



46th Annual General Meeting

Henrik Juel Andersen

Managing Director

Apr 21, 2016

Carlsberg
Malaysia



AGENDA

- Business Performance Overview
- FY 2015 Financial Results
- Outlook 2016





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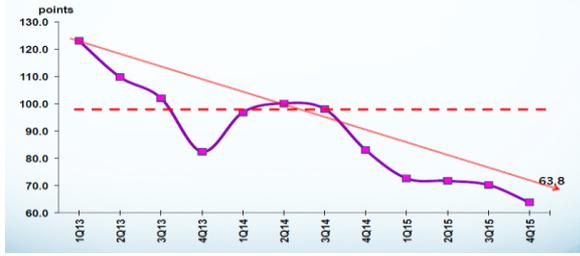
2015 – Challenging macro-environment



Unfavorable Impact of GST



Weakening Ringgit against USD



CSI dropped to a record low of 63.8 in Q4 2015

RM4.3mil illicit alcohol seized

Customs: 345 stores raided this year in Selangor

This is a theft from the taxpayers and undermines legitimate traders.

... (text continues) ...

Market down on poor sentiments

Foreigners continue to sell on external and internal worries

... (text continues) ...



43,200 cans of smuggled beer seized from warehouse



Selangor govt slammed for liquor ban in medicine shops

... (text continues) ...

Tougher operating environment and increased smuggled activities as well as influx of parallel import

Satisfactory results amidst weak consumer sentiments

Full Year Performance

Revenue 1.5% ↑

Profit After Tax 1.5% ↑

Net Profit 7.3% ↑
(If adjusted for the one-off impairment loss)

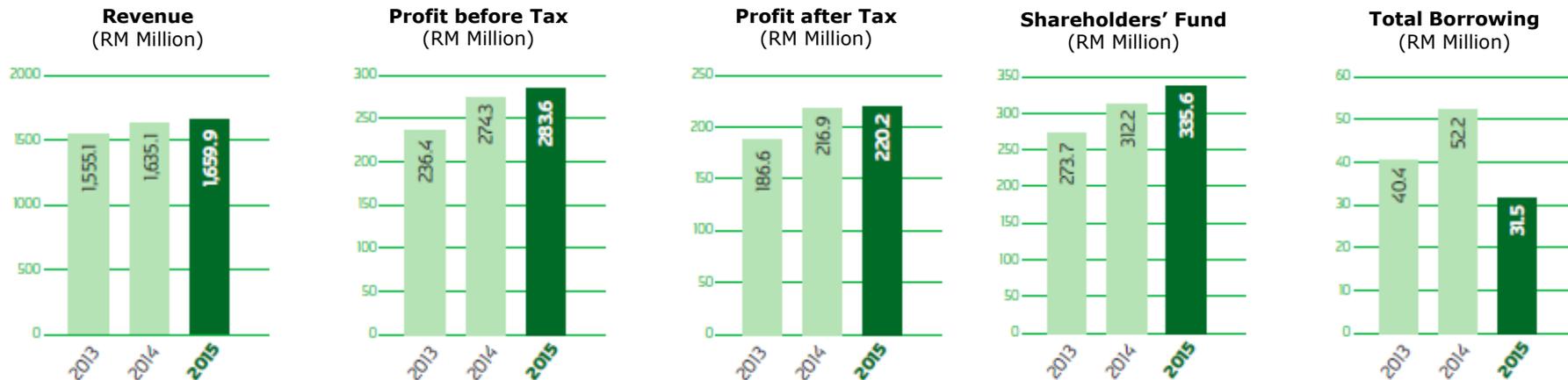
Profit from Operations 2.1% ↑

Net Dividend 100% ↑
(as % of PAT)

Highlights

- **Divestment** of 70% stake in **Luen Heng F&B Sdn Bhd**
- **Redeployed resources** to intensify our brand investment on beer, stout and cider innovation
- **Effective commercial strategy** which led to solid share gain in premium segment
- Disciplined implementation of **Operating Cost Management (OCM)** programme
- **Re-organized** to achieve greater synergies between Malaysia and Singapore operations

Solid Financial Performance



- 3-year consecutive growth in revenue and profits.
- Successful Value Management (VM) and Operating Cost Management (OCM) resulting in optimal product and price mix as well as greater efficiencies
- Effective integration of MayBev into Carlsberg Singapore contributed higher sales.
- A total cash payment of RM19.5 million was generated from the sale of 70% stake in LHFB.

