



**Carlsberg Brewery Malaysia Berhad**

Company No. 9210-K  
(Incorporated in Malaysia)

Interim Financial Report  
30 September 2012

## Interim Financial Report for the Quarter Ended 30 September 2012

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended 30 September 2012

|                                                                    | 3 months ended<br>30 September |                | 9 months ended<br>30 September |                |
|--------------------------------------------------------------------|--------------------------------|----------------|--------------------------------|----------------|
|                                                                    | 2012<br>RM'000                 | 2011<br>RM'000 | 2012<br>RM'000                 | 2011<br>RM'000 |
| Revenue                                                            | 410,844                        | 401,661        | 1,248,286                      | 1,154,388      |
| Operating expenses                                                 | (331,271)                      | (334,638)      | (1,057,256)                    | (986,822)      |
| Other operating income                                             | 137                            | 1,024          | 2,869                          | 2,910          |
| Profit from operations                                             | 79,710                         | 68,047         | 193,899                        | 170,476        |
| Interest income                                                    | 61                             | 149            | 624                            | 607            |
| Interest expense                                                   | (2,083)                        | (1,494)        | (3,829)                        | (2,880)        |
| Share of results of<br>associated company                          | 1,763                          | 2,204          | 5,792                          | 5,950          |
| Profit before taxation                                             | 79,451                         | 68,906         | 196,486                        | 174,153        |
| Taxation                                                           | (17,658)                       | (19,920)       | (43,495)                       | (44,544)       |
| Profit for the period                                              | 61,793                         | 48,986         | 152,991                        | 129,609        |
| Profit attributable To:                                            |                                |                |                                |                |
| Owner of the Company                                               | 61,057                         | 48,848         | 151,163                        | 128,811        |
| Non-controlling Interests                                          | 736                            | 138            | 1,828                          | 798            |
| Profit for the period                                              | 61,793                         | 48,986         | 152,991                        | 129,609        |
| Profit for the period                                              | 61,793                         | 48,986         | 152,991                        | 129,609        |
| Other comprehensive (expenses)/income                              |                                |                |                                |                |
| Foreign currency translation<br>differences for foreign operations | (351)                          | 635            | (4,261)                        | 1,995          |
| Total comprehensive income for the<br>period                       | 61,442                         | 49,621         | 148,730                        | 131,604        |
| Total comprehensive income attributable<br>to:                     |                                |                |                                |                |
| Owner of the Company                                               | 60,706                         | 49,483         | 146,902                        | 130,806        |
| Non-controlling Interests                                          | 736                            | 138            | 1,828                          | 798            |
| Total comprehensive income for the<br>period                       | 61,442                         | 49,621         | 148,730                        | 131,604        |
| EPS - Basic (sen)                                                  | 19.97                          | 15.98          | 49.44                          | 42.13          |
| - 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 2011 and the accompanying explanatory notes attached to the interim financial statements.

