



**Carlsberg Brewery Malaysia Berhad**

Company No. 9210-K  
(Incorporated in Malaysia)

Interim Financial Report  
30 September 2009

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210-K)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the Quarter Ended 30 September 2009

	3 months ended 30 September		9 months ended 30 September	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	242,096	266,591	745,087	755,014
Cost of sales	(168,787)	(185,020)	(529,600)	(526,424)
Gross Profit	73,309	81,571	215,487	228,590
Other operating income	98	313	251	3,969
Sales & distribution costs	(38,244)	(45,797)	(121,326)	(127,825)
Administrative expenses	(6,775)	(5,950)	(20,906)	(20,804)
Other operating expenses	(800)	(955)	(2,524)	(3,083)
Operating profit	27,588	29,182	70,982	80,847
Interest income	1,257	1,809	3,708	5,824
Share of results of associated company	402	(130)	1,057	365
Profit Before Taxation	29,247	30,861	75,747	87,036
Taxation	(7,550)	(7,269)	(19,361)	(20,505)
Profit For The Period	21,697	23,592	56,386	66,531
Profit Attributable To:				
Equity holders of the parent	21,780	23,592	56,043	66,531
Minority Interests	(83)	0	343	0
	21,697	23,592	56,386	66,531
EPS - Basic (sen)	7.10	7.72	18.44	21.76
- 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 September 2009

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

### CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2009

	Note	AS AT END OF CURRENT QUARTER  30.09.09 (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		132,241	139,548
Other Intangible Assets		7,666	8,289
Prepaid Lease Payments		8,511	8,610
Investment in an Associate		23,528	13,946
		171,946	170,393
<b><u>Current Assets</u></b>			
Inventories		60,568	66,297
Trade Receivables		155,472	136,219
Other Receivables and Prepayments		23,588	22,820
Amount due from related companies		2,316	4,488
Current Tax Assets		3,423	0
Cash & Cash Equivalents		223,093	227,017
		468,460	456,841
<b>TOTAL ASSETS</b>		640,406	627,234
<b>EQUITY</b>			
<b>Total Equity attributable to shareholders of the Company</b>			
Share Capital		141,996	141,996
Reserves		9,692	10,163
Retained Earnings		355,131	315,986
		506,819	468,145
Minority Interests		1,575	1,232
<b>Total Equity</b>		508,394	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		72,859	78,269
Other Payables and Accruals		27,188	44,762
Amount due to holding company	15	3,426	4,034
Amount due to related companies		2,300	4,191
Short term borrowings		9,020	6,324
Current Tax Liabilities		0	3,058
		114,793	140,638
<b>Total Liabilities</b>		132,012	157,857
<b>TOTAL EQUITY AND LIABILITIES</b>		640,406	627,234
<b>Net Assets Per Share (RM)</b>		1.66	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 September 2009

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Quarter Ended 30 September 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	-	-	-	771	-	-	771	-	771
Profit for the period	-	-	-	-	-	66,531	66,531	-	66,531
Dividends to shareholders	-	-	-	-	-	(67,876)	(67,876)	-	(67,876)
<b>At 30 September 2008</b>	<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(5,129)</b>	<b>8,678</b>	<b>317,896</b>	<b>470,808</b>	<b>-</b>	<b>470,808</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	-	-	-	(471)	-	-	(471)	-	(471)
Profit for the period	-	-	-	-	-	56,043	56,043	343	56,386
Dividends to shareholders	-	-	-	-	-	(17,198)	(17,198)	-	(17,198)
Share- based transaction	-	-	-	-	-	300	300	-	300
<b>At 30 September 2009</b>	<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(6,353)</b>	<b>8,678</b>	<b>355,131</b>	<b>506,819</b>	<b>1,575</b>	<b>508,394</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 September 2009

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 30 September 2009

	<b>9 months ended 30 September</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	75,747	87,036
Adjustments for:		
Amortisation of intangible assets	920	1,465
Amortisation of prepaid lease payments	99	99
Depreciation of property, plant and equipment	14,338	14,227
Gain on disposal of property, plant and equipment	(251)	(3,056)
Property, plant & equipment written off	-	16
Share of profit after tax of equity accounted associate	(1,057)	(5,824)
Interest income	(3,708)	(365)
Other non-cash	(38)	-
Operating profit before working capital changes	86,050	93,598
Changes in working capital:		
Inventories	5,729	4,043
Receivables, deposits and prepayments	(17,849)	(21,739)
Payables and accruals	(25,483)	(6,804)
Cash generated from operations	48,447	69,098
Income taxes paid	(25,841)	(18,096)
Net cash from operating activities	22,606	51,002
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	866	3,353
Acquisition of property, plant and equipment	(7,635)	(7,708)
Acquisition of intangible assets	(309)	(318)
Subscription for rights issue in associate co.	(8,996)	-
Interest income	3,708	5,824
Net cash from / (used in) investing activities	(12,366)	1,151
<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	3,034	1,991
Net cash used in financing activities	(14,164)	(65,885)
Exchange difference on translation	-	16
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(3,924)	(13,732)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	227,017	216,774
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	223,093	203,058

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.

