



**PRESS
RELEASE**

**CARLSBERG BREWERY MALAYSIA BERHAD GROUP
(CARLSBERG MALAYSIA GROUP)**

Carlsberg Malaysia Q1 sees rise in profit despite market challenges

SHAH ALAM, May 27, 2014 – Carlsberg Malaysia Group recorded a 4.3 percent increase in profit after tax to RM53.4 million for its first quarter ended 31st March 2014 compared with RM51.2 million in the corresponding quarter last year, with the Malaysian operations being the main contributor as a result of effective consumer marketing activities and cost efficiency programs.

The Malaysian operations recorded a growth in profit from operations of 11 percent to RM58.2 million on the back of flat revenues. The brewer said weak consumer sentiments impacted overall market consumption throughout the quarter, however, efficiency programs and improved price and product mix helped mitigate the slowdown in consumption to deliver growing profits.

Managing Director, Henrik Juel Andersen commented: “The Group’s results for Q1 this year were satisfactory as we are dealing with challenging and softening markets in both Malaysia and Singapore this year as well as increased influx of contraband imported beers. For the Malaysian market, we are pleased to be able to deliver improved performance under these circumstances. This was due to exciting consumer marketing campaigns, disciplined execution of our efficiency programs and a passionate workforce”.

“The sales of Carlsberg beer developed positively due to Chinese New Year consumer demand and as we successfully leveraged on being the official beer of the Barclays Premier League. This helped strengthen Carlsberg’s top of mind association with football. Also, our multi-brand portfolio continued to outperform the market, in particular our premium brands such as Kronenbourg 1664, Asahi Super Dry and Somersby. In addition to our efforts in delivering exciting marketing campaigns and managing costs,

we are also cognizant of the importance of maintaining product quality as we aim to deliver the freshest beer in the market to our customers and consumers”, said Andersen.

The brewer said results from the Singaporean operations were impacted from the stock rationalization program as well as lower consumption caused by the steep rise in liquor excise duty by 25 percent in February 2014. As a result, Singapore revenues declined by RM23.4 million or 22.8 percent for the quarter under review.

Andersen further commented: “The unexpected increase in excise duties in Singapore has had a dampening effect on consumer off-take for beer. This, along with our stock rationalization which ended in Q1, has weakened earnings for the quarter. However, we are optimistic in our Singaporean operations, as we see positive signs that our efforts in improving the underlying business are starting to take effect. Moving forward, we expect our brand investments, focus on product freshness and cost efficiency programs to take hold and help generate better results.”

“We are also encouraged by the recent acquisition of MayBev Pte Ltd., which now gives Carlsberg Singapore distribution of Asahi Super Dry in the city state. With Asahi’s well established position as the second largest premium beer brand in Singapore and our own strong brand portfolio here, there is much to be reaped from this partnership.”

The Group’s earnings for the quarter were achieved on the back of a revenue of RM445.9 million which declined marginally by RM24.8 million or 5.3 percent compared with the same quarter last year. The Group’s profit after tax rose by 4.3 percent to RM53.4 million in the first quarter. Earnings per share for the quarter was 17.12 sen versus 16.53 sen a year ago.

Andersen said, “We expect the market to remain soft until the macroeconomic situations and consumer sentiments improve. However, we believe that our strong execution in football as well as the new season of Barclays Premier League with Carlsberg as the official beer will help to spur demand for our brands.

He added that the recent launch of Somersby Pear Cider is a great-tasting addition to Carlsberg’s portfolio of premium brands. Its Somersby Apple Cider is already the leading and fastest growing brand in its category both in Malaysia and Singapore.

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