



**Carlsberg Brewery Malaysia Berhad**

Company No. 9210-K  
(Incorporated in Malaysia)

Interim Financial Report  
30 September 2010

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No.: 9210-K)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the Quarter Ended 30 September 2010

	3 months ended 30 September		9 months ended 30 September	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	329,492	242,096	1,042,101	745,087
Operating expenses	(283,916)	(214,606)	(908,273)	(674,356)
Other operating income	783	98	1,293	251
Profit from operations	46,359	27,588	135,121	70,982
Interest income	158	1,376	841	4,048
Interest expense	(967)	(119)	(3,507)	(340)
Share of results of associated company	1,275	402	4,173	1,057
Profit Before Taxation	46,825	29,247	136,628	75,747
Taxation	(12,649)	(7,550)	(33,259)	(19,361)
Profit For The Period	34,176	21,697	103,369	56,386
Profit Attributable To:				
Equity holders of the parent	34,087	21,780	102,747	56,043
Minority Interests	89	(83)	622	343
Profit For The Period	34,176	21,697	103,369	56,386
Profit For The Period	34,176	21,697	103,369	56,386
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	34,176	21,697	103,369	56,386
Total Comprehensive Income Attributable To:				
Equity holders of the parent	34,087	21,780	102,747	56,043
Minority Interests	89	(83)	622	343
Total Comprehensive Income For The Period	34,176	21,697	103,369	56,386
EPS - Basic (sen)	11.15	7.12	33.61	18.33
- 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.

**CARLSBERG BREWERY MALAYSIA BERHAD**

(Company No. : 9210 -K)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2010

	<b>AS AT END OF CURRENT QUARTER 30.09.10 (UNAUDITED) RM'000</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 31.12.09 (AUDITED - RESTATED) RM'000</b>
<b>ASSETS</b>		
<b><u>Non-Current Assets</u></b>		
Property, Plant & Equipment	130,999	138,420
Other Intangible Assets	406,329	382,772
Other Investment	343	352
Investment in an Associate	24,863	24,340
	<b>562,534</b>	<b>545,884</b>
<b><u>Current Assets</u></b>		
Inventories	41,752	58,590
Receivables, deposits and prepayment	273,363	217,591
Current Tax Assets	1,003	4,462
Cash & Cash Equivalents	28,658	118,585
	<b>344,776</b>	<b>399,228</b>
<b>TOTAL ASSETS</b>	<b>907,310</b>	<b>945,112</b>
<b>EQUITY</b>		
<b>Total Equity attributable to shareholders of the Company</b>		
Share Capital	141,996	141,996
Reserves	5,947	9,336
Retained Earnings	424,935	363,464
	<b>572,878</b>	<b>514,796</b>
Minority Interests	2,437	1,815
<b>Total Equity</b>	<b>575,315</b>	<b>516,611</b>
<b><u>Non-Current Liabilities</u></b>		
Provision for Deferred Tax	72,327	72,328
<b><u>Current Liabilities</u></b>		
Payables and Accruals	191,851	340,367
Short term borrowings	55,713	8,586
Current Tax Liabilities	12,104	7,220
	<b>259,668</b>	<b>356,173</b>
<b>Total Liabilities</b>	<b>331,995</b>	<b>428,501</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>907,310</b>	<b>945,112</b>
<b>Net Assets Per Share (RM)</b>	<b>1.88</b>	<b>1.69</b>

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 30 September 2010

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Quarter Ended 30 September 2010

GROUP	Attributable to Equity Holders of the Parent							Total	Minority Interest	Total Equity
	Share Capital	Treasury Shares	Share Premium	Exchange Reserve	Capital Reserve	Share 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 2009	154,039	(12,043)	7,367	(5,882)	8,678	-	315,986	468,145	1,232	469,377
Exchange differences on translation	-	-	-	(471)	-	-	-	(471)	-	(471)
Share based transaction	-	-	-	-	-	-	300	300	-	300
Dividends to shareholders	-	-	-	-	-	-	(17,198)	(17,198)	-	(17,198)
Total comprehensive income for the period	-	-	-	-	-	-	56,043	56,043	343	56,386
<b>At 30 September 2009</b>	<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(6,353)</b>	<b>8,678</b>	<b>-</b>	<b>355,131</b>	<b>506,819</b>	<b>1,575</b>	<b>508,394</b>
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	-	-	-	(4,026)	-	-	-	(4,026)	-	(4,026)
Share option granted	-	-	-	-	-	637	-	637	-	637
Dividends to shareholders	-	-	-	-	-	-	(41,276)	(41,276)	-	(41,276)
Total comprehensive income for the period	-	-	-	-	-	-	102,747	102,747	622	103,369
<b>At 30 September 2010</b>	<b>154,039</b>	<b>(12,043)</b>	<b>7,367</b>	<b>(11,259)</b>	<b>8,678</b>	<b>1,161</b>	<b>424,935</b>	<b>572,878</b>	<b>2,437</b>	<b>575,315</b>