Carlsberg's new campaign received very positive response and further strengthened brand equity



- **Increased brand investment** to support "If Carlsberg Did" campaign – on both **print and digital**
- Achieved >3.5million online views
- Continue to **lead in Top of Mind and Brand Preference**
- All advertising materials **developed in MY** were also being **rolled out in other markets** in Asia and Europe
- Won the **Gold Award** at the Putra Brand Awards for the **6th consecutive year**

Solid share gain in premium beer segment



- All premium beer brands enjoyed **good positive growth** despite challenging environment
- **Consistent investment** behind the brands helped accelerate growth

Somersby continue to lead in the cider segment



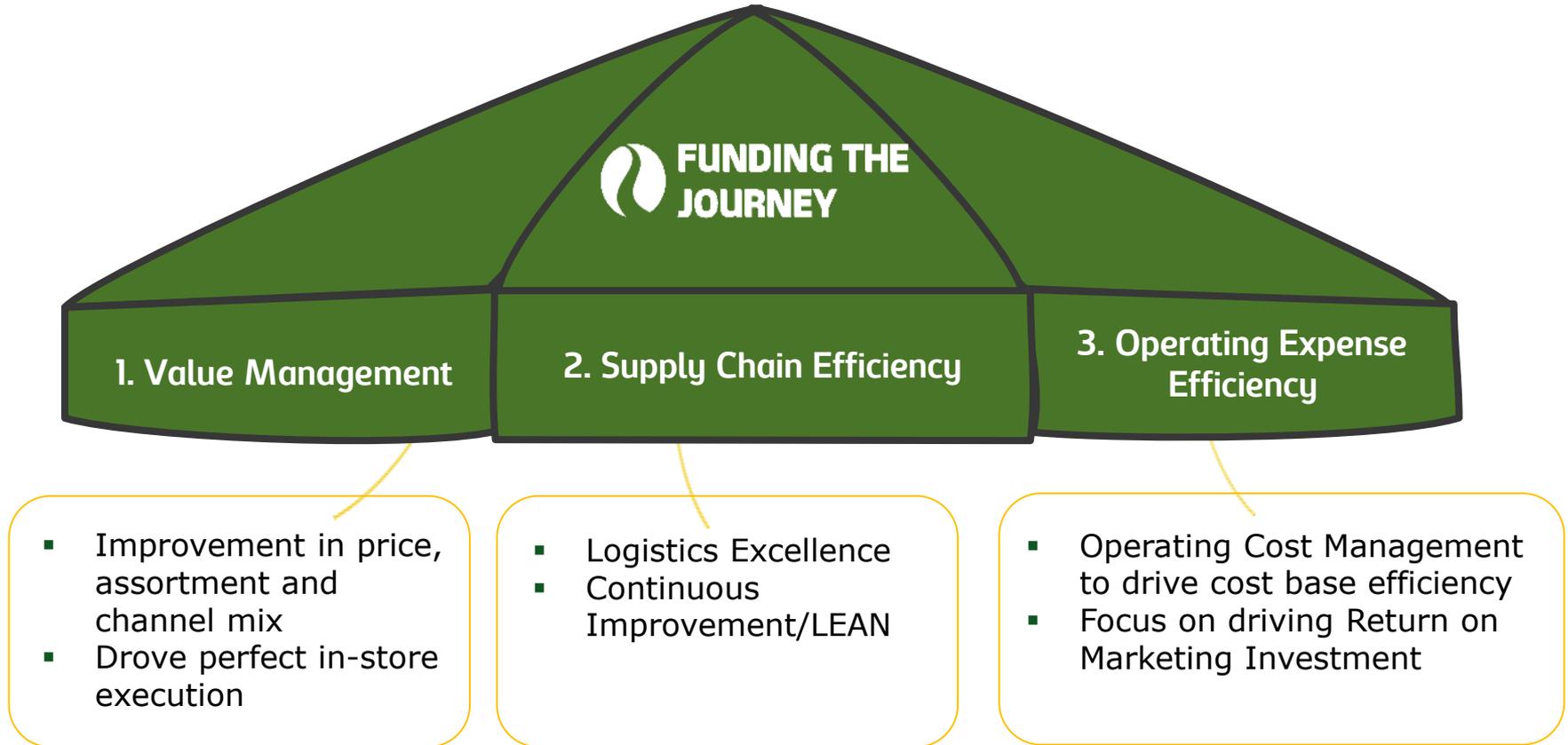
- Both Somersby Apple & Pear grew very positively driven by **massive sampling & widened distribution**
- **Somersby Blackberry** introduced as **limited edition** and received overwhelming response
- **1st cider** in Malaysia to **win in the Putra Brand Awards**

