



Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
31 December 2009

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the Quarter Ended 31 December 2009

	3 months ended 31 December		12 months ended 31 December	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	300,396	205,193	1,045,483	960,207
Cost of sales	(209,706)	(139,756)	(739,306)	(666,180)
Gross Profit	90,690	65,437	306,177	294,027
Other operating income	2,806	(1,398)	3,057	2,571
Sales & distribution costs	(54,131)	(43,271)	(175,457)	(171,096)
Administrative expenses	(10,015)	(6,915)	(30,921)	(27,719)
Other operating expenses	(3,109)	(974)	(5,633)	(4,057)
Operating profit	26,241	12,879	97,223	93,726
Interest income/(expense)	(562)	1,579	3,146	7,403
Share of results of associated company	1,133	(203)	2,190	162
Profit Before Taxation	26,812	14,255	102,559	101,291
Taxation	(6,713)	(4,667)	(26,074)	(25,172)
Profit For The Period	20,099	9,588	76,485	76,119
Profit Attributable To:				
Equity holders of the parent	19,859	9,618	75,902	76,149
Minority Interests	240	(30)	583	(30)
	20,099	9,588	76,485	76,119
EPS - Basic (sen)	6.57	3.14	25.02	24.90
- 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 31 December 2009
CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2009

	AS AT END OF CURRENT QUARTER 31.12.09 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.12.08 (AUDITED) RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant & Equipment	130,496	139,548
Other Intangible Assets	383,127	8,289
Prepaid Lease Payments	7,922	8,610
Investment in an Associate	24,340	13,946
	545,885	170,393
<u>Current Assets</u>		
Inventories	50,038	66,297
Receivables, deposits and prepayment	222,335	163,527
Current Tax Assets	4,984	0
Cash & Cash Equivalents	118,585	227,017
	395,942	456,841
TOTAL ASSETS	941,827	627,234
EQUITY		
Total Equity attributable to shareholders of the Company		
Share Capital	141,996	141,996
Reserves	9,337	10,163
Retained Earnings	363,224	315,986
	514,557	468,145
Minority Interests	1,815	1,232
Total Equity	516,372	469,377
<u>Non-Current Liabilities</u>		
Provision for Deferred Tax	72,328	17,219
<u>Current Liabilities</u>		
Payables and Accruals	336,698	131,256
Short term borrowings	8,453	6,324
Current Tax Liabilities	7,976	3,058
	353,127	140,638
Total Liabilities	425,455	157,857
TOTAL EQUITY AND LIABILITIES	941,827	627,234
Net Assets Per Share (RM)	1.69	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 31 December 2009

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Quarter Ended 31 December 2009

GROUP	Attributable to Equity Holders of the Parent									
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 January 2008	154,039	(12,043)	7,367	(5,900)	8,678	-	319,069	471,210	-	471,210
Exchange differences on translation	-	-	-	18	-	-	-	18	-	18
Share option granted	-	-	-	-	-	285	-	285	-	285
Recharge by holding company	-	-	-	-	-	(285)	(43)	(328)	-	(328)
Minority interest arising from acquisition of new subsidiary	-	-	-	-	-	-	-	-	362	362
Issue of shares in subsidiary to minority interest	-	-	-	-	-	-	-	-	900	900
Profit for the period	-	-	-	-	-	-	76,149	76,149	(30)	76,119
Dividends to shareholders	-	-	-	-	-	-	(79,189)	(79,189)	-	(79,189)
At 31 December 2008	154,039	(12,043)	7,367	(5,882)	8,678	-	315,986	468,145	1,232	469,377
At 1 January 2009	154,039	(12,043)	7,367	(5,882)	8,678	-	315,986	468,145	1,232	469,377
Exchange differences	-	-	-	(1,351)	-	-	-	(1,351)	-	(1,351)
Profit for the period	-	-	-	-	-	-	75,902	75,902	583	76,485
Dividends to shareholders	-	-	-	-	-	-	(28,664)	(28,664)	-	(28,664)
Share- based transaction	-	-	-	-	-	525	-	525	-	525
At 31 December 2009	154,039	(12,043)	7,367	(7,233)	8,678	525	363,224	514,557	1,815	516,372