# Interim Financial Report for the Quarter Ended 30 September 2012



## CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

|                                                                   | AS AT<br>30.09.12<br>RM'000 | AS AT<br>31.12.11<br>RM'000 | AS AT<br>1.1.11<br>RM'000 |
|-------------------------------------------------------------------|-----------------------------|-----------------------------|---------------------------|
| <b>ASSETS</b>                                                     |                             |                             |                           |
| <b><u>Non-current assets</u></b>                                  |                             |                             |                           |
| Property, plant & equipment                                       | 145,749                     | 146,631                     | 143,890                   |
| Other intangible assets                                           | 9,308                       | 11,588                      | 7,945                     |
| Other investment                                                  | 365                         | 356                         | 349                       |
| Investment in an associate                                        | 32,615                      | 33,407                      | 26,337                    |
| Deferred tax assets                                               | 36                          | 36                          | -                         |
|                                                                   | 188,073                     | 192,018                     | 178,521                   |
| <b><u>Current assets</u></b>                                      |                             |                             |                           |
| Inventories                                                       | 39,147                      | 62,538                      | 48,834                    |
| Receivables, deposits and prepayments                             | 295,643                     | 231,108                     | 207,223                   |
| Current tax assets                                                | 2,396                       | 3,662                       | 4,566                     |
| Cash & cash equivalents                                           | 53,072                      | 72,196                      | 101,370                   |
|                                                                   | 390,258                     | 369,504                     | 361,993                   |
| <b>TOTAL ASSETS</b>                                               | <b>578,331</b>              | <b>561,522</b>              | <b>540,514</b>            |
| <b>EQUITY</b>                                                     |                             |                             |                           |
| <b>Total equity attributable to equity holders of the Company</b> |                             |                             |                           |
| Share capital                                                     | 154,039                     | 154,039                     | 154,039                   |
| Reserves                                                          | 119,780                     | 131,409                     | 91,257                    |
|                                                                   | 273,819                     | 285,448                     | 245,296                   |
| Non-controlling interests                                         | 7,534                       | 3,916                       | 2,696                     |
| <b>Total Equity</b>                                               | <b>281,353</b>              | <b>289,364</b>              | <b>247,992</b>            |
| <b><u>Non-Current Liabilities</u></b>                             |                             |                             |                           |
| Provision for deferred tax                                        | 18,387                      | 18,382                      | 16,451                    |
| <b><u>Current Liabilities</u></b>                                 |                             |                             |                           |
| Payables and accruals                                             | 209,211                     | 214,185                     | 212,908                   |
| Current tax liabilities                                           | 26,380                      | 17,340                      | 10,212                    |
| Loans and borrowings                                              | 43,000                      | 22,251                      | 52,951                    |
|                                                                   | 278,591                     | 253,776                     | 276,071                   |
| <b>Total liabilities</b>                                          | <b>296,978</b>              | <b>272,158</b>              | <b>292,522</b>            |
| <b>TOTAL EQUITY AND LIABILITIES</b>                               | <b>578,331</b>              | <b>561,522</b>              | <b>540,514</b>            |
| <b>Net assets per share (RM)</b>                                  | <b>0.92</b>                 | <b>0.95</b>                 | <b>0.81</b>               |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

# Interim Financial Report for the Quarter Ended 30 September 2012



## CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 30 September 2012

| Group                                                | <i>Attributable to Equity Holders of the Parent</i> |                           |                         |                            |                           |                                |                          | Retained Earnings<br>RM'000 | Total<br>RM'000 | Non-Controlling Interests<br>RM'000 | Total Equity<br>RM'000 |
|------------------------------------------------------|-----------------------------------------------------|---------------------------|-------------------------|----------------------------|---------------------------|--------------------------------|--------------------------|-----------------------------|-----------------|-------------------------------------|------------------------|
|                                                      | Share Capital<br>RM'000                             | Treasury Shares<br>RM'000 | Share Premium<br>RM'000 | Exchange Reserve<br>RM'000 | Capital Reserve<br>RM'000 | Share Option Reserve<br>RM'000 | Other Reserves<br>RM'000 |                             |                 |                                     |                        |
| At 1 January 2011, restated                          | 154,039                                             | (12,043)                  | 7,367                   | -                          | 3,931                     | 476                            | -                        | 91,526                      | 245,296         | 2,696                               | 247,992                |
| Total comprehensive income for the year              | -                                                   | -                         | -                       | 1,995                      | -                         | -                              | -                        | 128,811                     | 130,806         | 798                                 | 131,604                |
| Dividends to owner of the Company                    | -                                                   | -                         | -                       | -                          | -                         | -                              | -                        | (115,802)                   | (115,802)       | -                                   | (115,802)              |
| Others                                               | -                                                   | -                         | -                       | -                          | -                         | (81)                           | -                        | -                           | (81)            | -                                   | (81)                   |
| <b>At 30 September 2011, restated</b>                | <b>154,039</b>                                      | <b>(12,043)</b>           | <b>7,367</b>            | <b>1,995</b>               | <b>3,931</b>              | <b>395</b>                     | <b>-</b>                 | <b>104,535</b>              | <b>260,219</b>  | <b>3,494</b>                        | <b>263,713</b>         |
| At 1 January 2012, restated                          | 154,039                                             | (12,043)                  | 7,367                   | 1,682                      | 3,931                     | 54                             | -                        | 130,418                     | 285,448         | 3,916                               | 289,364                |
| Total comprehensive (expenses)/ income for the year  | -                                                   | -                         | -                       | (4,261)                    | -                         | -                              | -                        | 151,163                     | 146,902         | 1,828                               | 148,730                |
| Dividends to owner of the Company                    | -                                                   | -                         | -                       | -                          | -                         | -                              | -                        | (156,314)                   | (156,314)       | -                                   | (156,314)              |
| Acquisition of non-controlling shareholder interests | -                                                   | -                         | -                       | -                          | -                         | -                              | (780)                    | (1,790)                     | (2,570)         | 1,790                               | (780)                  |
| Others                                               | -                                                   | -                         | -                       | -                          | -                         | 297                            | -                        | 56                          | 353             | -                                   | 353                    |
| <b>At 30 September 2012</b>                          | <b>154,039</b>                                      | <b>(12,043)</b>           | <b>7,367</b>            | <b>(2,579)</b>             | <b>3,931</b>              | <b>351</b>                     | <b>(780)</b>             | <b>123,533</b>              | <b>273,819</b>  | <b>7,534</b>                        | <b>281,353</b>         |

