



PROBABLY
**THE BEST
YEAR**

ANNUAL REPORT 2018



COVER RATIONALE

This year's theme of **Probably the Best Year** reflects the success we enjoyed on several fronts.

We recorded strong top- and bottom-line growth as our mainstream, premium, craft and cider brands all grew.

We delivered considerable value for shareholders with total declared and proposed dividends of 100.0 sen per ordinary share, driven by a 25.3% growth in net profit*.

*Net profit refers to Group's profit attributable to shareholders of the Company

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CARLSBERG MALAYSIA GROUP AT A GLANCE



 **MALAYSIA** 100% Ownership
Carlsberg Marketing Sdn. Bhd.



+21.9%*

Revenue in 2018
RM1.41 bil

RM235.2 mil

Free cash flow in 2018

+17.4%

Profit from Operations in 2018
RM254.1 mil

Established in 1969, Carlsberg Brewery Malaysia Berhad (Carlsberg Malaysia Group / the Group) is part of the Carlsberg A/S (Carlsberg Group), one of the world's leading brewers with strong market positions across Asia and Europe.

We are a dynamic brewer with operations in Malaysia and Singapore, and stakes in a brewery in Sri Lanka. We also have a regional presence via exports to Thailand, Taiwan, Hong Kong, Laos, Maldives and Guam.

Our international portfolio of brands features our flagship Carlsberg – *Probably The Best Beer In The World*, Carlsberg Smooth Draught – *Probably The Smoothest Beer In The World*, and Carlsberg Special Brew – *Probably The Best Strong Beer In The World*.

This Carlsberg trio is complemented by a comprehensive range of international premium brews including France's premium wheat beer Kronenbourg 1664 Blanc, Japan's No.1 premium beer Asahi Super Dry, European cider Somersby, British-inspired Connor's Stout Porter, US award-winning craft beer Brooklyn Brewery as well as Corona Extra, the imported premium Mexican beer brand. Our local brands include SKOL, Royal Stout, Jolly Shandy and Nutrimalt.

Carlsberg Malaysia Group's corporate strategy, SAIL'22, is our roadmap towards fulfilling our ambition of becoming a successful, professional and attractive brewer in all the markets we operate in.

2018 was Probably The Best Year for the Group with revenue up 14.6%* to RM1.98 bil, net profit up 25.3% to RM277.2 mil, and a total declared and proposed dividend payout of 110.3% of the Group's consolidated net profit.

At Carlsberg Malaysia Group, we are constantly guided by the 'Golden Words' of our founder J.C. Jacobsen: to pursue perfection in all that we do, each and every day. This sets the foundation of our Purpose:

**BREWING
FOR A BETTER
TODAY AND
TOMORROW.**

+25.3%
NET PROFIT
RM277.2 mil

+14.6%*
REVENUE
RM1.98 bil

+7.4%
FREE
CASH FLOW
RM328.0 mil



SINGAPORE

100% Ownership

Carlsberg Singapore Pte. Ltd.

51% Ownership

MayBev Pte. Ltd.



-0.3%*
Revenue in 2018
RM569.1 mil

RM92.8 mil
Free cash flow in 2018

+12.4%
Profit from Operations in 2018
RM92.9 mil



SRI LANKA

25% Ownership

Lion Brewery (Ceylon) PLC



Share of Profits
RM21.0 mil
in 2018 against a share of loss of
RM0.2 mil in 2017



*vs adjusted 2017 Revenue had the Group applied MFRS 15

OUR WINNING PORTFOLIO OF BRANDS



CONNOR'S STOUT PORTER

Draught Stout
“Just Made Right”

CARLSBERG

Probably The Best
Beer In The World



KRONENBOURG 1664 BLANC

Taste the French Way
of Life



CARLSBERG SMOOTH DRAUGHT

Now You Can POP
a Draught Anywhere!



ASAHI

Japan's No. 1
Premium Beer



SOMERSBY

No. 1 Cider in Malaysia
& Singapore

In addition to the key brands shown above, our portfolio of brands also includes these beer, stout, shandy, cider and non-alcoholic malt beverage brands.



PROBABLY THE BEST YEAR

Our consistent focus on great innovations, excellent product quality and relevant consumer activations, as part of the SAIL'22 strategic priorities, paid off for Carlsberg Malaysia Group in 2018.

The Group is proud to deliver continuous improvement in its financial performance as well as strong growth in its brands across all segments.