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 31 December 2009

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 31 December 2009

	12 months ended 31 December	
	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	102,559	101,291
Adjustments for:		
Amortisation of intangible assets	1,270	1,795
Amortisation of prepaid lease payments	131	132
Depreciation of property, plant and equipment	18,963	19,221
Gain on disposal of property, plant and equipment	(1,276)	(2,842)
Property, plant & equipment written off	-	1,200
Share of profit after tax of equity accounted associate	(2,190)	(162)
Interest income	(3,146)	(7,403)
Other non-cash	1,174	285
Operating profit before working capital changes	117,485	113,517
Changes in working capital:		
Inventories	27,103	(9,198)
Receivables, deposits and prepayments	15,757	(1,635)
Payables and accruals	152,177	25,500
Cash generated from operations	312,522	128,184
Income taxes paid	(34,998)	(22,742)
Net cash from operating activities	277,524	105,442
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	5,466	3,432
Acquisition of property, plant and equipment	(13,036)	(11,507)
Acquisition of intangible assets	(457)	(997)
Acquisition of business by a subsidiary	-	(14,902)
Acquisition of a subsidiary by a jointly-controlled entity	-	(1,971)
Acquisition of a subsidiary	(351,367)	-
Advances from related company	5,983	-
Subscription for rights issue in associate co.	(8,996)	-
Interest income	3,146	7,403
Net cash from / (used in) investing activities	(359,261)	(18,542)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the Company	(28,664)	(79,189)
(Repayment to)/Advances from ultimate holding company	-	(756)
Proceeds from short term borrowing by a jointly-controlled entity	2,528	2,370
Proceeds from issuance of shares	-	900
Net cash used in financing activities	(26,136)	(76,675)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(107,873)	10,225
Exchange difference on translation of the financial statements of foreign entities	(559)	18
CASH AND CASH EQUIVALENTS AT 1 JANUARY	227,017	216,774
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	118,585	227,017

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

The Group’s level of operations for the quarter was impacted by 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.

The later timing of the 2010 Chinese New Year had only a marginal impact on the quarter’s results compared to last year.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 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 31 December 2009 was as follows:-

- (a) 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

- (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
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- (c) The Board of Directors propose the following dividends for shareholders' approval at the forthcoming Annual General Meeting on 27 April 2010 and if approved, to be paid on 18 May 2010:

- (i) Final dividend of 7.5 sen per RM0.50 share less Malaysian income tax.
(2008: 7.5 sen per RM0.50 share less Malaysian income tax).
- (ii) Special dividend of 10.5 sen per RM0.50 share less Malaysian income tax.
(2008: nil).

8. Segmental Information

Twelve Months Ended 31 December 2009	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Revenue from external customers	986,204	46,291	12,988	-	1,045,483
Inter segment revenue	769	-	-	(769)	-
Total revenue	986,973	46,291	12,988	(769)	1,045,483
Segment result	98,069	1,483	(2,329)	-	97,223
Financing cost					(1,341)
Interest income					4,487
Share of profit of equity accounted associate					2,190
Profit before tax					102,559

Twelve Months Ended 31 December 2008	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Revenue from external customers	955,479	-	4,728	-	960,207
Inter segment revenue	871	-	-	(871)	-
Total revenue	956,350	-	4,728	(871)	960,207
Segment result	96,771	-	(3,045)	-	93,726
Financing cost					(103)
Interest income					7,506
Share of profit of equity accounted associate					162
Profit before tax					101,291

Interim Financial Report for the Quarter Ended 31 December 2009
8. Segmental Information (cont'd..)

As At 31 December 2009	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Segment assets, non-current	436,624	87,125	5,627	-	529,376
Intangible assets/goodwill	6,162	375,601	1,364	-	383,127
Investment in associate					24,340
Unallocated assets					4,984
Total assets					941,827
Segment liabilities	302,849	89,845	1,644	-	394,338
Unallocated liabilities					31,117
					425,455

As At 31 December 2008	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Segment assets, non-current	596,601	-	8,398	-	604,999
Intangible assets/goodwill	6,925	-	1,364	-	8,289
Investment in associate					13,946
Unallocated assets					-
Total assets					627,234
Segment liabilities	127,873	-	3,923	-	131,796
Unallocated liabilities					26,061
					157,857

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 “Proposed Acquisition Of The Entire Equity Interest In Carlsberg Singapore Pte Ltd (CSPL), Comprising 1,000,000 Ordinary Shares, For A Cash Consideration Of RM370 Million”, has been completed on 30 October 2009. Accordingly, CSPL is now a wholly-owned subsidiary of CBMB.