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the Quarter Ended 30 September 2012

|                                                         | <b>9 months ended<br/>30 September</b> |                        |
|---------------------------------------------------------|----------------------------------------|------------------------|
|                                                         | <b>2012<br/>RM'000</b>                 | <b>2011<br/>RM'000</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |                                        |                        |
| Profit before taxation                                  | 196,486                                | 174,153                |
| Adjustments for:                                        |                                        |                        |
| Non-cash items                                          | 9,430                                  | 6,622                  |
| Interest income                                         | (624)                                  | (607)                  |
| Interest expense                                        | 3,829                                  | 2,880                  |
| Operating profit before working capital changes         | 209,121                                | 183,048                |
| Changes in working capital:                             |                                        |                        |
| Inventories                                             | 17,466                                 | (4,294)                |
| Receivables, deposits and prepayments                   | (95,112)                               | (86,635)               |
| Payables and accruals                                   | 20,313                                 | 9,701                  |
| Cash generated from operations                          | 151,788                                | 101,820                |
| Income taxes paid                                       | (33,189)                               | (31,632)               |
| Net cash generated from operating activities            | 118,599                                | 70,188                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>             |                                        |                        |
| Proceeds from disposal of property, plant and equipment | 939                                    | 3,016                  |
| Acquisition of property, plant and equipment            | (13,811)                               | (17,463)               |
| Acquisition of intangible assets                        | (644)                                  | (136)                  |
| Acquisition of non-controlling shareholder interests    | (780)                                  | -                      |
| Interest income                                         | 624                                    | 607                    |
| Dividend received from associate                        | 1,668                                  | 2,165                  |
| Net cash used in investing activities                   | (12,004)                               | (11,811)               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>             |                                        |                        |
| Dividends paid to shareholder of the Company            | (156,314)                              | (115,802)              |
| Interest paid                                           | (3,829)                                | (2,880)                |
| Net proceed from short term borrowings                  | 33,053                                 | 41,260                 |
| Net cash used in financing activities                   | (127,090)                              | (77,422)               |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>        | (20,495)                               | (19,045)               |
| Effect of exchange rate fluctuations on cash held       | 1,371                                  | 395                    |
| <b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>           | 72,196                                 | 101,370                |
| <b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>        | 53,072                                 | 82,720                 |

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

Notes :

**1. Basis of Preparation**

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134, *Interim Financial Reporting* issued by Malaysian Accounting Standards Board, and International Accounting Standard (IAS) 34, *Interim Financial Reporting* issued by International Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2011.

The consolidated financial statements of the Group as at and for the year ended 31 December 2011 were prepared under Financial Reporting Standards (FRSs).

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements, and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition from FRS to MFRS does not have a material impact on the statement of cash flows. The impact of the transition from FRS to MFRS is described in Note 2 below.

**2. Significant Accounting Policies**

**2.1. Adoption of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011, except as discussed below.

**a) Business Combinations**

MFRS 1 provides the option to apply MFRS 3, *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. The Group has applied the transition exemption to apply MFRS 3 to business combinations commencing from 8<sup>th</sup> September 2009, the acquisition of Carlsberg Singapore Pte. Ltd. ("CSPL"). From this date, the Group also adopted the accounting policy to account for common control business combinations using book value accounting, by recognising assets and liabilities acquired using the book value of the entity transferred. By applying this accounting policy, the goodwill, distribution rights, deferred tax liabilities and their consequential exchange differences arising from the acquisition of CSPL have been derecognised.

