



Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
31 December 2008

Interim Financial Report for the Quarter Ended 31 December 2008

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the Quarter Ended 31 December 2008

	3 months ended 31 December		12 months ended 31 December	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	205,193	203,732	960,207	897,530
Cost of sales	(139,756)	(132,907)	(666,180)	(613,339)
Gross Profit	65,437	70,825	294,027	284,191
Other operating income	(1,398)	5,404	2,571	8,047
Sales & distribution costs	(43,271)	(43,536)	(171,096)	(171,411)
Administrative expenses	(6,915)	(7,199)	(27,719)	(25,300)
Other operating expenses	(974)	(298)	(4,057)	(4,326)
Operating profit	12,879	25,196	93,726	91,201
Interest income	1,579	1,588	7,403	6,521
Share of results of associated company	(203)	240	162	(17)
Profit Before Taxation	14,255	27,024	101,291	97,705
Taxation	(4,667)	(2,436)	(25,172)	(19,212)
Profit For The Period	9,588	24,588	76,119	78,493
Profit Attributable To:				
Equity holders of the parent	9,618	24,588	76,149	78,493
Minority Interests	(30)	0	(30)	0
	9,588	24,588	76,119	78,493
EPS - Basic (sen)	3.14	8.04	24.90	25.67
- 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.

Interim Financial Report for the Quarter Ended 31 December 2008

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Note	AS AT END OF CURRENT QUARTER 31.12.08 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.12.07 (AUDITED) RM'000
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant & Equipment		139,548	146,684
Other Intangible Assets		8,289	2,716
Prepaid Lease Payments		8,610	8,742
Investment in an Associate		13,946	13,782
		170,393	171,924
<u>Current Assets</u>			
Inventories		67,227	41,551
Trade Receivables		143,409	117,115
Other Receivables and Prepayments		15,557	24,791
Amount due from related companies		4,007	18,376
Current Tax Assets		0	2,724
Cash & Cash Equivalents		227,017	216,774
		457,217	421,331
TOTAL ASSETS		627,610	593,255
EQUITY			
Total Equity attributable to shareholders of the Company			
Share Capital		141,996	141,996
Reserves		9,948	10,145
Retained Earnings		316,201	319,241
		468,145	471,382
Minority Interests		1,232	0
Total Equity		469,377	471,382
<u>Non-Current Liabilities</u>			
Provision for Deferred Tax		17,219	19,648
<u>Current Liabilities</u>			
Trade Payables		76,168	72,158
Other Payables and Accruals		46,891	20,430
Amount due to holding company	15	4,034	3,445
Amount due to related companies		4,539	3,957
Short term borrowings		6,324	1,310
Current Tax Liabilities		3,058	925
		141,014	102,225
Total Liabilities		158,233	121,873
TOTAL EQUITY AND LIABILITIES		627,610	593,255
Net Assets Per Share (RM)		1.54	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.

Interim Financial Report for the Quarter Ended 31 December 2008

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 31 December 2008

GROUP	Attributable to Equity Holders of the Parent							Total	Minority Interest	Total Equity
	Share Capital	Treasury Shares	Share Premium	Exchange Reserve	Capital Reserve	Option Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2007	154,039	(12,043)	7,367	(4,856)	8,678	-	323,331	476,516	-	476,516
Exchange differences	-	-	-	(1,044)	-	-	-	(1,044)	-	(1,044)
Profit for the period	-	-	-	-	-	-	78,493	78,493	-	78,493
Dividends to shareholders	-	-	-	-	-	-	(82,583)	(82,583)	-	(82,583)
At 31 December 2007	154,039	(12,043)	7,367	(5,900)	8,678	-	319,241	471,382	-	471,382
At 1 January 2008	154,039	(12,043)	7,367	(5,900)	8,678	-	319,241	471,382	-	471,382
Opening balance on acquisition	-	-	-	-	-	-	-	-	1,262	1,262
Exchange differences	-	-	-	18	-	-	-	18	-	18
Profit for the period	-	-	-	-	-	-	76,149	76,149	(30)	76,119
Dividends to shareholders	-	-	-	-	-	-	(79,189)	(79,189)	-	(79,189)
Share- based transaction	-	-	-	-	-	(215)	-	(215)	-	(215)
At 31 December 2008	154,039	(12,043)	7,367	(5,882)	8,678	(215)	316,201	468,145	1,232	469,377

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.