**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 higher as expected as the preceding quarter was generally a period of low activity following the Chinese New Year festive period in the 1<sup>st</sup> quarter.

In addition, the later timing of the Government Budget announcement this year compared to the previous year had deferred some stocking up by the trade to the next quarter.

**4. Unusual Items**

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

### *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

The amount of dividends paid during the financial period ended 30 September 2009 was as follows:-

(a) In respect of the financial year ended 31 December 2008 as reported in the directors' report of that year:	<b><u>RM'000</u></b>
(i) Final dividend of 7.5 sen per RM0.50 share less tax, paid on 18 May 2009	17,198
(b) In respect of the financial year ended 31 December 2009:	
(i) Interim dividend of 5.0 sen per RM0.50 share less tax, paid on 8 October 2009	11,466

## 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

Pursuant to the Share Purchase Agreement (SPA) signed on 8 September 2009, the Board of Directors of the Company is pleased to announce that the Ordinary Resolution on the "Proposed Acquisition Of The Entire Equity Interest In Carlsberg Singapore Pte Ltd, Comprising 1,000,000 Ordinary Shares, For A Cash Consideration Of RM370 Million", as set out in the Notice Of EGM dated 8 October 2009 was duly passed at the Extraordinary General Meeting of the Company which was held on 23 October 2009.

**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 September 2009 is as follows:

	<b><u>RM'000</u></b>
Commitments in respect of expenditure contracted for	258
Approved by the directors but not contracted for	2,137
	<u>2,395</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 2009**  
RM'Million

Transactions with:

1) Holding company:		
Carlsberg Breweries A/S		
Purchases of materials and products		0.3
Reimbursement of expenses		5.1
Royalties		13.2
2) Related companies:		
a) Carlsberg Singapore Pte Ltd		
Sale of goods and services		6.2
Reimbursement of expenses		1.5
b) Carlsberg Brewery (Guangdong) Ltd		
Purchases of materials and products		0.2
c) Danish Malting Group		
Purchases of materials and products		5.7
d) Carlsberg Group Procurement AG		
Purchases of materials and products		0.8
e) Slodownia Strzegom Sp.z.o.o.		
Purchases of materials & services		0.4
f) Carlsberg IT A/S		
Purchases of services		0.4
3) Jointly-controlled entity:		
Carlsberg Distributors Taiwan Ltd		
Sales of goods and services		2.2

## 17. Review of Performance

The Group's revenue for the third quarter ended 30 September 2009 decreased by 9.2 per cent compared to the corresponding quarter in the previous year. The lower revenue was mainly due to the later timing of the Government Budget announcement this year compared to 2008. This had resulted in a shift of the trade stocking-up on beer from Quarter 3 last year to Quarter 4 this year, which had a significant impact on domestic sales. This was partly mitigated by the inclusion of the acquired subsidiary Luen Heng F&B Sdn Bhd (LHFB).

Despite the lower revenue mentioned above, the Group's Profit Before Tax for the quarter of RM29.2 million was only 5.2 per cent or RM1.6 million lower than the same period last year. The lower decline was mainly attributable to lower operating costs arising from cost saving initiatives, higher share of profit from the associate company and the positive contribution from LHFB.

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

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On a cumulative nine months ended 30 September 2009 basis, Group profit before tax of RM75.7 million was 13.0 per cent or RM11.3 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 later timing of Government Budget announcement as mentioned above.

It is, however, encouraging to note that the Group had gained market share by 0.5 percentage points for the period ended 30 September 2009.

### **18. Variation of Result against the Preceding Quarter**

The Group's revenue for the quarter increased by 13.6 per cent or RM29.0 million as compared to the preceding quarter. This result follows the trend as in previous years with fewer activities in the second quarter following the strong first quarter performance arising from higher domestic sales during the Chinese New Year festive period. Various cost saving initiatives implemented had also resulted in lower cost of sales and lower operating costs. Consequently, the Group's Profit Before Tax increased by 71.0 per cent or RM12.1 million.

### **19. Current Year Prospects**

On a positive note, the Brewing Industry is pleased to note that there is no increase in duties for beer and stout products in the recent 2010 Government Budget announcement.

As mentioned above, the later timing of the Government Budget announcement is expected to result in higher domestic sales in Quarter 4 this year and hence a better performance in the quarter.

In light of this, the Group expects the full year 2009 performance to be satisfactory, despite the lower profit in the first nine months of the year.

The 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>9 months ended 30 September</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>
Malaysian Income Tax		
- Current	19,361	20,505
- Deferred Taxation	-	-
	19,361	20,505

**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 September 2009:

	<b>Cost RM'000</b>	<b>Book Value RM'000</b>	<b>Market Value RM'000</b>
Total quoted investments	19,936	23,528	33,733

In conjunction with the investment undertaken in Lion Brewery (Ceylon) PLC, the Company had, in September 2009, successfully subscribed to a rights issue in the proportion of three new ordinary shares for every five existing ordinary shares held, at Rs.40/- per share.

**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. 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 30.09.09</b>	<b>9 months ended 30.09.09</b>
Net Profit for the period (RM'000)	21,697	56,386
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	7.10	18.44

*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 26 November 2009.