## 2. Significant Accounting Policies (continued)

### 2.1. Adoption of MFRS 1 (continued)

#### b) Property, Plant and Equipment

Under MFRS 116, *Property, Plant and Equipment*, the Group elected to state assets at cost less accumulated depreciation and impairment, if any. However as permitted by MFRS 1, the Group has availed to the option to carry revalued assets as deemed cost at the date of transition. Consequently, these assets have not been restated. Nonetheless, the revaluation reserve of RM4.7 million at 1 January 2011, 1 January 2012 and 30 September 2012 was classified to retained earnings. The deferred tax liabilities have also been adjusted.

#### c) Foreign currency translation reserve

As allowed by MFRS 1, the Group's cumulative foreign currency translation reserve has been reset to zero on the date of transition. Under MFRS 121, *The Effect of Changes in Foreign Exchange Rate*, the Group has classified the exchange reserve to retained earnings.

Effects of adopting MFRS on financial position are provided as below:

#### Reconciliation as at 1 January 2011

|                          | FRS as at<br>1 January 2011<br>RM'000 | Reclassification<br>RM'000 | MFRS as at<br>1 January 2011<br>RM'000 |
|--------------------------|---------------------------------------|----------------------------|----------------------------------------|
| Intangible assets        | 398,452                               | (390,507)                  | 7,945                                  |
| Deferred tax liabilities | (72,827)                              | 56,376                     | (16,451)                               |
| Capital reserves         | (8,678)                               | 4,747                      | (3,931)                                |
| Exchange reserves        | 17,322                                | (17,322)                   | -                                      |
| Retained earnings        | (438,232)                             | 346,706                    | (91,526)                               |

#### Reconciliation as at 30 September 2011

|                          | FRS as at<br>30 September<br>2011<br>RM'000 | Reclassification<br>RM'000 | MFRS as at<br>30 September<br>2011<br>RM'000 |
|--------------------------|---------------------------------------------|----------------------------|----------------------------------------------|
| Intangible assets        | 408,411                                     | (400,997)                  | 7,414                                        |
| Deferred tax liabilities | (74,446)                                    | 57,891                     | (16,555)                                     |
| Capital reserves         | (8,678)                                     | 4,747                      | (3,931)                                      |
| Exchange reserves        | 6,352                                       | (8,347)                    | (1,995)                                      |
| Retained earnings        | (451,241)                                   | 346,706                    | (104,535)                                    |

## 2. Significant Accounting Policies (continued)

### 2.1. Adoption of MFRS 1 (continued)

#### c) Foreign currency translation reserve (continued)

##### Reconciliation as at 1 January 2012

|                          | FRS as at<br>1 January 2012<br>RM'000 | Reclassification<br>RM'000 | MFRS as at<br>1 January 2012<br>RM'000 |
|--------------------------|---------------------------------------|----------------------------|----------------------------------------|
| Intangible assets        | 410,924                               | (399,336)                  | 11,588                                 |
| Deferred tax liabilities | (76,033)                              | 57,651                     | (18,382)                               |
| Capital reserves         | (8,678)                               | 4,747                      | (3,931)                                |
| Exchange reserves        | 8,086                                 | (9,768)                    | (1,682)                                |
| Retained earnings        | (477,124)                             | 346,706                    | (130,418)                              |

There is no impact to profit or loss.

### 2.2 MFRS, Amendments to MFRSs and IC Interpretation Issued But Not Yet Effective

At the date of authorization of these financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

| MFRSs, Amendments to MFRSs and IC Interpretation | Effective for<br>annual period<br>beginning on<br>or after |
|--------------------------------------------------|------------------------------------------------------------|
| MFRS 3                                           | 1 January 2013                                             |
| MFRS 9                                           | 1 January 2015                                             |
| MFRS 10                                          | 1 January 2013                                             |
| MFRS 11                                          | 1 January 2013                                             |
| MFRS 12                                          | 1 January 2013                                             |
| MFRS 13                                          | 1 January 2013                                             |
| MFRS 119                                         | 1 January 2013                                             |
| MFRS 127                                         | 1 January 2013                                             |
| MFRS 128                                         | 1 January 2013                                             |
| Amendments to MFRS 7                             | 1 January 2013                                             |
| Amendments to MFRS 101                           | 1 July 2012                                                |
| Amendments to MFRS 132                           | 1 January 2014                                             |



### 3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not subject to any qualification.

### 4. Seasonal or Cyclical Factors

In line with expectation and past trends, the Group's level of operations for the third quarter was higher following the preceding quarter which was driven by the successful consumer campaigns undertaken during the period.

