



**Carlsberg Brewery Malaysia Berhad**

Company No. 9210-K  
(Incorporated in Malaysia)

Interim Financial Report  
30 June 2009

## Interim Financial Report for the Quarter Ended 30 June 2009

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

### CONDENSED CONSOLIDATED INCOME STATEMENTS

For the Quarter Ended 30 June 2009

	3 months ended 30 June		6 months ended 30 June	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	213,141	198,990	502,991	488,423
Cost of sales	(150,632)	(136,518)	(360,813)	(341,404)
Gross Profit	62,509	62,472	142,178	147,019
Other operating income	108	3,214	153	3,656
Sales & distribution costs	(38,520)	(37,625)	(83,082)	(82,028)
Administrative expenses	(7,664)	(8,661)	(14,131)	(14,854)
Other operating expenses	(836)	(998)	(1,724)	(2,128)
Operating profit	15,597	18,402	43,394	51,665
Interest income	1,064	2,065	2,451	4,015
Share of results of associated company	438	217	655	495
Profit Before Taxation	17,099	20,684	46,500	56,175
Taxation	(4,001)	(4,245)	(11,811)	(13,236)
Profit For The Period	13,098	16,439	34,689	42,939
Profit Attributable To:				
Equity holders of the parent	12,875	16,439	34,263	42,939
Minority Interests	223	0	426	0
	13,098	16,439	34,689	42,939
EPS - Basic (sen)	4.28	5.38	11.35	14.04
- 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 2008 and the accompanying explanatory notes attached to the interim financial statements.

## Interim Financial Report for the Quarter Ended 30 June 2009

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

### CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2009

	Note	AS AT END OF CURRENT QUARTER 30.06.09 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.12.08 (AUDITED) RM'000
<b>ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
Property, Plant & Equipment		135,588	139,548
Other Intangible Assets		7,842	8,289
Prepaid Lease Payments		8,578	8,610
Investment in an Associate		14,641	13,946
		166,649	170,393
<b><u>Current Assets</u></b>			
Inventories		42,294	66,297
Trade Receivables		131,189	136,219
Other Receivables and Prepayments		18,415	22,820
Amount due from related companies		1,643	4,488
Current Tax Assets		1,563	0
Cash & Cash Equivalents		256,233	227,017
		451,337	456,841
<b>TOTAL ASSETS</b>		617,986	627,234
<b>EQUITY</b>			
<b>Total Equity attributable to shareholders of the Company</b>			
Share Capital		141,996	141,996
Reserves		10,203	10,163
Retained Earnings		333,200	315,986
		485,399	468,145
Minority Interests		1,658	1,232
<b>Total Equity</b>		487,057	469,377
<b><u>Non-Current Liabilities</u></b>			
Provision for Deferred Tax		17,219	17,219
<b><u>Current Liabilities</u></b>			
Trade Payables		67,665	78,269
Other Payables and Accruals		33,697	44,762
Amount due to holding company	15	1,842	4,034
Amount due to related companies		2,155	4,191
Short term borrowings		8,351	6,324
Current Tax Liabilities		0	3,058
		113,710	140,638
<b>Total Liabilities</b>		130,929	157,857
<b>TOTAL EQUITY AND LIABILITIES</b>		617,986	627,234
<b>Net Assets Per Share (RM)</b>		1.59	1.54

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

## Interim Financial Report for the Quarter Ended 30 June 2009

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 30 June 2009

GROUP	Attributable to Equity Holders of the Parent						Total	Minority Interest	Total Equity
	Share Capital	Treasury Shares	Share Premium	Exchange Reserve	Capital Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008	154,039	(12,043)	7,367	(5,900)	8,678	319,241	471,382	-	471,382
Exchange differences	-	-	-	(110)	-	-	(110)	-	(110)
Profit for the period	-	-	-	-	-	42,939	42,939	-	42,939
Dividends to shareholders	-	-	-	-	-	(67,876)	(67,876)	-	(67,876)
<b>At 30 June 2008</b>	<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(6,010)</b>	<b>8,678</b>	<b>294,304</b>	<b>446,335</b>	<b>-</b>	<b>446,335</b>
At 1 January 2009	154,039	(12,043)	7,367	(5,882)	8,678	315,986	468,145	1,232	469,377
Exchange differences	-	-	-	40	-	-	40	-	40
Profit for the period	-	-	-	-	-	34,263	34,263	426	34,689
Dividends to shareholders	-	-	-	-	-	(17,198)	(17,198)	-	(17,198)
Share- based transaction	-	-	-	-	-	149	149	-	149
<b>At 30 June 2009</b>	<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(5,842)</b>	<b>8,678</b>	<b>333,200</b>	<b>485,399</b>	<b>1,658</b>	<b>487,057</b>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

