



Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
30 September 2011

Interim Financial Report for the Quarter Ended 30 September 2011

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended 30 September 2011

	3 months ended 30 September		9 months ended 30 September	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	401,661	329,492	1,154,388	1,042,101
Operating expenses	(334,638)	(283,916)	(986,822)	(908,273)
Other operating income	1,024	783	2,910	1,293
Profit from operations	68,047	46,359	170,476	135,121
Finance costs	0	0	0	0
Interest income	149	158	607	841
Interest expense	(1,494)	(967)	(2,880)	(3,507)
Share of results of associated company	2,204	1,275	5,950	4,173
Profit Before Taxation	68,906	46,825	174,153	136,628
Taxation	(19,920)	(12,649)	(44,544)	(33,259)
Profit For The Period	48,986	34,176	129,609	103,369
Profit Attributable To:				
Equity holders of the parent	48,848	34,087	128,811	102,747
Non-controlling Interests	138	89	798	622
Profit For The Period	48,986	34,176	129,609	103,369
Profit For The Period	48,986	34,176	129,609	103,369
Other comprehensive income				
Foreign currency translation differences for foreign operations	635	(1,254)	10,970	(4,026)
Total comprehensive income for the period	49,621	32,922	140,579	99,343
Total Comprehensive Income Attributable To:				
Equity holders of the parent	49,483	32,833	139,781	98,721
Non-controlling Interests	138	89	798	622
Total Comprehensive Income For The Period	49,621	32,922	140,579	99,343
EPS - Basic (sen)	15.98	11.15	42.13	33.61
- 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 2010 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 30 September 2011

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

	AS AT END OF CURRENT QUARTER 30.09.11 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR END 31.12.10 (AUDITED) RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant & Equipment	146,410	143,890
Other Intangible Assets	408,411	398,452
Other Investment	358	349
Prepaid Lease Payments	0	0
Investment in an Associate	31,342	26,337
Deferred tax assets	95	0
	586,616	569,028
<u>Current Assets</u>		
Inventories	53,128	48,834
Receivables, deposits and prepayment	293,804	207,223
Current Tax Assets	544	4,566
Cash & Cash Equivalents	82,720	101,370
	430,196	361,993
TOTAL ASSETS	1,016,812	931,021
EQUITY		
Total Equity attributable to shareholders of the Company		
Share Capital	154,039	154,039
Reserves	449,286	425,388
	603,325	579,427
Non-Controlling Interests	3,494	2,696
Total Equity	606,819	582,123
<u>Non-Current Liabilities</u>		
Provision for Deferred Tax	74,446	72,827
<u>Current Liabilities</u>		
Payables and Accruals	222,555	212,908
Current Tax Liabilities	18,781	10,212
Loans and Borrowings	94,211	52,951
	335,547	276,071
Total Liabilities	409,993	348,898
TOTAL EQUITY AND LIABILITIES	1,016,812	931,021
Net Assets Per Share (RM)	1.98	1.90

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 30 September 2011

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 30 September 2011

GROUP	Attributable to Equity Holders of the Parent							Total	Controlling	Total
	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 2010	154,039	(12,043)	7,367	(7,233)	8,678	524	363,464	514,796	1,815	516,611
Total comprehensive income for the period	-	-	-	(4,026)	-	-	102,747	98,721	622	99,343
Dividends to shareholders	-	-	-	-	-	-	(41,276)	(41,276)	-	(41,276)
Others	-	-	-	-	-	637	-	637	-	637
At 30 September 2010	154,039	(12,043)	7,367	(11,259)	8,678	1,161	424,935	572,878	2,437	575,315
At 1 January 2011	154,039	(12,043)	7,367	(17,322)	8,678	476	438,232	579,427	2,696	582,123
Total comprehensive income for the period	-	-	-	10,970	-	-	128,811	139,781	798	140,579
Dividends to shareholders	-	-	-	-	-	-	(115,802)	(115,802)	-	(115,802)
Others	-	-	-	-	-	(81)	-	(81)	-	(81)
At 30 September 2011	154,039	(12,043)	7,367	(6,352)	8,678	395	451,241	603,325	3,494	606,819