Interim Financial Report for the Quarter Ended 31 December 2008

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 31 December 2008

	12 months ended 31 December	
	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	101,291	97,705
Adjustments for:		
Amortisation of intangible assets	1,795	2,066
Amortisation of prepaid lease payments	132	131
Depreciation of property, plant and equipment	19,221	21,555
Gain on disposal of property, plant and equipment	(2,842)	(7,896)
Property, plant & equipment written off	1,200	439
Interest income	(7,403)	(6,521)
Share of profit after tax of equity accounted associate	(162)	17
Gain on disposal of other investments	-	(531)
Cost of share-based transaction	(215)	-
Operating profit before working capital changes	113,017	106,965
Changes in working capital:		
Inventories	(7,291)	(1,594)
Receivables, deposits and prepayments	(909)	(11,468)
Payables and accruals	7,363	5,960
Cash generated from operations	112,180	99,863
Income taxes paid	(22,742)	(23,040)
Net cash from operating activities	89,438	76,823
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	3,432	9,571
Proceeds from disposal of unit trust funds	-	26,549
Acquisition of property, plant and equipment	(11,773)	(21,491)
Acquisition of intangible assets	(731)	(1,700)
Acquisition of prepaid lease payments	-	(39)
Acquisition of a subsidiary by a jointly-controlled entity	(1,971)	-
Interest income	7,403	6,521
Net cash from / (used in) in investing activities	(3,640)	19,411
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the Company	(79,189)	(82,583)
Advances from ultimate holding company	348	776
Proceeds from short term borrowing by a jointly-controlled entity	2,370	1,310
Proceeds from issuance of shares in subsidiary to minority shareholders	900	-
Net cash used in financing activities	(75,571)	(80,497)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,227	15,737
Exchange difference on translation of the financial statements of a jointly-controlled entity	16	(189)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	216,774	201,226
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	227,017	216,774

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 impacted marginally by an earlier Chinese New Year festivity in 2009.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 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 Paid

The amount of dividends paid during the financial period ended 31 December 2008 was as follows:-

(a) In respect of the financial year ended 31 December 2007 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 16 May 2008	16,969
ii) Special dividend of 22.5 sen per RM0.50 share less tax, paid on 16 May 2008	50,907
	67,876

(b) In respect of the financial year ended 31 December 2008:

i) Interim dividend of 5.0 sen per RM0.50 share less tax, paid on 8 October 2008	11, 313
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(c) The Board of Directors propose the following dividends for shareholders' approval at the forthcoming Annual General Meeting on 28 April 2009 and if approved, to be paid on 18 May 2009:

- Final dividend of 7.5 sen per RM0.50 share less Malaysian income tax (2007: 7.5 sen per RM0.50 share less Malaysian income tax)

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 10.0 per cent of the total sales revenue was generated through exports.

9. Material Contracts

Apart from that disclosed in the previous announcements, Carlsberg Distributor Taiwan Ltd (a subsidiary of Carlsberg Brewery Malaysia Berhad) had entered into a shareholders' agreement with Cottingham & Company (International) Ltd on 3 November 2008 for the acquisition of 75% shares in Cottingham & Co Ltd in Taiwan.

Carlsberg Brewery Malaysia Berhad had also, on 26 November 2008, entered into a shareholders' agreement with Luen Heng Agency Sdn Bhd (LHA) for the establishment of a new joint-venture company, named Luen Heng F & B Sdn Bhd (LHFB). CBMB's shareholding in LHFB is 70 per cent.

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

Please refer to Note 9.

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 December 2008 is as follows:

	<u>RM'000</u>
Commitments in respect of expenditure contracted for	3,987
Approved by the directors but not contracted for	2,858
	<u>6,845</u>

15. Holding Company

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

Interim Financial Report for the Quarter Ended 31 December 2008

16. Significant Related Party Transactions

**12 months to
31 December 2008**
RM'Million

Transactions with:

1) Holding company:		
Carlsberg Breweries A/S		
Purchase of materials and products		0.5
Reimbursement of expenses		6.5
Royalties		17.4
2) Related companies:		
a) Carlsberg Singapore Pte Ltd		
Sale of goods and services		16.8
Reimbursement of expenses		4.2
b) Carlsberg Brewery (Guangdong) Ltd		
Purchases of materials and products		0.5
c) Danish Malting Group		
Purchases of materials and products		9.9
d) Slodownia Strzegom Sp		
Purchases of materials and products		0.7
e) Nordic IT Services A/S		
Reimbursement of expenses		0.4
f) Carlsberg UK Limited		
Purchase of materials and products		0.2
3) Associated company:		
The Lion Brewery Ceylon PLC		
Sale of goods and services		0.2
4) Jointly-controlled entity:		
Carlsberg Distributors Taiwan Ltd		
Sales of goods and services		1.7

