



Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
31 March 2010

Interim Financial Report for the Quarter Ended 31 March 2010

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended 31 March 2010

	3 months ended 31 March		3 months ended 31 March	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	378,455	289,850	378,455	289,850
Operating expenses	(330,640)	(262,098)	(330,640)	(262,098)
Other operating income	333	45	333	45
Profit from operations	48,148	27,797	48,148	27,797
Interest income	254	1,499	254	1,499
Interest expense	(994)	(112)	(994)	(112)
Share of results of associated company	1,810	217	1,810	217
Profit Before Taxation	49,218	29,401	49,218	29,401
Taxation	(11,100)	(7,810)	(11,100)	(7,810)
Profit For The Period	38,118	21,591	38,118	21,591
Profit Attributable To:				
Equity holders of the parent	37,845	21,388	37,845	21,388
Minority Interests	273	203	273	203
Profit For The Period	38,118	21,591	38,118	21,591
Profit For The Period	38,118	21,591	38,118	21,591
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	38,118	21,591	38,118	21,591
Total Comprehensive Income Attributable To:				
Equity holders of the parent	37,845	21,388	37,845	21,388
Minority Interests	273	203	273	203
Total Comprehensive Income For The Period	38,118	21,591	38,118	21,591
EPS - Basic (sen)	12.38	7.00	12.38	7.00
- 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 2009 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 31 March 2010

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	AS AT END OF CURRENT QUARTER 31.03.10 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.12.09 (AUDITED - RESTATED) RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant & Equipment	135,654	138,420
Other Intangible Assets	407,247	382,772
Other Investment	352	352
Investment in an Associate	25,082	24,340
	568,335	545,884
<u>Current Assets</u>		
Inventories	43,610	58,590
Receivables, deposits and prepayment	245,268	217,591
Current Tax Assets	3,558	4,462
Cash & Cash Equivalents	133,814	118,585
	426,250	399,228
TOTAL ASSETS	994,585	945,112
EQUITY		
Total Equity attributable to shareholders of the Company		
Share Capital	141,996	141,996
Reserves	6,231	9,336
Retained Earnings	401,309	363,464
	549,536	514,796
Minority Interests	2,088	1,815
Total Equity	551,624	516,611
<u>Non-Current Liabilities</u>		
Provision for Deferred Tax	72,325	72,328
<u>Current Liabilities</u>		
Payables and Accruals	201,197	340,367
Short term borrowings	158,961	8,586
Current Tax Liabilities	10,478	7,220
	370,636	356,173
Total Liabilities	442,961	428,501
TOTAL EQUITY AND LIABILITIES	994,585	945,112
Net Assets Per Share (RM)	1.80	1.69

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 31 March 2010

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Quarter Ended 31 March 2010

GROUP	Attributable to Equity Holders of the Parent									
	Share Capital	Treasury Shares	Share Premium	Exchange Reserve	Capital Reserve	Share Option Reserve	Retained Earnings	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	154,039	(12,043)	7,367	(5,882)	8,678	-	315,986	468,145	1,232	469,377
Exchange differences on translation	-	-	-	519	-	-	-	519	-	519
Share based transaction	-	-	-	-	-	-	74	74	-	74
Total comprehensive income for the period	-	-	-	-	-	-	21,388	21,388	203	21,591
At 31 March 2009	154,039	(12,043)	7,367	(5,363)	8,678	-	337,448	490,126	1,435	491,561
At 1 January 2010	154,039	(12,043)	7,367	(7,233)	8,678	524	363,464	514,796	1,815	516,611
Exchange differences	-	-	-	(3,317)	-	-	-	(3,317)	-	(3,317)
Share option granted	-	-	-	-	-	212	-	212	-	212
Total comprehensive income for the period	-	-	-	-	-	-	37,845	37,845	273	38,118
At 31 March 2010	154,039	(12,043)	7,367	(10,550)	8,678	736	401,309	549,536	2,088	551,624