### 5. Unusual Items affecting the assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current financial period under review.

### 6. Changes in Estimates

There were no significant changes in estimates that have had a material effect in the current financial period under review.

### 7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period under review.

#### *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.

### 8. Dividends Paid

The amount of dividends paid during the financial period ended 30 September 2012 was as follows:-

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

|                                                                                          | <b><u>RM'000</u></b> |
|------------------------------------------------------------------------------------------|----------------------|
| i) Final and special dividend of 65.5 sen per RM0.50 share less tax, paid on 18 May 2012 | 150,199              |
| ii) Final tax exempt dividend of 2.0 sen per RM0.50 share, paid on 18 May 2012           | 6,115                |
|                                                                                          | 156,314              |

## 9. Operating Segments

The Group concluded that the operating segments determined in accordance with MFRS/IFRS 8 are the same as the geographical segments as 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.

| Quarter Ended<br>30 September 2012 | Malaysia       | Singapore     | Others   | Elimination     | Consolidated   |
|------------------------------------|----------------|---------------|----------|-----------------|----------------|
|                                    | RM'000         | RM'000        | RM'000   | RM'000          | RM'000         |
| <b>Geographical Segments:</b>      |                |               |          |                 |                |
| Total external revenue             | 319,933        | 90,911        | -        | -               | 410,844        |
| Inter segment revenue              | 13,150         | -             | -        | (13,150)        | -              |
| <b>Total revenue</b>               | <b>333,083</b> | <b>90,911</b> | <b>-</b> | <b>(13,150)</b> | <b>410,844</b> |
| <b>Profit from operations</b>      | <b>58,190</b>  | <b>21,520</b> | <b>-</b> | <b>-</b>        | <b>79,710</b>  |

| Quarter Ended<br>30 September 2011 | Malaysia       | Singapore     | Others       | Elimination     | Consolidated   |
|------------------------------------|----------------|---------------|--------------|-----------------|----------------|
|                                    | RM'000         | RM'000        | RM'000       | RM'000          | RM'000         |
| <b>Geographical Segments:</b>      |                |               |              |                 |                |
| Total external revenue             | 307,679        | 88,281        | 5,701        | -               | 401,661        |
| Inter segment revenue              | 15,990         | -             | -            | (15,990)        | -              |
| <b>Total revenue</b>               | <b>323,669</b> | <b>88,281</b> | <b>5,701</b> | <b>(15,990)</b> | <b>401,661</b> |
| <b>Profit from operations</b>      | <b>46,393</b>  | <b>22,075</b> | <b>(421)</b> | <b>-</b>        | <b>68,047</b>  |

| 9 months Ended<br>30 September 2012 | Malaysia         | Singapore      | Others         | Elimination     | Consolidated     |
|-------------------------------------|------------------|----------------|----------------|-----------------|------------------|
|                                     | RM'000           | RM'000         | RM'000         | RM'000          | RM'000           |
| <b>Geographical Segments:</b>       |                  |                |                |                 |                  |
| Total external revenue              | 968,994          | 274,501        | 4,791          | -               | 1,248,286        |
| Inter segment revenue               | 41,739           | -              | -              | (41,739)        | -                |
| <b>Total revenue</b>                | <b>1,010,733</b> | <b>274,501</b> | <b>4,791</b>   | <b>(41,739)</b> | <b>1,248,286</b> |
| <b>Profit from operations</b>       | <b>142,925</b>   | <b>52,310</b>  | <b>(1,336)</b> | <b>-</b>        | <b>193,899</b>   |

| 9 months Ended<br>30 September 2011 | Malaysia       | Singapore      | Others         | Elimination     | Consolidated     |
|-------------------------------------|----------------|----------------|----------------|-----------------|------------------|
|                                     | RM'000         | RM'000         | RM'000         | RM'000          | RM'000           |
| <b>Geographical Segments:</b>       |                |                |                |                 |                  |
| Total external revenue              | 875,712        | 264,090        | 14,586         | -               | 1,154,388        |
| Inter segment revenue               | 45,114         | -              | -              | (45,114)        | -                |
| <b>Total revenue</b>                | <b>920,826</b> | <b>264,090</b> | <b>14,586</b>  | <b>(45,114)</b> | <b>1,154,388</b> |
| <b>Profit from operations</b>       | <b>123,176</b> | <b>48,731</b>  | <b>(1,431)</b> | <b>-</b>        | <b>170,476</b>   |

## 10. Material Contracts

No new material contracts were concluded during current financial period under review.