17. Review of Performance

The Group's revenue for the fourth quarter ended 31 December 2008 increased marginally by 0.7 per cent to RM205.2 million compared to the corresponding quarter in the previous year. The higher revenue was mainly driven by higher domestic sales which included some stocking up by the trade in view of the earlier Chinese New Year festivity in 2009. The higher revenue was achieved despite a significantly lower level of revenue from contract manufacturing for the Singapore market.

The Group's Profit Before Tax for the quarter decreased by 47.3 per cent to RM14.3 million compared to the same period last year, mainly due to lower contribution from contract manufacturing for the Singapore market and an exceptional gain on the disposal of a residential property in 2007 amounting to RM5.2m. Adjusted for the exceptional gain and the contract manufacturing for the Singapore market, Profit Before Tax for the quarter was marginally below last year, mainly due to higher raw material costs.

Interim Financial Report for the Quarter Ended 31 December 2008

On full year basis, the Group's revenue has increased by RM 62.7 million or 7.0 percent compared to the same period last year despite the significantly lower revenue from the contract manufacturing for the Singapore market.

Full year's Group's Profit Before Tax was RM101.3 million compared to RM97.7m in the previous year. Adjusted for above mentioned exceptional gain and the contract manufacturing for the Singapore market, Profit Before Tax increased by more than 30%.

However, full year's Net Profit was slightly lower due to a higher effective tax rate as a result of losing the double tax incentives on the contract manufacturing for the Singapore market.

18. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter decreased by 23.0 per cent or RM61.4 million as compared to the preceding quarter. This variation of result had followed the trend in previous years where the higher domestic sales volume in the previous quarter had included some stocking up by the trade before the Government Budget announcement. Consequently, the Group's Profit Before Tax decreased by 53.8 per cent or RM16.6 million.

19. Current Year Prospects

The global economic crisis is expected to dampen consumer spending in Malaysia. Whilst the Group is resilient with strong liquidity, we acknowledge the weakening outlook going forward and the potential impact to the financials in the coming quarters and have devised contingency plans to counter the impact.

Meanwhile, competition in Malaysia is expected to remain intense and price discounting is expected to heighten. In addition, higher costs in raw and packaging materials as a result of the Group's forward hedging policy in 2008 and adverse currency movements will lead to higher cost of goods sold.

The Group however, expects to off-set the pressure on the margins through continued strengthening of its portfolio of brands and at the same time continue to implement cost rationalization measures.

The Group expects the outlook for 2009 to be challenging.

20. Profit Forecast

Not applicable as no profit forecast was published.

21. Taxation

	3 months ended 31 December		12 months ended 31 December	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysian Income Tax				
- Current	7,755	5,967	28,260	22,743
- Prior period	(661)	(784)	(661)	(784)
Deferred Taxation	7,094	5,183	27,599	21,959
	(2,427)	(2,747)	(2,427)	(2,747)
	4,667	2,436	25,172	19,212

The higher effective tax rate in the fourth quarter was mainly due to the non-deductibility of impairment charges on a jointly-controlled entity and the under provision of tax in the previous quarters.

On full year basis, the effective tax rate was at 24.9 per cent compared to 19.7 per cent in the previous year. This was attributable to the lower tax in 2007 resulting from the double tax deduction incentive on the contract manufacturing for Carlsberg Singapore Pte Ltd. In addition, there were lower usable capital allowances in 2008 and the non-deductibility of impairment charges mentioned above.

22. Unquoted Investments and Properties

There are no further changes apart from that disclosed under Note 9.

23. Quoted Investments

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

Investments in quoted securities as at 31 December 2008:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	10,940	13,946	15,529

24. Status of Corporate Proposals Announced

Status of corporate proposals announced but not completed: NIL.

25. Borrowing and Debt Securities

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

26. Off Balance Sheet Financial Instruments

Forward Foreign Exchange Contracts

As at 11 February 2009 (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.

27. Material Litigation

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

28. 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 31.12.08	12 months ended 31.12.08
Net Profit for the period (RM'000)	9,588	76,119
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	3.14	24.90

Diluted earnings per share

Not applicable.

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 18 February 2009.