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 31 March 2010

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 31 March 2010

	3 months ended 31 March	
	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	49,218	29,401
Adjustments for:		
Amortisation of intangible assets	288	325
Depreciation of property, plant and equipment	4,656	4,853
Gain on disposal of property, plant and equipment	(2)	(45)
Share of profit after tax of equity accounted associate	(1,810)	(217)
Interest income	(254)	(1,499)
Interest expense	994	112
Other non-cash	(244)	74
Operating profit before working capital changes	52,846	33,004
Changes in working capital:		
Inventories	14,980	12,398
Receivables, deposits and prepayments	(27,677)	3,652
Payables and accruals	(139,170)	(32,644)
Cash generated from operations	(99,021)	16,410
Income taxes paid	(6,624)	(10,047)
Net cash from operating activities	(105,645)	6,363
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	7	312
Acquisition of property, plant and equipment	(2,239)	(3,959)
Acquisition of intangible assets	(239)	(68)
Additional costs related to acquisition of a subsidiary	(29,350)	-
Interest income	254	1,499
Interest expense	(994)	(112)
Net cash from / (used in) investing activities	(32,561)	(2,328)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	150,629	634
Net cash used in financing activities	150,629	634
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,423	4,669
Exchange difference on translation of the financial statements of foreign entities	2,806	-
CASH AND CASH EQUIVALENTS AT 1 JANUARY	118,585	227,017
CASH AND CASH EQUIVALENTS AT 31 MARCH	133,814	231,686

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2009.

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 2009.

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 2009 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 July 2009 and 1 January 2010. The adoption of these standards, amendments and interpretations have no material impact to these interim financial statements except for the adoption of the following standards which impact the presentation and disclosure impact:

FRS 8 - Operating Segments

FRS 101 - Presentation of Financial Statements (Revised)

FRS 117 - Leases

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment and has no effect on reported profit equity. The following comparative figures have been restated following the adoption of the amendments to FRS117:

Group	As previously reported	Adoption of FRS 117	As restated
	RM'000	RM'000	RM'000
Property, Plant and Equipment	130,498	7,922	138,420
Prepaid lease payments	7,922	(7,922)	-

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

3. Seasonal or Cyclical Factors

The Group's level of operations for the quarter was impacted by the higher local consumption of beer, stout and shandy during the 2010 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 2010.

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. Operating Segments

FRS 8 Operating Segments replaces FRS 114²⁰⁰⁴ Segment Reporting. The Group concluded that the operating segments determined in accordance with FRS 8 are the same as the geographical segments previously adopted.

In presenting information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of the assets.

Three Months Ended 31 March 2010	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:					
Total external revenue	290,397	85,657	2,401	-	378,455
Inter segment revenue	13,740	-	-	(13,740)	-
Total revenue	304,137	85,657	2,401	(13,740)	378,455
Segment result	29,651	19,122	(625)	-	48,148
Financing cost					(994)
Interest income					254
Share of profit of equity accounted associate					1,810
Profit before tax					49,218
Tax Expense					(11,100)
Profit for the period					38,118

Three Months Ended 31 March 2009	Malaysia RM'000	Singapore RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:					
Total external revenue	287,136	-	2,714	-	289,850
Inter segment revenue	251	-	-	(251)	-
Total revenue	287,387	-	2,714	(251)	289,850
Segment result	28,501	-	(704)	-	27,797
Financing cost					(112)
Interest income					1,499
Share of profit of equity accounted associate					217
Profit before tax					29,401
Tax Expense					(7,810)
Profit for the period					21,591

8. Operating Segments (cont'd..)

As At 31 March 2010	Malaysia	Singapore	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000
Geographical Segments:				
Segment assets	508,310	441,459	16,176	965,945
Investment in associate				25,082
Unallocated assets				3,558
Total assets				994,585
Segment liabilities	166,986	23,243	10,968	201,197
Unallocated liabilities				241,764
Total Liabilities				442,961

As At 31 March 2009	Malaysia	Singapore	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000
Geographical Segments:				
Segment assets	591,451	-	9,038	600,489
Investment in associate				14,682
Unallocated assets				-
Total assets				615,171
Segment liabilities	95,352	-	3,261	98,613
Unallocated liabilities				24,997
Total Liabilities				123,610

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 2009.