## Interim Financial Report for the Quarter Ended 30 June 2009

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 30 June 2009

	6 months ended 30 June	
	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	46,500	56,175
Adjustments for:		
Amortisation of intangible assets	644	1,003
Amortisation of prepaid lease payments	66	66
Depreciation of property, plant and equipment	9,486	9,530
Gain on disposal of property, plant and equipment	(153)	(2,740)
Property, plant & equipment written off	-	13
Share of profit after tax of equity accounted associate	(655)	(495)
Interest income	(2,451)	(4,015)
Other non-cash	149	-
Operating profit before working capital changes	53,586	59,537
Changes in working capital:		
Inventories	24,003	8,186
Receivables, deposits and prepayments	12,280	34,489
Payables and accruals	(25,897)	(18,831)
Cash generated from operations	63,972	83,381
Income taxes paid	(16,432)	(9,107)
Net cash from operating activities	47,540	74,274
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	516	2,978
Acquisition of property, plant and equipment	(5,923)	(6,500)
Acquisition of intangible assets	(197)	(253)
Interest income	2,451	4,015
Net cash from / (used in) in investing activities	(3,153)	240
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to shareholders of the Company	(17,198)	(67,876)
Proceeds from short term borrowing by a jointly-controlled entity	2,027	1,299
Net cash used in financing activities	(15,171)	(66,577)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	29,216	7,937
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	227,017	216,774
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	256,233	224,711

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

## Interim Financial Report for the Quarter Ended 30 June 2009

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### 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 2008.

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 2008.

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 2008.

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

The auditors’ report on the financial statements for the year ended 31 December 2008 was not qualified.

#### **3. Seasonal or Cyclical Factors**

In line with past trends, the Group’s level of operations for the quarter under review was lower as expected following the preceding quarter which was impacted by the 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 2009.

#### **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.

## Interim Financial Report for the Quarter Ended 30 June 2009

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### *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 2009 was as follows:-

In respect of the financial year ended 31 December 2008 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 2009	17,198

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

## 9. Material Contracts

On 28 July 2009, the Company entered into a Memorandum of Understanding ("MOU") with Carlsberg Breweries A/S ("CBAS"), the holding company of CBMB, for the proposed acquisition of the entire equity interest in Carlsberg Singapore Pte Ltd ("CSPL") from Carlsberg Asia Pte Ltd, a wholly-owned subsidiary of CBAS ("Proposed Acquisition") for a cash consideration of RM370 million, subject to evaluation by the independent adviser. Both parties are still in discussion and negotiation on the share purchase agreement ("SPA"). The SPA is expected to be signed upon completion of the due diligence to be conducted on CSPL by CBMB.

The MOU is effective for a period of six (6) months from the date of the MOU.

## 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 2008.

**11. Subsequent Events**

Please refer to Note 9.

**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 2008.

**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 2009 is as follows:

	<u>RM'000</u>
Commitments in respect of expenditure contracted for	1,080
Approved by the directors but not contracted for	3,034
	<u>4,114</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**