**BRAND VOLUME
GROWTH IN 2018**

+12%



+40%



+25.3%

NET PROFIT

RM277.2 mil
in 2018

+14.6%*

REVENUE

RM1.98 bil
in 2018

+7.4%

FREE CASH FLOW

RM328.0 mil
in 2018

(*vs adjusted 2017 Revenue had the Group
applied MFRS 15)

100.0 sen

record dividend payout declared
and proposed* in respect of 2018,
**equivalent to 110.3% of the Group's
net profit in 2018** (* The final and special
dividends are subject to shareholders' approval at the
forthcoming 49th Annual General Meeting)

ZERO LOST-TIME ACCIDENTS

New record of

405 days

in the brewery as of 31 Dec 2018
vs 257 days in 2016



+24%



+42%



+8%



+178%



PROBABLY THE MOST VICTORIOUS YEAR

The first-ever festive
red tabs and caps
on Carlsberg and
Carlsberg Smooth Draught
was eye-catching and
well-received by consumers



88,000
consumers engaged at
our through-the-line
campaign activations



Over 5,500
winners of nationwide
promotions, including the
“I Shop, Carlsberg Pays” contest,
which was back by
popular demand for the
2nd consecutive year



2 mil
consumers
reached through
digital activities
and social media
platforms



Special-edition festive packaging sizes
in Singapore boosted consumption. The
Carlsberg 48-can trolley bag promotion
received overwhelming response!



Probably the best beer in the world.



齊歡
Carlsberg

得意
Carlsberg

開心
Carlsberg

勝飲
Carlsberg

恭賀發財
新年快樂

Probably The Most
Victorious Year!
Gong Xi Fa Cai.



PROBABLY THE BEST FOOTBALL BEER

Country-themed packaging

on Carlsberg and Carlsberg Smooth Draught as well as collectible merchandise fuelled passions for the football event of the year



15.5 mil online users reached through digital campaigns



PROBABLY THE BEST
PRIZES AWAIT YOU!

www.probablythebest.com/my/football

Terms and conditions apply.



Probably the best football beer in the world.



**BUY CARLSBERG AND
ENJOY THE MATCH!**

Collect merchandise from
your favourite team



Over
200,000
consumers participated
at Probably The Best
football viewing parties



Over **1 mil** prizes and
merchandise given out



PROBABLY THE BEST FUNDRAISING PLATFORM

Top Ten Charity Campaign

Perlis 玻璃市

RM800,000

Kedah 吉打

RM14,994,632

Kelantan 吉兰丹

RM6,517,388

Penang 槟城

RM24,164,074

Terengganu 丁加奴

RM3,629,836

Perak 霹雳

RM73,086,203

Pahang 彭亨

RM35,642,045

Selangor 雪兰莪

RM102,232,525

Kuala Lumpur 吉隆坡

RM103,326,283

Negeri Sembilan 森美兰

RM20,497,857

Melaka 马六甲

RM26,257,638

Johor 柔佛

RM90,859,872



More than **600**
vernacular **schools**
supported over
30 years



Probably the best fundraising platform.



