



Carlsberg Brewery Malaysia Berhad

Company No. 9210-K
(Incorporated in Malaysia)

Interim Financial Report
31 December 2010

Interim Financial Report for the Quarter Ended 31 December 2010

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter Ended 31 December 2010

	3 months ended 31 December		12 months ended 31 December	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	326,057	300,396	1,368,158	1,045,483
Operating expenses	(287,288)	(276,960)	(1,195,561)	(951,316)
Other operating income	696	2,806	1,989	3,057
Profit from operations	39,465	26,242	174,586	97,224
Interest income	243	439	1,084	4,487
Interest expense	(1,087)	(1,001)	(4,594)	(1,341)
Share of results of associated company	1,287	1,133	5,460	2,190
Profit Before Taxation	39,908	26,813	176,536	102,560
Taxation	(9,154)	(6,474)	(42,413)	(25,835)
Profit For The Period	30,754	20,339	134,123	76,725
Profit Attributable To:				
Equity holders of the parent	30,495	20,099	133,242	76,142
Minority Interests	259	240	881	583
Profit For The Period	30,754	20,339	134,123	76,725
Profit For The Period	30,754	20,339	134,123	76,725
Other comprehensive income for the period, net of tax				
- Exchange differences on translation	(571)	(880)	(3,455)	(1,351)
- Share option recharged/granted	(48)	524	(48)	524
Total comprehensive income for the period	30,135	19,983	130,620	75,898
Total Comprehensive Income Attributable To:				
Equity holders of the parent	29,876	19,743	129,739	75,315
Minority Interests	259	240	881	583
Total Comprehensive Income For The Period	30,135	19,983	130,620	75,898
EPS - Basic (sen)	9.97	4.21	43.58	24.90
- Diluted (sen)	N/A	N/A	N/A	N/A

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

Interim Financial Report for the Quarter Ended 31 December 2010

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No. : 9210 -K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	AS AT END OF CURRENT QUARTER 31.12.10 (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	143,890	138,420
Other Intangible Assets	406,350	382,772
Other Investment	349	352
Investment in an Associate	26,337	24,340
	576,926	545,884
<u>Current Assets</u>		
Inventories	48,834	58,590
Receivables, deposits and prepayment	207,343	217,591
Current Tax Assets	4,566	4,462
Cash & Cash Equivalents	101,202	118,585
	361,945	399,228
TOTAL ASSETS	938,871	945,112
EQUITY		
Total Equity attributable to shareholders of the Company		
Share Capital	154,039	154,039
Reserves	432,022	360,757
	586,061	514,796
Minority Interests	2,696	1,815
Total Equity	588,757	516,611
<u>Non-Current Liabilities</u>		
Provision for Deferred Tax	74,091	72,328
<u>Current Liabilities</u>		
Payables and Accruals	212,860	340,367
Short term borrowings	52,951	8,586
Current Tax Liabilities	10,212	7,220
	276,023	356,173
Total Liabilities	350,114	428,501
TOTAL EQUITY AND LIABILITIES	938,871	945,112
Net Assets Per Share (RM)	1.93	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 December 2010

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter Ended 31 December 2010

GROUP	Attributable to Equity Holders of the Parent						Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest 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						
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	-	-	-	(1,351)	-	-	-	(1,351)	-	(1,351)	
Share option granted	-	-	-	-	-	524	-	524	-	524	
Dividends to shareholders	-	-	-	-	-	-	(28,664)	(28,664)	-	(28,664)	
Total comprehensive income for the period	-	-	-	-	-	-	76,142	76,142	583	76,725	
At 31 December 2009	154,039	(12,043)	7,367	(7,233)	8,678	524	363,464	514,796	1,815	516,611	
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 on translation	-	-	-	(3,455)	-	-	-	(3,455)	-	(3,455)	
Share option granted	-	-	-	-	-	427	-	427	-	427	
Recharge by holding company	-	-	-	-	-	(475)	-	(475)	-	(475)	
Dividends to shareholders	-	-	-	-	-	-	(58,474)	(58,474)	-	(58,474)	
Total comprehensive income for the period	-	-	-	-	-	-	133,242	133,242	881	134,123	
At 31 December 2010	154,039	(12,043)	7,367	(10,688)	8,678	476	438,232	586,061	2,696	588,757	