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements

Interim Financial Report for the Quarter Ended 30 September 2011

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 30 September 2011

	9 months ended 30 September	
	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	174,153	136,628
Adjustments for:		
Amortisation of intangible assets	691	766
Depreciation of property, plant and equipment	14,160	13,412
Gain on disposal of property, plant and equipment	(2,207)	(853)
Property, plant & equipment written off	7	-
Share of profit after tax of equity accounted associate	(5,950)	(4,173)
Interest income	(607)	(841)
Interest expense	2,880	3,507
Others	(79)	916
Operating profit before working capital changes	183,048	149,362
Changes in working capital:		
Inventories	(4,294)	16,838
Receivables, deposits and prepayments	(86,635)	(55,772)
Payables and accruals	9,701	21,484
Cash generated from operations	101,820	131,912
Income taxes paid	(31,632)	(24,656)
Net cash from operating activities	70,188	107,256
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	3,016	1,450
Acquisition of property, plant and equipment	(17,463)	(6,513)
Acquisition of intangible assets	(136)	(982)
Acquisition of a subsidiary	-	(198,560)
Interest income	607	841
Dividend received from associate	2,165	1,652
Net cash from / (used in) investing activities	(11,811)	(202,112)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the Company	(115,802)	(41,276)
Interest paid	(2,880)	(3,507)
Proceeds from short term borrowings	41,260	47,127
Net cash used in financing activities	(77,422)	2,344
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(19,045)	(92,512)
Effect of exchange rate fluctuations on cash held	395	2,585
CASH AND CASH EQUIVALENTS AT 1 JANUARY	101,370	118,585
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	82,720	28,658

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

Notes :
1. Basis of Preparation

The interim financial statements are unaudited and have 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 2010.

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 2010.

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 2010 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group’s financial period beginning 1 January 2011.

On 1 January 2011, the Group adopted the following FRSs, Amendment to FRSs and IC Interpretations:-

Amendments to FRS 1	First Time Adoption of Financial Reporting standards - Limited Exemption from Comparative FRS7 Disclosures for First-time Adopters - Additional Exemption for First-time Adopters
Amendments to FRS7	Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments
Amendments to FRS2	Group Cash-settled Share-based Payment Transactions
IC Interpretation 4	Determining whether an Arrangement contains a lease
IC Interpretation 18	Transfers of Assets from Customers
Improvements to FRSs (2010)	

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2010 was not qualified.

3. Seasonal or Cyclical Factors

The Group’s business operations are generally affected by festive seasons.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2011.

5. Changes in Estimates

There were no estimates reported in the financial year.

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 30 September 2011 was as follows:-

- a) In respect of the financial year ended 31 December 2010 as reported in the directors' report of the year:

	<u>RM'000</u>
i) Final dividend of 7.5 sen per RM0.50 share less tax, paid on 18 May 2011	17,198
ii) Special dividend of 43.0 sen per RM0.50 share less tax, paid on 18 May 2011	98,604
	115,802

- b) In respect of the financial year ended 31 December 2011 :

	<u>RM'000</u>
i) Interim dividend of 5 sen per RM0.50 share less tax, paid on 7 October 2011	11,466

Interim Financial Report for the Quarter Ended 30 September 2011

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.

Segment assets and liabilities are not included in the internal management reports nor provided regularly to the Group's Managing Director, hence no disclosure is made.

Nine Months Ended 30 September 2011	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Total external revenue	875,712	264,090	14,586	-	1,154,388
Inter segment revenue	45,114	-	-	(45,114)	-
Total revenue	920,826	264,090	14,586	(45,114)	1,154,388
Segment result	122,966	48,731	(1,431)	210	170,476
Financing cost					(2,880)
Interest income					607
Share of profit of equity accounted associate					5,950
Profit before tax					174,153
Tax Expense					(44,544)
Profit for the period					129,609

Nine Months Ended 30 September 2010	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Total external revenue	795,214	237,548	9,339	-	1,042,101
Inter segment revenue	39,408	-	-	(39,408)	-
Total revenue	834,622	237,548	9,339	(39,408)	1,042,101
Segment result	97,510	40,265	(1,868)	(786)	135,121
Financing cost					(3,507)
Interest income					841
Share of profit of equity accounted associate					4,173
Profit before tax					136,628
Tax Expense					(33,259)
Profit for the period					103,369

9. Material Contracts

There were no new material contracts in the quarter under review.

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 2010.

