



Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
31 March 2013

Interim Financial Report for the Quarter Ended 31 March 2013

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended 31 March 2013

	3 months ended 31 March		3 months ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	470,766	454,047	470,766	454,047
Operating expenses	(404,565)	(391,276)	(404,565)	(391,276)
Other operating income	533	3,299	533	3,299
Profit from operations	66,734	66,070	66,734	66,070
Interest income	292	286	292	286
Interest expense	(1,042)	(1,027)	(1,042)	(1,027)
Share of profit of equity accounted associate, net of tax	819	2,451	819	2,451
Profit before taxation	66,803	67,780	66,803	67,780
Taxation	(15,595)	(14,718)	(15,595)	(14,718)
Profit for the period	51,208	53,062	51,208	53,062
Profit attributable To:				
Owner of the Company	50,534	52,362	50,534	52,362
Non-controlling interests	674	700	674	700
Profit for the period	51,208	53,062	51,208	53,062
Profit for the period	51,208	53,062	51,208	53,062
Other comprehensive income/(expenses)				
Foreign currency translation differences for foreign operations	612	(5,986)	612	(5,986)
Total comprehensive income for the period	51,820	47,076	51,820	47,076
Total comprehensive income attributable to:				
Owner of the Company	51,146	46,376	51,146	46,376
Non-controlling interests	674	700	674	700
Total comprehensive income for the period	51,820	47,076	51,820	47,076
EPS - Basic (sen)	16.53	17.13	16.53	17.13

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 31 March 2013

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210 -K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	AS AT 31.03.13 RM'000	AS AT 31.12.12 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant & equipment	157,654	158,442
Other intangible assets	8,828	9,388
Other assets	364	365
Investment in an associate	36,145	34,656
Deferred tax assets	863	863
	203,854	203,714
<u>Current assets</u>		
Inventories	42,399	46,840
Receivables, deposits and prepayments	280,323	260,457
Current tax assets	-	451
Cash & cash equivalents	83,062	57,688
	405,784	365,436
TOTAL ASSETS	609,638	569,150
EQUITY		
Total equity attributable to equity holders of the Company		
Share capital	154,039	154,039
Reserves	196,360	145,000
	350,399	299,039
Non-controlling interests	8,501	7,827
Total Equity	358,900	306,866
<u>Non-Current Liabilities</u>		
Deferred tax liabilities	20,639	20,640
<u>Current Liabilities</u>		
Payables and accruals	200,472	217,917
Current tax liabilities	24,627	18,727
Loans and borrowings	5,000	5,000
	230,099	241,644
Total liabilities	250,738	262,284
TOTAL EQUITY AND LIABILITIES	609,638	569,150
Net assets per share (RM)	1.17	1.00

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report for the Quarter Ended 31 March 2013

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210 -K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 31 March 2013

Group	<i>Attributable to Equity Holders of the Parent</i>							Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	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	Other Reserves RM'000				
At 1 January 2012	154,039	(12,043)	7,367	1,682	3,931	54	-	130,418	285,448	3,916	289,364
Total comprehensive income for the year	-	-	-	(5,986)	-	-	-	52,362	46,376	700	47,076
Dividends to owner of the Company	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	99	(780)	(1,790)	(2,471)	1,790	(681)
At 31 March 2012	154,039	(12,043)	7,367	(4,304)	3,931	153	(780)	180,990	329,353	6,406	335,759
At 1 January 2013	154,039	(12,043)	7,367	(2,334)	3,931	146	(780)	148,713	299,039	7,827	306,866
Total comprehensive income for the year	-	-	-	612	-	-	-	50,534	51,146	674	51,820
Dividends to owner of the Company	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	214	-	-	214	-	214
At 31 March 2013	154,039	(12,043)	7,367	(1,722)	3,931	360	(780)	199,247	350,399	8,501	358,900

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements

Interim Financial Report for the Quarter Ended 31 March 2013

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 31 March 2013

	3 months ended 31 March	
	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	66,803	67,780
Adjustments for:		
Non-cash items	4,957	2,068
Interest income	(292)	(286)
Interest expense	1,042	1,027
Operating profit before working capital changes	72,510	70,589
Changes in working capital:		
Inventories	4,076	17,612
Receivables, deposits and prepayments	(19,976)	(39,660)
Payables and accruals	(17,294)	(4,525)
Cash generated from operations	39,316	44,016
Taxes paid	(9,244)	(10,913)
Net cash generated from operating activities	30,072	33,103
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(4,544)	(2,072)
Acquisition of intangible assets	(30)	-
Interest received	292	286
Proceeds from disposal of property, plant and equipment	540	456
Net cash used in investing activities	(3,742)	(1,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,042)	(1,027)
Net repayment from short term borrowings	-	(2,304)
Net cash used in financing activities	(1,042)	(3,331)
NET DECREASE IN CASH AND CASH EQUIVALENTS	25,288	28,442
Effect of exchange rate fluctuations on cash held	86	(443)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	57,688	72,196
CASH AND CASH EQUIVALENTS AT 31 MARCH	83,062	100,195

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2012.