## 11. Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

## 12. Subsequent Events

The Board is not aware of any material event or transaction during the current financial period under review to the date of this announcement, which affects substantially the results of the operation of the Group.

## 13. Changes in Composition of the Group

There has been no change in the composition of the Group during the current financial period under review.

## 14. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities or contingent assets as disclosed in the Audited Financial Statement for the financial year ended 31 December 2011.

## 15. Capital Commitments

Capital commitments for property, plant and equipment and intangibles assets approved by the Board but not provided for in the financial statements as at 30 September 2012 are as follows:

|                    | <u>RM'000</u> |
|--------------------|---------------|
| Contracted for     | 5,679         |
| Not contracted for | 12,606        |
|                    | <u>18,285</u> |

## 16. Financial Instruments

Derivatives

The outstanding derivative as at the end of the current period is as follows:

| Aluminium Hedging Contract | Contract Value<br>(RM'000) | Fair Value<br>(RM'000) | Difference<br>(RM'000) |
|----------------------------|----------------------------|------------------------|------------------------|
| - Less than 1 year         | 21,872                     | 21,178                 | (694)                  |
| - 2 to 5 years             | 1,001                      | 1,097                  | 96                     |
|                            | 22,873                     | 22,275                 | (598)                  |

## 17. Holding Company

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

## 18. Significant Related Party Transactions

|                                              | <b>9 months<br/>ended<br/>30 September 2012<br/>RM'million</b> |
|----------------------------------------------|----------------------------------------------------------------|
| Transactions with:                           |                                                                |
| a) Holding company:                          |                                                                |
| Carlsberg Breweries A/S                      |                                                                |
| Reimbursement of expenses                    | 8.0                                                            |
| Royalties payable                            | 23.4                                                           |
| b) Related companies:                        |                                                                |
| i) Carlsberg Group Procurement AG            |                                                                |
| Purchases of materials and products          | 7.7                                                            |
| Purchase of services                         | 0.7                                                            |
| ii) Slodownia Strzegom Sp.z.o.o.             |                                                                |
| Purchases of materials and products          | 0.9                                                            |
| iii) Brasseries Kronenbourg                  |                                                                |
| Purchases of materials and products          | 3.1                                                            |
| iv) Na Noi Vung Tau Beer Joint Stock Company |                                                                |
| Sales of goods and services                  | 4.8                                                            |
| v) Eurobier Koncepts SB                      |                                                                |
| Sales of products                            | 2.2                                                            |
| vi) Carlsberg Sverige AB                     |                                                                |
| Purchases of materials and products          | 1.0                                                            |
| vii) Luen Heng Agency                        |                                                                |
| Rental expenses                              | 0.6                                                            |
| viii) Saku Olletehase As                     |                                                                |
| Purchase of materials and products           | 1.2                                                            |
| ix) Carlsberg IT A/S                         |                                                                |
| Purchase of IT services                      | 0.3                                                            |

## 19. Review of Performance

### Current Quarter Performance

The revenue from the Malaysia business increased by 2.9 percent and the revenue from the Singapore business increased by 3.0 percent, compared to the corresponding quarter in the previous year. The growth in revenue was mainly due to better pricing and growth in premium beer segment.

The Group's Profit Before Tax for the quarter of RM79.5 million was 15.3 per cent higher than for the same period last year driven by revenue growth and cost efficiencies.

### Year-to-date Performance

The revenue from the Malaysia business increased by 9.8 percent and the revenue from the Singapore business increased by 3.9 percent, compared to corresponding period in the previous year. The improvement in revenue was mainly due to the successful 2012 Chinese New Year campaign, better pricing and growth in premium beer segment.

The Group's Profit Before Tax for the period of RM196.5 million was 12.8 percent higher than corresponding period in the previous year, arising mainly from the higher revenue.

## 20. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter increased by RM27.4 million or 7.2 percent compared to the preceding quarter. The higher revenue was mainly due to the higher sales arising from successful consumer campaigns undertaken during the period.