11. Subsequent Events

There were no material events subsequent to the end of the financial period under review, that have not been reflected in the quarterly financial statements.

12. Changes in Composition of the Group

There has been no change in the composition of the Group in the 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 2010.

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 2011 is as follows:

	RM'000
Commitments in respect of expenditure contracted for	8,071
Approved by the directors but not contracted for	4,288
	12,359

15. Financial Instruments

Derivatives

The outstanding derivatives as at the end of the current period are as follows:

Forward Foreign Currency Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
- Less than 1 year	23,558	20,250	(3,308)
- 1 year to 3 years	1,733	1,519	(214)
- More than 3 years	-	-	-

16. Holding Company

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

17. Significant Related Party Transactions

**9 months to
30 September
2011**
RM' Million

Transactions with:

a) Holding company:		
Carlsberg Breweries A/S		
Sales of goods and services		0.1
Purchases of materials and products		0.6
Reimbursement of expenses		3.5
Management fees receivable		0.2
Royalties		19.7
b) Related companies:		
i) Danish Malting Group Polska		
Purchases of materials and products		15.2
ii) Carlsberg Group Procurement AG		
Purchases of materials and products		6.1
iii) Slodownia Strzegom Sp.z.o.o.		
Purchases of materials and products		0.4
iv) Carlsberg Polska Sp.z.o.o.		
Purchases of materials and products		0.6
v) Brasseries Kronenbourg		
Purchases of materials and products		1.5
vi) Carlsberg Hong Kong Ltd.		
Sales of goods and service		1.2
Purchases of materials and products		0.1
vii) Carlsberg IT A/S		
Purchases of services		0.4
viii) Saku Olletehase AS		
Purchases of materials and products		1.8

18. Review of Performance

The Group's revenue for the third quarter ended 30 September 2011 increased by 21.9 per cent compared to the corresponding quarter in the previous year. The higher revenue was partly attributable to the higher sales arising from successful consumer campaigns undertaken during the period.

Arising from the higher revenue mentioned above, the Group's Profit Before Tax for the quarter of RM68.9 million was 47.2 per cent or RM22.1 million higher than the same period last year. The higher profit was also attributable to lower costs incurred during the quarter as a result of earlier productivity improvements and cost efficiency initiatives in Supply Chain and Sales and Marketing.

On a cumulative nine months ended September 2011 basis, Group Profit before tax of RM174.2 million was 27.5% or RM 37.5 million higher than the same period in the previous year, in line with expectations.

19. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter increased by 16.3 per cent or RM56.1 million as compared to the preceding quarter. This was partly attributable to the higher sales to the trade before the 2012 Malaysian Budget announcement.

Coupled with the higher revenue, increased focus on operating expenses and higher share of profit from the Lion Brewery Ceylon PLC, the Group's Profit Before Tax increased by 68.3 per cent or RM28.0 million during the period.

20. Current Year Prospects

Carlsberg Malaysia is likely to perform satisfactorily for the year, and in line with the expected moderate growth of the domestic beer market.

21. Profit Forecast

Not applicable as no profit forecast was published.

22. Taxation

	9 months ended 30 September	
	2011 RM'000	2010 RM'000
Malaysian Income Tax - Current	44,544	33,259

23. Realised and Unrealised Profits/ Losses

	Group ended 30 September 2011 RM'000
Total retained earnings of the Company and its subsidiaries :	
- Realised	503,753
- Unrealised	(21,547)
Total retained earnings of an associate :	
- Realised	16,446
- Unrealised	(3,154)
Total accumulated losses of jointly-controlled entity :	
- Realised	(11,719)
- Unrealised	(45)
Less : Consolidation adjustments	(32,493)
Total retained earnings	451,241

24. Unquoted Investments and Properties

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

25. 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 2011:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	19,936	31,342	110,670

26. Corporate Proposals

There were no new corporate proposals announced as at 8 November 2011 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

27. Borrowing and Debt Securities

Group borrowings and Debt securities are as follows:

Short term – Unsecured loans	As at 30 September 2011 RM'000
Revolving credit	78,000
Other bank loan	16,211
Total short term loans	94,211

28. Material Litigation

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

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:

	9 months ended 30.09.11	9 months ended 30.09.10
Net Profit attributable to shareholders (RM'000)	128,811	102,747
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	42.13	33.61

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 15 November 2011.