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 2009.

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 2010 is as follows:

	<u>RM'000</u>
Commitments in respect of expenditure contracted for	1,775
Approved by the directors but not contracted for	13,129
	<u>14,904</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 2010 RM'Million
Transactions with:	
a) Holding company:	
Carlsberg Breweries A/S	
Purchases of materials and products	0.1
Reimbursement of expenses	1.2
Royalties	9.0
b) Related companies:	
i) Danish Malting Group A/S	
Purchases of materials and products	2.1
ii) Danish Malting Group Polska	
Purchases of materials and products	2.4
iii) Carlsberg Group Procurement AG	
Purchases of materials and products	0.9
iv) Slodownia Strzegom Sp.z.o.o.	
Purchases of materials & services	0.1
v) Carlsberg IT A/S	
Purchases of services	0.1

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

**3 months to
31 March 2010**
RM'Million

Transactions with:

c) Jointly-controlled entity:	
Carlsberg Distributors Taiwan Ltd	
Sales of goods and services	0.9
Reimbursement of marketing expenditure	0.1

17. Review of Performance

The Group's revenue for the first quarter ended 31 March 2010 increased by 30.6 per cent compared to the corresponding quarter in the previous year. The higher revenue was mainly due to consolidation of the results of Carlsberg Singapore Pte. Ltd. (CSPL) as well as the later timing of the 2010 Chinese New Year.

Arising from the higher revenue mentioned above, the Group's Profit Before Tax for the quarter of RM49.2 million was 67.4 per cent or RM19.8million higher than the same period last year. The main drivers for the significant profit improvement arose from the acquisition of CSPL, higher share of profit from associated company Lion Brewery Ceylon PLC and higher contribution from Luen Heng F & B Sdn. Bhd.

18. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter increased by 26.0 per cent or RM78.1million as compared to the preceding quarter. The higher revenue followed the trend in previous years with a strong first quarter performance arising mainly from higher domestic sales particularly during the peak Chinese New Year festive period. In addition, the full three months results of CSPL had been consolidated. Consequently, the Group's Profit Before Tax increased by 83.6 per cent or RM22.4 million.

19. Current Year Prospects

The Group believes that barring any increase in duties for beer and stout products in the 2011 Government Budget announcement, the domestic beer market will improve marginally in 2010 in line with the higher GDP growth forecasted by Bank Negara and more favorable timing of Chinese New Year. The synergy from 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 good.

20. Profit Forecast

Not applicable as no profit forecast was published.

21. Taxation

	3 months ended 31 March	
	2010 RM'000	2009 RM'000
Malaysian Income Tax		
- Current	11,100	7,810
Deferred Taxation	-	-
	11,100	7,810

22. Unquoted Investments and Properties

Apart from that disclosed in the previous announcements, there were 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 31 March 2010:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	19,936	25,082	47,040

24. Status of Corporate Proposals Announced

As previously announced, the Company completed the acquisition of Carlsberg Singapore Pte Ltd on 30 October 2009. Pursuant to the Sales and Purchase Agreement (“SPA”), the Company made payments of RM200.0 million and RM176.0 million on 30 October 2009 and 1 March 2010 respectively. Subsequently in April 2010, pursuant to the terms and conditions in the SPA, a further adjustment of SGD10.0 million or equivalent to RM24.2 million will be paid next month in relation to pre-acquisition working capital.

25. Borrowing and Debt Securities

Group borrowings and Debt securities are as follows :

Short term – Unsecured loans	As at 31 March 2010 RM'000
Revolving credit	150,000
Other bank loan	8,961
Total short term loans	158,961

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 31.03.10	3 months ended 31.03.09
Net Profit attributable to shareholders (RM'000)	37,845	21,388
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	12.38	7.00

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 27 May 2010.