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 December 2010

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 31 December 2010

	12 months ended	
	31 December	
	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	176,536	102,560
Adjustments for:		
Amortisation of intangible assets	1,125	1,253
Depreciation of property, plant and equipment	17,698	19,154
Gain on disposal of property, plant and equipment	(1,350)	(1,990)
Property, plant & equipment written off	30	735
Share of profit after tax of equity accounted associate	(5,460)	(2,190)
Net (Interest income)/expense	3,510	(4,021)
Finance costs	-	875
Share-based payments	427	524
Operating profit before working capital changes	192,516	116,900
Changes in working capital:		
Inventories	9,756	18,427
Receivables, deposits and prepayments	10,248	2,778
Payables and accruals	47,601	3,429
Cash generated from operations	260,121	141,534
Income taxes paid	(37,762)	(34,460)
Net cash from operating activities	222,359	107,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	2,001	5,102
Acquisition of property, plant and equipment	(23,852)	(11,588)
Acquisition of intangible assets	(1,254)	(634)
Acquisition of a subsidiary	(198,560)	(176,262)
Subscription for rights issue in associate co.	-	(8,996)
Dividends received from associate co.	1,652	-
Net Interest income/(expense)	(3,510)	4,021
Net cash from / (used in) investing activities	(223,523)	(188,357)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders of the Company	(58,474)	(28,664)
Repayment to ultimate holding company	(475)	(348)
Proceeds from short term borrowings	44,366	2,143
Net cash used in financing activities	(14,583)	(26,869)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(15,747)	(108,152)
Effect of exchange rate fluctuations on cash held	(1,636)	(280)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	118,585	227,017
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	101,202	118,585

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 statement.

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 in October was negatively impacted by trade stocking-up activities ahead of the Government Budget announcement in previous quarter. However, in December 2010, it was positively impacted by the earlier timing of the 2011 Chinese New Year. The net impact was only a marginal impact on the quarter's results.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2010.

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

The amount of dividends paid during the financial period ended 31 December 2010 was as follows:-

- a) In respect of the financial year ended 31 December 2009 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 2010	17,198
ii) Special dividend of 10.5 sen per RM0.50 share less tax, paid on 18 May 2010	24,078
Total	41,276

- b) In respect of the financial year ended 31 December 2010:

	<u>RM'000</u>
i) Interim dividend of 5 sen per RM0.50 share less tax, paid on 8 October 2010	11,466
ii) Interim special dividend of 2.5 sen per RM0.50 share less tax, paid on 8 October 2010	5,732
Total	17,198

- c) The Board of Directors propose the following dividends for shareholders' approval at the forthcoming Annual General Meeting on 26 April 2011 and if approved, to be paid on 20 May 2011:

- i) Final dividend of 7.5 sen per RM0.50 share less Malaysian income tax. (2009: 7.5 sen per RM0.50 share less Malaysian income tax).
- ii) Special dividend of 43 sen per RM0.50 share less Malaysian income tax. (2009: 10.5 sen per RM0.50 share less Malaysian income tax).

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.

Twelve Months Ended 31 December 2010	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Total external revenue	1,038,432	314,459	15,267	-	1,368,158
Inter segment revenue	52,586	-	-	(52,586)	-
Total revenue	1,091,018	314,459	15,267	(52,586)	1,368,158
Segment result	124,343	52,366	(2,123)	-	174,586
Financing cost					(4,594)
Interest income					1,084
Share of profit of equity accounted associate					5,460
Profit before tax					176,536
Tax Expense					(42,413)
Profit for the period					134,123

Twelve Months Ended 31 December 2009	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical Segments:					
Total external revenue	986,203	46,292	12,988	-	1,045,483
Inter segment revenue	768	-	-	(768)	-
Total revenue	986,971	46,292	12,988	(768)	1,045,483
Segment result	98,070	1,483	(2,329)	-	97,224
Financing cost					(875)
Interest income					4,021
Share of profit of equity accounted associate					2,190
Profit before tax					102,560
Tax Expense					(25,835)
Profit for the period					76,725

8. Operating Segments (cont'd..)

As At 31 December 2010	Malaysia	Singapore	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000
Geographical Segments:				
Segment assets	444,079	455,472	8,417	907,968
Investment in associate				26,337
Unallocated assets				4,566
Total assets				938,871
Segment liabilities	177,332	32,125	3,403	212,860
Unallocated liabilities				137,254
				350,114

As At 31 December 2009	Malaysia	Singapore	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000
Geographical Segments:				
Segment assets	442,931	466,388	6,991	916,310
Investment in associate				24,340
Unallocated assets				4,462
Total assets				945,112
Segment liabilities	303,237	35,486	1,644	340,367
Unallocated liabilities				88,134
				428,501

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 2009.