Within the stout segment, we made significant inroads especially in the draught stout segment



- Connor's - New **visual identity** + **Improved liquid** profile
- Supported with aggressive marketing campaign on Connor's and Royal Stout
- Volume **more than doubled** on Connor's

Robust Efficiency & Effectiveness Initiatives to drive top and bottom line growth



Continuous investment in employees to drive robust capability building and talent development



OVERSEAS POSTING

3

short-term assignments

3

international assignments

1

commuter assignment

REWARD & RECOGNITION

15

GREAT awards recipients

66

long service awards recipients

TRAINING & RECREATION

11

in-house trainings with 216 participants

6

special Sports & Rec Club events

We continue to grow our business in responsible and sustainable manner....

Year-on-year improvements

in relative consumption for CO₂, energy and water

90%

returnable rate on total returnable glass bottles

1,500

trees were planted in Shah Alam by 300 volunteers in support of environmental conservation

RESTAURANTS & BARS

1,000

consumers and 10 customers were engaged to support the inaugural Global Beer Responsible Day



#CheersResponsibly

>5,000

consumers reached through responsible drinking campaigns

RM22.7 million

in total school-building funds accumulated for 16 schools



SCHOOL

283 hours

in total spent by Malaysian employees on community engagement activities

3

Malaysian elephants at the National Zoo were adopted in support of wildlife protection



... and actively giving back to society via J.C. Jacobsen Foundation



RM10,000 cash donation to Mt Kinabalu guides as relief from earth quake disaster



1,500 trees were planted in support of environment conservations



J.C. Jacobsen Education Fund with RM2mil worth of scholarship was launched in support of equal opportunities in education.





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Income Statement FY 2015

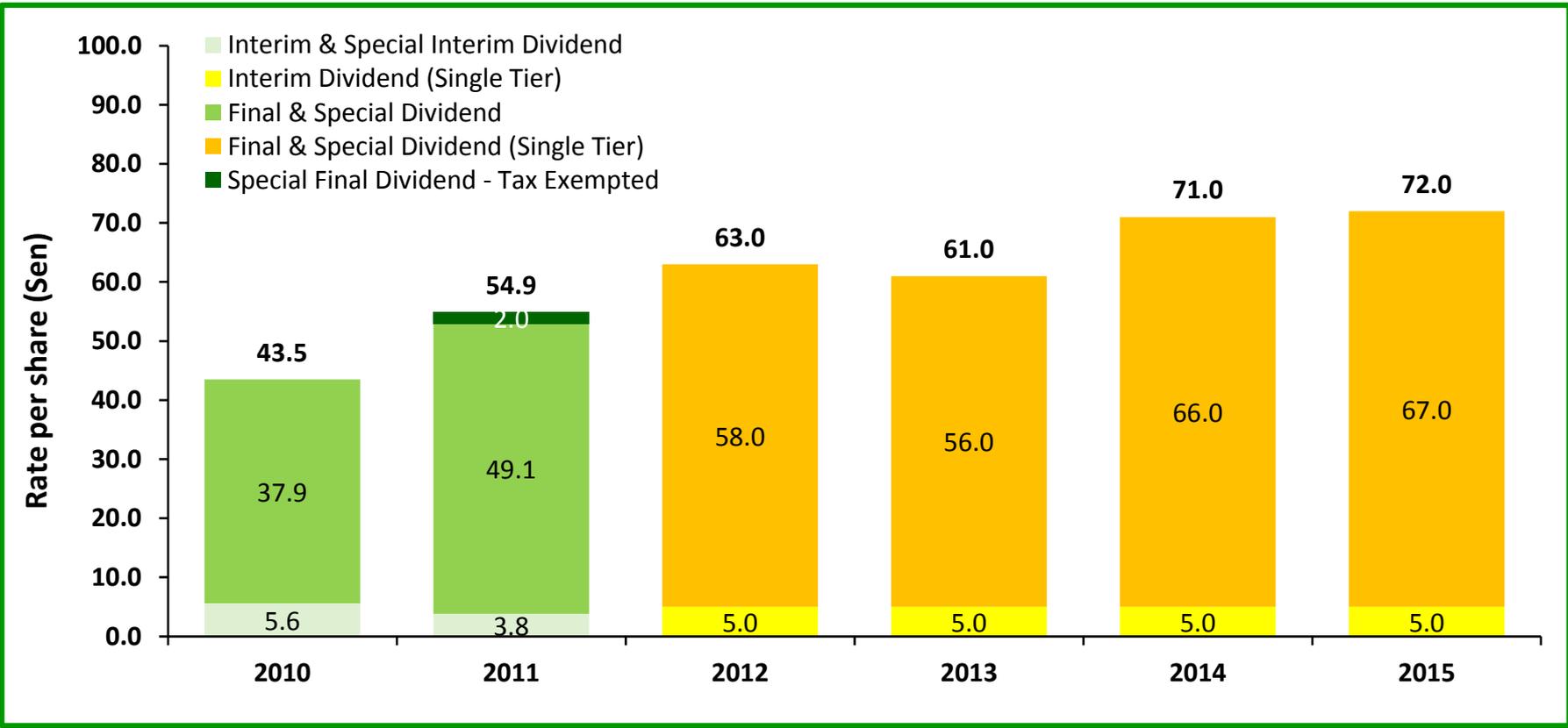
RM'000	FY 2015	FY 2014	% Chng
Revenue	1,659,945	1,635,096	+2%
Operating expenses	(1,397,863)	(1,371,405)	-2%
Other operating income	11,046	3,820	+189%
Operating Profit	273,128	267,511	+2%
Interest expense	(5,635)	(4,250)	-33%
Profit from associate Co.	16,139	10,991	+47%
Profit Before Tax	283,632	274,252	+3%
Profit After Tax	220,238	216,921	+2%