	<b>6 months to 30 June 2009</b>
	RM'Million
Transactions with:	
1) Holding company:	
Carlsberg Breweries A/S	
Purchases of materials and products	0.1
Reimbursement of expenses	3.2
Royalties	8.8
2) Related companies:	
a) Carlsberg Singapore Pte Ltd	
Sale of goods and services	3.9
Reimbursement of expenses	1.0



b) Carlsberg Brewery (Guangdong) Ltd	
Purchases of materials and products	0.1
c) Danish Malting Group	
Purchases of materials and products	2.7
d) Carlsberg Group Procurement AG	
Purchases of materials and products	0.2
e) Slodownia Strzegom Sp.z.o.o.	
Purchases of materials & services	0.2
f) Carlsberg IT A/S	
Purchases of services	0.2
3) Jointly-controlled entity:	
Carlsberg Distributors Taiwan Ltd	
Sales of goods and services	1.4

## 17. Review of Performance

The Group's revenue for the second quarter ended 30 June 2009 increased by 7.1 per cent compared to the corresponding quarter in the previous year. The higher revenue was mainly due to higher domestic beer sales and inclusion of the acquired subsidiary Luen Heng F&B Sdn Bhd (LHFB).

The Group's Profit Before Tax for the quarter of RM17.1 million was 17.3 per cent or RM3.6 million lower than the same period last year. The decline was mainly due to a one-off gain of RM 2.7 million on the disposal of assets (returnable crates and pallets) to a related company in the corresponding quarter in the previous year. Apart from that, the profit was positively impacted by the inclusion of LHFB and the higher domestic sales, but adversely impacted by higher raw material prices, unfavorable foreign exchange rates and lower interest rates on short term deposits.

On a cumulative six months ended 30 June 2009 basis, Group profit before tax of RM46.5 million was 17.2 per cent or RM9.7 million lower than the same period in the previous year, in line with expectation. The decrease was mainly due to the earlier timing of the Chinese New Year where some of the sales were recorded in December 2008 as well as the above mentioned reasons.

## 18. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter decreased by 26.5 per cent or RM76.7 million as compared to the preceding quarter. This result follows the trend as in previous years with fewer activities in quarter two following the strong first quarter performance arising from higher domestic sales during the Chinese New Year festive period. Consequently, the Group's Profit Before Tax decreased by 41.8 per cent or RM12.3 million.

**19. Current Year Prospects**

The slowdown in global economy is expected to continue to lower consumers' confidence and spending in Malaysia. Whilst the Group is resilient with a strong balance sheet and a strong product portfolio, we acknowledge the uncertainty going forward and the potential impact to the financials in the coming quarters and have accordingly implemented various contingency plans to off-set the impact.

In spite of the challenging economic outlook and the lower profit in the first half of the year, the Group expects the full 2009 performance to be satisfactory. The proposed acquisition of Carlsberg Singapore Pte Ltd (as per Note 9) is not expected to have a significant impact on the Group's earnings for the financial year 2009.

**20. Profit Forecast**

Not applicable as no profit forecast was published.

**21. Taxation**

	<b>6 months ended 30 June</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>
Malaysian Income Tax		
- Current	11,811	13,236
- Deferred Taxation	-	-
	11,811	13,236

**22. Unquoted Investments and Properties**

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

**23. 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 2009:

	<b>Cost RM'000</b>	<b>Book Value RM'000</b>	<b>Market Value RM'000</b>
Total quoted investments	10,940	14,641	27,883

In conjunction with the investment undertaken in Lion Brewery (Ceylon) PLC, the Company had received a circular to shareholders on a proposed rights issue in the proportion of three new ordinary shares for every five existing ordinary shares held, at Rs.40/- per share, the ordinary resolution to be passed at an Extraordinary General Meeting of Lion Brewery (Ceylon) PLC to be held on 28 August 2009.

**24. Status of Corporate Proposals Announced**

Please refer to Note 9.

**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*

The Group does not have any 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. Dividends

The Board of Directors has declared an interim dividend of 5 sen per 50 sen share, less 25% income tax (2008 – interim 5 sen per 50 sen share, less 26% income tax) for the year ending 31 December 2009.

Total amount payable is RM11.5 million (2007 – RM11.3 million).

## 29. 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:

	<b>3 months ended 31.03.09</b>	<b>6 months ended 30.06.09</b>
Net Profit for the period (RM'000)	21,388	34,263
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	7.00	11.35

### *Diluted earnings per share*

Not applicable.

## 30. 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 27 August 2009.