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

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 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 31 December 2009 is as follows:

	<u>RM'000</u>
Commitments in respect of expenditure contracted for	1,021
Approved by the directors but not contracted for	1,376
	<u>2,397</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

	12 months to 31 December 2009
	RM'Million
Transactions with:	
a) Holding company:	
Carlsberg Breweries A/S	
Purchases of materials and products	0.5
Reimbursement of expenses	6.0
Management fees	1.3
Royalties	17.8

16. Significant Related Party Transactions (cont'd...)

	12 months to 31 December 2009
	RM' Million
Transactions with:	
b) Related companies:	
i) Carlsberg Brewery (Guangdong) Ltd Purchases of materials and products	0.2
ii) Danish Malting Group A/S Purchases of materials and products	7.6
iii) Danish Malting Group Polska Purchases of materials and products	1.4
iv) Carlsberg Group Procurement AG Purchases of materials and products	0.9
v) Slodownia Strzegom Sp.z.o.o. Purchases of materials & services	0.6
vi) Carlsberg IT A/S Purchases of services	0.4
c) Jointly-controlled entity:	
Carlsberg Distributors Taiwan Ltd Sales of goods and services	2.6
Reimbursement of marketing expenditure	0.6

17. Review of Performance

The Group's revenue for the fourth quarter ended 31 December 2009 increased by 46.4 per cent compared to the corresponding quarter in the previous year. The higher revenue was mainly due to consolidation of the two months' results of Carlsberg Singapore Pte Ltd and also due to the pre-budget trade stocking-up falling in Q4 2009 vs in Q3 in 2008.

Arising from the higher revenue mentioned above, the Group's Profit Before Tax for the quarter of RM26.8 million was 88.1 per cent or RM12.6 million higher than the same period last year. In addition, the positive contribution from Luen Heng F & B Sdn. Bhd. and consolidation of the two months' results of CSPL had resulted in the better performance whilst the synergy on the acquisition of CSPL will only be realized in 2010.

On a full year basis, Group revenue increased by 8.9 per cent compared to previous year and Group profit before tax of RM102.6 million was 1.3 per cent or RM1.3 million higher than the same period in the previous year in line with expectation.

18. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter increased by 24.1 per cent or RM58.3 million as compared to the preceding quarter. This was mainly due to the higher revenue arising from the later timing of the Government Budget announcement this year compared to 2008. In addition, the consolidation of the two months' results of Carlsberg Singapore Pte. Ltd. had resulted in the higher revenue. However, the Group's Profit Before Tax decreased by 8.3 per cent or RM2.4 million mainly due to higher administration costs in the fourth quarter 2009 and lower interest income.

19. Current Year Prospects

The Brewing Industry is pleased to note that there is no increase in duties for beer and stout products in the 2010 Government Budget announcement.

The Group believes the domestic beer market will improve marginally in 2010 in line with the better economic climate and more favorable timing of Chinese New Year. The acquisition of Carlsberg Singapore Ptd. Ltd. is expected to have significant positive impact on the Group's revenue and earnings.

In light of this, the Group expects the full year 2010 performance to be satisfactory.

20. Profit Forecast

Not applicable as no profit forecast was published.

21. Taxation

	12 months ended 31 December	
	2009 RM'000	2008 RM'000
Malaysian Income Tax		
- Current	28,474	28,260
- Prior Period	211	(661)
	28,685	27,599
Deferred Taxation	(2,611)	(2,427)
	26,074	25,172

22. Unquoted Investments and Properties

Apart from that disclosed in the previous announcements, there was a gain on disposal of three sales depots amounting to RM1.7 million.

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 2009:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	19,936	24,340	46,069

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:

	3 months ended 31.12.09	12 months ended 31.12.09
Net Profit for the period (RM'000)	20,099	76,485
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	6.57	25.02

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 24 February 2010.