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 30 September 2010

### CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 9210-K)

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Quarter Ended 30 September 2010

	<b>9 months ended 30 September</b>	
	<b>2010 RM'000</b>	<b>2009 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	136,628	75,747
Adjustments for:		
Amortisation of intangible assets	766	920
Depreciation of property, plant and equipment	13,412	14,437
Gain on disposal of property, plant and equipment	(853)	(251)
Share of profit after tax of equity accounted associate	(4,173)	(1,057)
Interest income	(841)	(4,048)
Interest expense	3,507	340
Other non-cash	916	(38)
Operating profit before working capital changes	149,362	86,050
Changes in working capital:		
Inventories	16,838	5,729
Receivables, deposits and prepayments	(55,772)	(17,849)
Payables and accruals	21,484	(25,483)
Cash generated from operations	131,912	48,447
Income taxes paid	(24,656)	(25,841)
Net cash from operating activities	107,256	22,606
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	1,450	866
Acquisition of property, plant and equipment	(6,513)	(7,635)
Acquisition of intangible assets	(982)	(309)
Acquisition of a subsidiary	(198,560)	-
Subscription for rights issue in associate co.	-	(8,996)
Dividends received from associate co.	1,652	-
Interest income	841	4,048
Interest expense	(3,507)	(340)
Net cash from/ (used in) investing activities	(205,619)	(12,366)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to shareholders of the Company	(41,276)	(17,198)
Proceeds from short term borrowings	47,127	3,034
Net cash used in financing activities	5,851	(14,164)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(92,512)	(3,924)
Exchange difference on translation of the financial statements of foreign entities	2,585	-
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	118,585	227,017
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	28,658	223,093

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

**Notes:****1. Basis of Preparation**

The interim financial statements are unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” (previously known as MASB 26) issued by the Malaysian Accounting Standard Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2009.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2009 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 July 2009 and 1 January 2010. The adoption of these standards, amendments and interpretations have no material impact to these interim financial statements except for the adoption of the following standards which impact the presentation and disclosure impact:

FRS 8 - Operating Segments

FRS 101 - Presentation of Financial Statements (Revised)

FRS 117 - Leases

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

<b>Group</b>	<b>As previously reported</b>	<b>Adoption of FRS 117</b>	<b>As restated</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
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**

As expected, the beer market and Group's revenue for the current quarter was slightly lower than previous quarter as it was impacted by the 2010 FIFA World Cup season in the earlier quarter.

### **4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2010.

### **5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter.

### **6. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

#### *Share Buyback*

During the period, there was no purchase of shares by the Company.

All shares bought back in 1999 were retained as treasury shares for the current quarter and financial year-to-date.

## 7. Dividends Paid

The amount of dividends paid during the financial period ended 30 September 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



## 8. Operating Segments

FRS 8 Operating Segments replaces FRS 114<sup>2004</sup> 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.

Nine Months Ended 30 September 2010	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>					
Total external revenue	795,214	237,548	9,339	-	1,042,101
Inter segment revenue	39,408	-	-	(39,408)	-
<b>Total revenue</b>	<b>834,622</b>	<b>237,548</b>	<b>9,339</b>	<b>(39,408)</b>	<b>1,042,101</b>
<b>Segment result</b>	<b>97,423</b>	<b>39,566</b>	<b>(1,868)</b>	<b>-</b>	<b>135,121</b>
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

Nine Months Ended 30 September 2009	Malaysia	Singapore	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>					
Total external revenue	734,828	-	10,259	-	745,087
Inter segment revenue	1,080	-	-	(1,080)	-
<b>Total revenue</b>	<b>735,908</b>	<b>-</b>	<b>10,259</b>	<b>(1,080)</b>	<b>745,087</b>
<b>Segment result</b>	<b>72,670</b>	<b>-</b>	<b>(1,688)</b>	<b>-</b>	<b>70,982</b>
Financing cost					(340)
Interest income					4,048
Share of profit of equity accounted associate					1,057
Profit before tax					75,747
Tax Expense					(19,361)
Profit for the period					56,386

8. *Operating Segments (cont'd..)*

As At 30 September 2010	Malaysia	Singapore	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>				
Segment assets	404,544	457,452	19,448	881,444
Investment in associate				24,863
Unallocated assets				1,003
<b>Total assets</b>				907,310
<b>Segment liabilities</b>	148,624	29,249	13,978	191,851
Unallocated liabilities				140,144
				331,995

As At 30 September 2009	Malaysia	Singapore	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>Geographical Segments:</b>				
Segment assets	600,903	-	12,552	613,455
Investment in associate				23,528
Unallocated assets				3,423
<b>Total assets</b>				640,406
<b>Segment liabilities</b>	99,372	-	5,914	105,286
Unallocated liabilities				26,726
				132,012

9. **Material Contracts**

Apart from that disclosed in the previous announcements, there are no other material contracts.