Profit After Tax grew +7.3% after adjusting for the one-off impairment loss on the divestment of Luen Heng F&B Sdn Bhd (LHFB)

Balance Sheet & Cash Flow – 31 Dec 2015

RM'000	2015	2014
<u>BALANCE SHEET:</u>		
Non-current Assets	251,024	225,045
Cash and Cash Equivalents	40,968	87,993
Other Current Assets	369,773	348,510
Total Assets	661,765	661,548
Equity	342,588	331,121
Liabilities	319,177	330,427
Total Equity & Liabilities	661,765	661,548
<u>CASH FLOW:</u>		
Free Cash Flow	185,582	226,164

Dividend from 2010 – 2015 (Net of Tax)





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Kicked off 2016 with Probably the Best CNY and has since been a busy 1st Quarter



Health Bonus Friendship Generic Business Luck Fortune

JAN

FEB

MAR

APR



Introduced Carlsberg Smooth Draught and received overwhelming response



- Special Edition to reward our consumers
- Cater to consumers who love the **smooth sensation of a draught beer** but can't get one anytime, anywhere
- Available in coffee shops, hawker centers, restaurants and food courts

特别版
SPECIAL EDITION

Carlsberg 順啤
SMOOTH DRAUGHT

SMOOTH DRAUGHT
FOR A MORE REFRESHING TASTE
1847 COPENHAGEN PREMIUM BEER

推介价 Introduction Price
RM 88.88
原價 RRP
RM 7.00

全新 Carlsberg 順啤，犹如生啤般顺心顺喉。
Enjoy the smooth sensation of freshly tapped beer.

Carlsberg Probably the best beer in the world.

UPCOMING!!



- **Official Beer** of UEFA EURO 2016™
- Carlsberg's **8th consecutive sponsorship** of one of the world's biggest football events
- We will be sending consumers **to France** to **watch Semi-Finals** and to **Play on Pitch with football legends**
- Stay tuned to our EURO campaign - kicking off in May 2016

2016 Outlook

- Challenging consumer sentiments and macro economic conditions
- Hefty and unfair increase of excise duties on beer effective 1st March 2016 which further affects affordability
- Influx of low-priced parallel import products
- Value pressure from customers

Our focus...

- Continue to invest behind our brands effectively and consistently
- Robust implementation of the initiatives identified under "Funding the Journey"
- Rally behind the new ambition and strategy of the Company via greater employee engagement



Our Ambition & Strategy for the next 7 years... aligned to Global Direction



SAIL²²

STRENGTHEN CORE

POSITION FOR
GROWTH

CREATE A
WINNING CULTURE

DELIVER VALUE FOR
SHAREHOLDERS



... brewer in our
markets

SUCCESSFUL

Driving sustainable top- and
bottom-line growth

PROFESSIONAL

Excel with our customers in insights,
management and service

ATTRACTIVE

Delivering value for our shareholders,
employees and society



- Change of Managing Director on 1st July 2016.
- Lars Lehman is the current Regional CEO, Western Europe Challenger Markets of the Carlsberg Group.
- Henrik J. Andersen takes on new senior role as Managing Director Lao Brewery Ltd. and Regional CEO of Laos and Cambodia.
- Seamless and smooth transition in June 2016.

Thank You...


Malaysia