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

At the date of authorisation 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 annual period beginning on or after
MFRS 9	Financial Instruments (2009)	1 January 2015
MFRS 9	Financial Instruments (2010)	1 January 2015
Amendments to MFRS 7	Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities	1 January 2014
Amendments to MFRS 132	Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2012 was not subject to any qualification.

3. Seasonal or Cyclical Factors

In line with expectation and past trends, the Group's level of operations for the first quarter was positively impacted by higher sales of beer, stout and shandy during the 2013 Chinese New Year festive period.

4. 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.

5. Changes in Estimates

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

6. 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.

7. Dividends Paid

There was no dividend paid during the current financial period under review.

8. 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 31 March 2013	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Total external revenue	368,127	102,639	-	-	470,766
Inter segment revenue	17,979	-	-	(17,979)	-
Total revenue	386,106	102,639	-	(17,979)	470,766
Profit from operations	52,488	14,246	-	-	66,734

Quarter Ended 31 March 2012	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Total external revenue	355,036	95,707	3,304	-	454,047
Inter segment revenue	13,283	-	-	(13,283)	-
Total revenue	368,319	95,707	3,304	(13,283)	454,047
Profit from operations	50,385	16,156	(471)	-	66,070

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 2012.

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 31 March 2013 are as follows:

	<u>RM'000</u>
Contracted for	6,933
Not contracted for	29,110
	<u>36,043</u>

16. Financial Instruments

Derivatives

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

Aluminium Hedging Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
- Less than 1 year	17,747	16,302	(1,445)
- 2 to 5 years	4,463	4,374	(89)
	22,210	20,676	(1,534)

17. Holding Company

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

18. Significant Related Party Transactions

**3 months
ended
31 March 2013
RM'million**

Transactions with:

a) Holding company:		
Carlsberg Breweries A/S		
Reimbursement of expenses		0.7
Royalties payable		8.0
Purchase of materials and services		0.3
b) Related companies:		
i) Carlsberg Group Procurement AG		
Purchases of materials and products		1.1
Purchase of services		0.6
ii) Ha Noi Vung Tau Beer Joint Stock Company		3.8
Sales of goods and services		
iii) Eurobier Koncepts SB		
Sales of products		0.8
iv) Brasseries Kronenbourg		
Purchases of materials and products		0.5
v) Carlsberg Sverige AB		
Purchases of materials and products		0.7
vi) Saku Olletehase As		
Purchase of materials and products		0.2

19. Review of Performance

Current Quarter Performance

The revenue for the Group increased by 3.7 percent, compared to the corresponding quarter in the previous year. The improvement was mainly due to growth in premium beer segment and better Chinese New Year sales compared to the previous year.

The Group's Profit Before Tax for the quarter of RM66.8 million was 1.4 per cent lower than the same period last year. The slight decrease in the Group's profit was a result of lower profits from associate company (Sri Lanka) and one-off costs write back in 2012 for Singapore segment, partially offset by the increase in revenue.

20. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter increased by RM134.3 million or 39.9 percent compared to the preceding quarter. The higher revenue was consistent with the trend in previous years, with a strong first quarter performance during the peak Chinese New Year festive period.

The Group's Profit Before Tax increased by 35.9 percent or RM17.6 million driven by the revenue impact.

21. Current Year Prospects

We expect 2013's domestic beer market to remain flat in volume terms, assuming the excise environment remains stable. We expect our financial performance in 2013 to be satisfactory.

22. Profit Forecast

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

23. Taxation

	3 months ended 31 March	
	2013 RM'000	2012 RM'000
<u>Taxation</u>		
- Malaysia	13,143	12,165
- Outside Malaysia	2,452	2,553
Tax expense	15,595	14,718

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

	Group as at 31 March 2013 RM'000	Group as at 31 December 2012 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	580,860	527,575
- Unrealised	(20,738)	(17,509)
Total retained earnings of an associate :		
- Realised	18,406	16,837
- Unrealised	(4,278)	(3,782)
Less : Consolidation adjustments	(375,003)	(374,408)
Total retained earnings	199,247	148,713

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 31 March 2013 RM'000
Revolving credit	5,000
Other bank loan	-
Total short term loans	5,000

27. Material Litigation

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

28. 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 March 2013	3 months ended 31 March 2012
Net Profit attributable to shareholders (RM'000)	50,534	52,362
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	16.53	17.13

Diluted earnings per share

Not applicable.

29. Notes to the Statement of Comprehensive Income

	3 months ended 31 March 2013 RM'000	3 months ended 31 March 2012 RM'000
Depreciation and amortisation	(5,903)	(5,261)
Property, plant and equipment write-off	(5)	(2)
Gain on disposal of property, plant and equipments	535	403
Net impairment loss on receivables	(102)	(288)
Write-off of inventories	(240)	(644)
Allowance for inventories obsolescence	(125)	(436)
Net foreign exchange gain	56	853

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.

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 17 May 2013.