The Group's Profit Before Tax increased by 61.3 percent or RM30.2 million driven by the revenue impact and higher advertising and promotion expenses incurred in the preceding quarter as a result of the Euro 2012 campaign.

## 21. Current Year Prospects

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

## 22. Profit Forecast

The Group did not issue any profit forecast or profit guarantee in respect of the financial period under review.

**23. Taxation**

|                    | <b>9 months ended<br/>30 September</b> |                        |
|--------------------|----------------------------------------|------------------------|
|                    | <b>2012<br/>RM'000</b>                 | <b>2011<br/>RM'000</b> |
| <u>Taxation</u>    |                                        |                        |
| - Malaysia         | 34,708                                 | 36,152                 |
| - Outside Malaysia | 8,787                                  | 8,392                  |
| <b>Tax expense</b> | <b>43,495</b>                          | <b>44,544</b>          |

The effective tax rate differs from the statutory tax rate of Malaysia mainly due to the consolidation of financial results from the Singapore business, which has a lower statutory tax rate.

**24. Realised and Unrealised Profits/ Losses**

|                                                               | <b>Group as at<br/>30 September<br/>2012<br/>RM'000</b> | <b>Group as at<br/>31 December<br/>2011<br/>RM'000</b> |
|---------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------|
| Total retained earnings of the Company and its subsidiaries : |                                                         |                                                        |
| - Realised                                                    | 502,387                                                 | 525,600                                                |
| - Unrealised                                                  | (15,284)                                                | (17,867)                                               |
| Total retained earnings of an associate :                     |                                                         |                                                        |
| - Realised                                                    | 14,898                                                  | 18,369                                                 |
| - Unrealised                                                  | (3,742)                                                 | (3,106)                                                |
| Total accumulated losses of jointly-controlled entity :       |                                                         |                                                        |
| - Realised                                                    | -                                                       | (13,219)                                               |
| - Unrealised                                                  | -                                                       | (7)                                                    |
| Less : Consolidation adjustments                              | (374,726)                                               | (379,352)                                              |
| <b>Total retained earnings</b>                                | <b>123,533</b>                                          | <b>130,418</b>                                         |

## 25. Corporate Proposals

There were no corporate proposals announced but not completed at the date of this announcement.

## 26. Borrowing and Debt Securities

Group borrowings and Debt securities are as follows:

| Short term – Unsecured loans  | As at 30 September<br>2012<br>RM'000 |
|-------------------------------|--------------------------------------|
| Revolving credit              | 43,000                               |
| Other bank loan               | -                                    |
| <b>Total short term loans</b> | <b>43,000</b>                        |

## 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 a single tier interim dividend of 5 sen per RM0.50 share for the financial year ending 31 December 2012 (2011: 5 sen per RM0.50 share, less 25% income tax).

Total dividends payables is RM15.3 million (2011: RM11.5 million), paid on 11 October 2012.

## 29. 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<br>ended<br>30 September<br>2012 | 9 months<br>ended<br>30 September<br>2011 |
|------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Net Profit attributable to shareholders (RM'000)           | 151,163                                   | 128,811                                   |
| Weighted average number of ordinary shares in issue ('000) | 305,748                                   | 305,748                                   |
| Basic earnings per share (sen)                             | 49.44                                     | 42.13                                     |

### *Diluted earnings per share*

Not applicable.

**30. Notes to the Statement of Comprehensive Income**

|                                                    | <b>9 months<br/>ended<br/>30 September<br/>2012<br/>RM'000</b> | <b>9 months<br/>ended<br/>30 September<br/>2011<br/>RM'000</b> |
|----------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| Depreciation and amortisation                      | (15,848)                                                       | (14,844)                                                       |
| Property, plant and equipment write-off            | (23)                                                           | (66)                                                           |
| Gain on disposal of property, plant and equipments | 768                                                            | 2,266                                                          |
| Impairment loss on receivables                     | (191)                                                          | (11,000)                                                       |
| Write-off of inventories                           | (2,308)                                                        | (1,506)                                                        |
| Allowance for inventories obsolescence             | (148)                                                          | (247)                                                          |
| Net foreign exchange gain/(loss)                   | 1,699                                                          | (1,057)                                                        |

Other than the above and disclosed in the Statement of Comprehensive Income, there were no gain or loss on disposal of quoted or unquoted investment for the current quarter.

**31. 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 29 November 2012.