10. **Carrying Amount of Revalued Assets**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2009.

11. **Subsequent Events**

There were no material events subsequent to the end of the current quarter.

**12. Changes in Composition of the Group**

There has been no change in the composition of the Group in the current quarter.

**13. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last annual Balance Sheet as at 31 December 2009.

**14. Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2010 is as follows:

	<b><u>RM'000</u></b>
Commitments in respect of expenditure contracted for	8,628
Approved by the directors but not contracted for	4,226
	12,854

**15. Financial Instruments**

Derivatives

After the close of the financial period ended 30 September 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	12,051	59
- 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**

**9 months to  
30 September 2010**  
RM'Million

Transactions with:

a) Holding company:		
Carlsberg Breweries A/S		
Purchases of materials and products		0.4
Reimbursement of expenses		3.0
Royalties		24.7
b) Related companies:		
i) Danish Malting Group A/S		
Purchases of materials and products		6.5
ii) Danish Malting Group Polska		
Purchases of materials and products		9.6
iii) Carlsberg Group Procurement AG		
Purchases of materials and products		4.1
iv) Slodownia Strzegom Sp.z.o.o.		
Purchases of materials and products		0.6
v) Carlsberg Polska Sp.z.o.o.		
Purchases of materials and products		1.0
vi) Brasseries Kronenbourg		
Purchases of materials and products		1.6
vii) Carlsberg Hong Kong Ltd.		
Purchases of materials and products		0.2
viii) Carlsberg IT A/S		
Purchases of services		0.2
Transactions with:		
c) Jointly-controlled entity:		
Carlsberg Distributors Taiwan Ltd		
Sales of goods and services		2.3
Reimbursement of marketing expenditure		1.0

**18. Review of Performance**

The Group's revenue for the third quarter ended 30 September 2010 increased by 36.1 per cent compared to the corresponding quarter in the previous year. The higher revenue was driven by higher export and contract manufacturing sales as well as better performance in hypermarket and supermarket sectors on the domestic front.

Arising from the higher revenue mentioned above, the Group's Profit Before Tax for the quarter of RM46.8 million was 60.1 per cent or RM17.6 million higher than the same period last year. The significant profit improvements were contributed from the acquisition of CSPL as well as higher domestic sales.

On a cumulative nine months ended 30 September 2010 basis, Group profit before tax of RM136.6 million was 80.4 per cent or RM60.9 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 decreased marginally by 1.4 per cent or RM4.7 million as compared to the preceding quarter. The lower revenue was mainly due to a temporary lull in activities following the World Cup season in the previous quarter. However, the Group's Profit Before Tax was higher by 15.4 per cent or RM6.2 million mainly due to lower operating expenses.

**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 recent 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 will grow moderately in 2010. The synergies arising from the acquisition of Carlsberg Singapore Ptd. Ltd. are being delivered and the Group also continued to outperform in the super premium segment through its subsidiary Luen Heng F & B Sdn. Bhd. With good performances in both Malaysia and Singapore, the Group expects to remain on a positive track in terms of revenue and earnings growth for the rest of the year.

The Group expects the full year 2010 performance to be good.

**21. Profit Forecast**

Not applicable as no profit forecast was published.

**22. Taxation**

	<b>9 months ended 30 September</b>	
	<b>2010 RM'000</b>	<b>2009 RM'000</b>
Malaysian Income Tax		
- Current	33,259	19,361
Deferred Taxation	-	-
	<b>33,259</b>	<b>19,361</b>

**23. Unquoted Investments and Properties**

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

**24. 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 2010:

	<b>Cost RM'000</b>	<b>Book Value RM'000</b>	<b>Market Value RM'000</b>
Total quoted investments	19,936	24,863	96,426

**25. Corporate Proposals**

Apart from that disclosed in the previous announcements, there are no other corporate proposals.

**26. Borrowing and Debt Securities**

Group borrowings and Debt securities are as follows :

	<b>As at 30 September 2010 RM'000</b>
Short term – Unsecured loans	
Revolving credit	45,000
Other bank loan	10,713
Total short term loans	55,713

**27. Off Balance Sheet Financial Instruments**

*Forward Foreign Exchange Contracts*

The Group does not have any existing contracts.

**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:

	<b>3 months ended 30.09.10</b>	<b>9 months ended 30.09.10</b>
Net Profit attributable to shareholders (RM'000)	34,087	102,747
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	11.15	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 11 November 2010.