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 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 December 2010 is as follows:

	<u>RM'000</u>
Commitments in respect of expenditure contracted for	-
Approved by the directors but not contracted for	330
	330

15. Financial Instruments

Derivatives

During the 4th quarter 2010, the Company entered into a foreign currency contract to hedge its foreign purchases as follows:

Forward Foreign Currency Contract	Contract Value (RM'000)	Fair Value (RM'000)	Difference (RM'000)
US Dollar			
- Less than 1 year	11,992	12,626	634
- 1 year to 3 years	-	-	-
- 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

**12 months to
31 December 2010**
RM' Million

Transactions with:

a) Holding company:		
Carlsberg Breweries A/S		
Purchases of materials and products		0.5
Reimbursement of expenses		4.4
Management fees payable		3.2
Royalties		32.5
b) Related companies:		
i) Danish Malting Group A/S		
Purchases of materials and products		6.4
ii) Danish Malting Group Polska		
Purchases of materials and products		14.2
iii) Carlsberg Group Procurement AG		
Purchases of materials and products		5.9
iv) Slodownia Strzegom Sp.z.o.o.		
Purchases of materials and products		0.9
v) Carlsberg Polska Sp.z.o.o.		
Purchases of materials and products		1.7
vi) Brasseries Kronenbourg		
Purchases of materials and products		1.4
vii) Carlsberg Hong Kong Ltd.		
Sales of goods and service		13.8
Purchases of materials and products		0.2
viii) Carlsberg IT A/S		
Purchases of services		0.5
Transactions with:		
c) Jointly-controlled entity:		
Carlsberg Distributors Taiwan Ltd		
Sales of goods and services		2.9
Reimbursement of marketing expenditure		1.1
d) Associate company:		
Lion Brewery (Ceylon) PLC		
Sales of goods and services		3.3

18. Review of Performance

The Group's revenue for the fourth quarter ended 31 December 2010 increased by 8.5 per cent compared to the corresponding quarter in the previous year. The higher revenue was driven by higher export and contract manufacturing sales.

Arising from the higher revenue mentioned above, the Group's Profit Before Tax for the quarter of RM39.9 million was 48.8 per cent or RM13.1 million higher than the same period last year.

On a cumulative twelve months ended 31 December 2010 basis, Group profit before tax of RM176.5 million was 72.1 per cent or RM74.0 million higher than the same period in the previous year surpassing expectations. The increase was mainly due to higher domestic sales, the synergies arising from the acquisition of Carlsberg Singapore Pte. Ltd. and the good performance in the super premium segment through its subsidiary Luen Heng F & B Sdn. Bhd.

19. Variation of Result against the Preceding Quarter

The Group's revenue for the quarter decreased marginally by 1.0 per cent or RM3.4 million as compared to the preceding quarter. The lower revenue was mainly due to a temporary lull in activities following the stocking up by the trade in the previous quarter ahead of the 2011 Government Budget announcement. Consequently, the Group's Profit Before Tax was lower by 14.8 per cent or RM6.9 million.

20. Current Year Prospects

The Brewing Industry is pleased to note that there is no increase in excise duties for beer and stout products in the 2011 Government Budget announcement. This is a clear indication of a responsive Government which is sensitive to the industry and public as Malaysia is already the second highest excise duty paying country in the world after Norway.

In line with this, we expect the domestic beer market to grow moderately in 2011.

21. Profit Forecast

Not applicable as no profit forecast was published.

22. Taxation

	12 months ended 31 December	
	2010 RM'000	2009 RM'000
Malaysian Income Tax		
- Current	41,350	28,235
- Prior Period	(702)	211
	40,648	28,446
Deferred Taxation	1,765	(2,611)
	42,413	25,835

23. Realised and Unrealised Profits/ Losses

	Group ended 31 Dec 2010 RM'000
Total retained profits/ (accumulated losses) of Carlsberg Brewery Malaysia Berhad and its subsidiaries :-	
- Realised	518,844
- Unrealised	(74,471)
Total share of retained profits/ (accumulated losses) from Associate :-	
- Realised	5,460
- Unrealised	-
Total share of retained profits/ (accumulated losses) from Jointly-control entities :-	
- Realised	(10,309)
- Unrealised	(42)
Less : Consolidation adjustments	(1,250)
Total Group retained profits / (accumulated losses) as per consolidated accounts	438,232

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 31 December 2010:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted investments	19,936	26,337	97,626

26. Corporate Proposals

There were no new corporate proposals announced as at 17 February 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:

	As at 31 December 2010 RM'000
Short term – Unsecured loans	
Revolving credit	40,306
Other bank loan	12,645
Total short term loans	52,951

28. Off Balance Sheet Financial Instruments

Forward Foreign Exchange Contracts

The Group does not have any existing contracts.

29. Material Litigation

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

30. Basic Earnings Per Share***Basic earnings per share***

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company:

	3 months ended 31.12.10	12 months ended 31.12.10
Net Profit attributable to shareholders (RM'000)	30,495	133,242
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	9.97	43.58

Diluted earnings per share

Not applicable.

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 24 February 2011.