | 33 | 130 |
| Depreciation of property, plant and equipment | 4,877 | 5,139 |
| Gain on disposal of property, plant and equipment | (442) | (1,013) |
| Interest income | (1,950) | (1,562) |
| Share of profit after tax of equity accounted associate | (278) | 442 |
| Gain on disposal of other investments | - | (531) |
| Operating profit before working capital changes | 38,252 | 17,212 |
| Changes in working capital: | | |
| Inventories | 8,329 | 5,896 |
| Receivables, deposits and prepayments | 23,459 | 1,506 |
| Payables and accruals | (26,562) | (13,669) |
| Cash generated from operations | 43,478 | 10,945 |
| Income taxes paid | (3,797) | (8,808) |
| Net cash from operating activities | 39,681 | 2,137 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 449 | 1,079 |
| Proceeds from disposal of unit trust funds | - | 26,549 |
| Acquisition of property, plant and equipment | (2,004) | (9,166) |
| Acquisition of intangible assets | (220) | (385) |
| Interest income | 1,950 | 1,562 |
| Net cash from / (used in) in investing activities | 175 | 19,639 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from short term borrowing by a jointly-controlled entity | 660 | (1,167) |
| Net cash used in financing activities | 660 | (1,167) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 40,516 | 20,609 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | 216,774 | 201,226 |
| CASH AND CASH EQUIVALENTS AT 31 MARCH | 257,290 | 221,835 |

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2007.

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 2007.

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 2007.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2007 was not qualified.

3. Seasonal or Cyclical Factors

The Group’s level of operations for the quarter under review was influenced by the higher local consumption of beer, stout and shandy during the 2008 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 31 March 2008.

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

No dividends were paid during the current quarter.

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 12.0 per cent of the total sales revenue are exports.

9. Material Contracts

Apart from that disclosed in the previous announcements, there are no other material contracts.

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 2007.

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.

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 2007.

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 March 2008 is as follows:

| | RM'000 |
|--|---------------|
| Commitments in respect of expenditure contracted for | 3,796 |
| Approved by the directors but not contracted for | 19,343 |
| | <u>23,139</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

**3 months to
31 March 2008**
RM'Million

Transactions with:

| | |
|--------------------------------------|-----|
| 1) Holding company: | |
| Carlsberg Breweries A/S | |
| Purchase of materials and products | 0.1 |
| Services rendered | 1.7 |
| Royalties | 5.5 |
| 2) Related companies: | |
| a) Carlsberg Singapore Pte Ltd | |
| Sale of goods and services | 7.4 |
| Reimbursement of expenses | 1.8 |
| b) Carlsberg Brewery (Guangdong) Ltd | |
| Purchases of materials and products | 0.1 |
| c) Danish Malting Group | |
| Purchases of materials and products | 3.1 |
| d) Slodownia Strzegom Sp | |
| Purchases of materials and products | 0.1 |
| 4) Associated company: | |
| The Lion Brewery Ceylon PLC | |
| Sale of goods and services | 0.2 |
| 5) Jointly-controlled entity: | |
| Carlsberg Distributors Taiwan Ltd | |
| Sales of goods and services | 0.3 |

17. Review of Performance

The Group's revenue for the first quarter ended 31 March 2008 increased by 14.4 per cent to RM289.4 million compared to the corresponding quarter in the previous year. Group Profit Before Tax for the quarter increased substantially by 151.2 per cent to RM35.5 million. The better performance was mainly due to higher domestic sales particularly during the Chinese New Year festive period. Gross margins were higher mainly due to more favourable product mix and better cost efficiencies.

18. Variation of Result against the Preceding Quarter

Group revenue for the quarter increased by 42.1 per cent or RM85.7 million as compared to the previous quarter. This was mainly due to the higher domestic sales particularly during the Chinese New Year festive period. Consequently, Group profit before tax increased by 31.3 per cent or RM8.5 million.

19. Current Year Prospects

The strong sales and profit growth in the first quarter of 2008 was an encouraging start to the year.

Escalating prices for raw and packaging materials are however expected to exert downward pressure on the Group's profit margin, which is targeted to be mitigated by improved price/mix as well as operational cost effectiveness.

Sustainable growth for the rest of the year is dependent on no further increases in duties for beer and stout products as well as effective enforcement to curb smuggled and counterfeit beer and stout products in the country.

In light of the foregoing, the Group expects 2008 to be a satisfactory year.

20. Profit Forecast

Not applicable as no profit forecast was published.

21. Taxation

| | <u>3 months ended</u> | |
|----------------------|------------------------------|---------------|
| | <u>31 March</u> | |
| | 2008 | 2007 |
| | RM'000 | RM'000 |
| Malaysian Income Tax | | |
| - Current | 8,991 | 3,487 |
| Deferred Taxation | - | - |
| | 8,991 | 3,487 |

22. Quoted Investments

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

Investments in quoted securities as at 31 March 2008:

| | Cost | Book Value | Market Value |
|--------------------------|---------------|-------------------|---------------------|
| | RM'000 | RM'000 | RM'000 |
| Total quoted investments | 10,940 | 14,073 | 21,816 |

23. Status of Corporate Proposals Announced

Status of corporate proposals announced but not completed: NIL.

24. Borrowing and Debt Securities

There were no further group borrowings and debt in the current quarter apart from that previously disclosed.

25. Off Balance Sheet Financial Instruments*Forward Foreign Exchange Contracts*

As at 18 April 2008 (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 have matured and there are no existing contracts.

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 31.03.08 | 3 months ended 31.03.07 |
|--|--|--|
| Net Profit for the period (RM'000) | 26,500 | 10,639 |
| Weighted average number of ordinary shares in issue ('000) | 305,748 | 305,748 |
| Basic earnings per share (sen) | <u>8.67</u> | <u>3.48</u> |

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 25 April 2008.