南洋商報
中國報

冲破五亿，再接再厉！

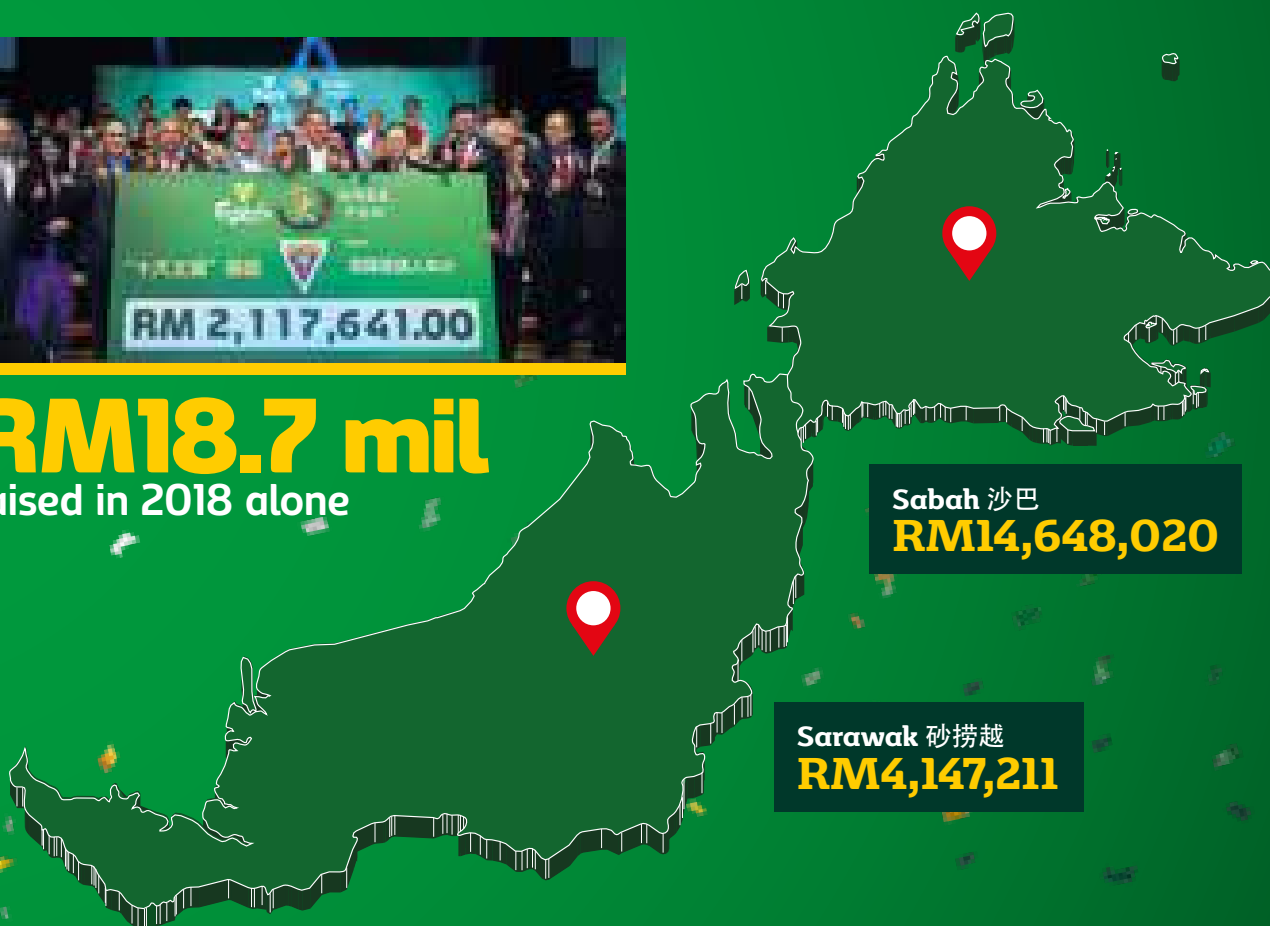
RM520.8 mil

in total proceeds from 1987 to 2018



RM18.7 mil

raised in 2018 alone



Recognised by the **Malaysia Book Of Records** as the longest-running Chinese charity concert with the highest funds raised!

Refer to page 63 for more information on the Top Ten Charity Campaign under 'Committing Towards A Responsible Business' in the Sustainability Statement.

PROBABLY
THE SMOOTHEST BEER
IN THE WORLD
**CARLSBERG SMOOTH
DRAUGHT**

+58%
Volume Growth
in 2018

**NOW YOU CAN
POP
A DRAUGHT
ANYWHERE**





Pull-off POP Cap

One-of-its-kind innovation,
launched to offer the smoothness of
draught beer with ease and fun

IGHT
HERE

Probably The Best POP Music Video

with a catchy jingle
featuring the cap's
distinctive "POP"!



Countdown to

Probably The Smoothest Hour

sampling at high-traffic
bus stops in Singapore

Probably The Best

Golf



Tournament

Celebrated
25th Anniversary
in 2018 as the **biggest and
longest-running amateur
golf tournament** in Malaysia



34 qualifying legs
held throughout 9 states over 4 months



golf
Probably the best beer in the world.



**3,200
players**
“popped”
a Carlsberg
Smooth Draught
right on
the green



More prizes, fun activities, and novelty shots plus samples of
refreshing Somersby cider!

RM2.6 mil
value in partner
sponsorships and prizes –
the biggest on record!



NO.1 CIDER IN **MALAYSIA AND SINGAPORE**

Somertime, Anytime!

Iconic Somersby Kombis toured the country offering the taste of Somersby to over

160,000
consumers



Somersby Elderflower Lime,

a new variant launched with floral notes combined with a twist of lime and available in 330ml pint bottles and 320ml cans

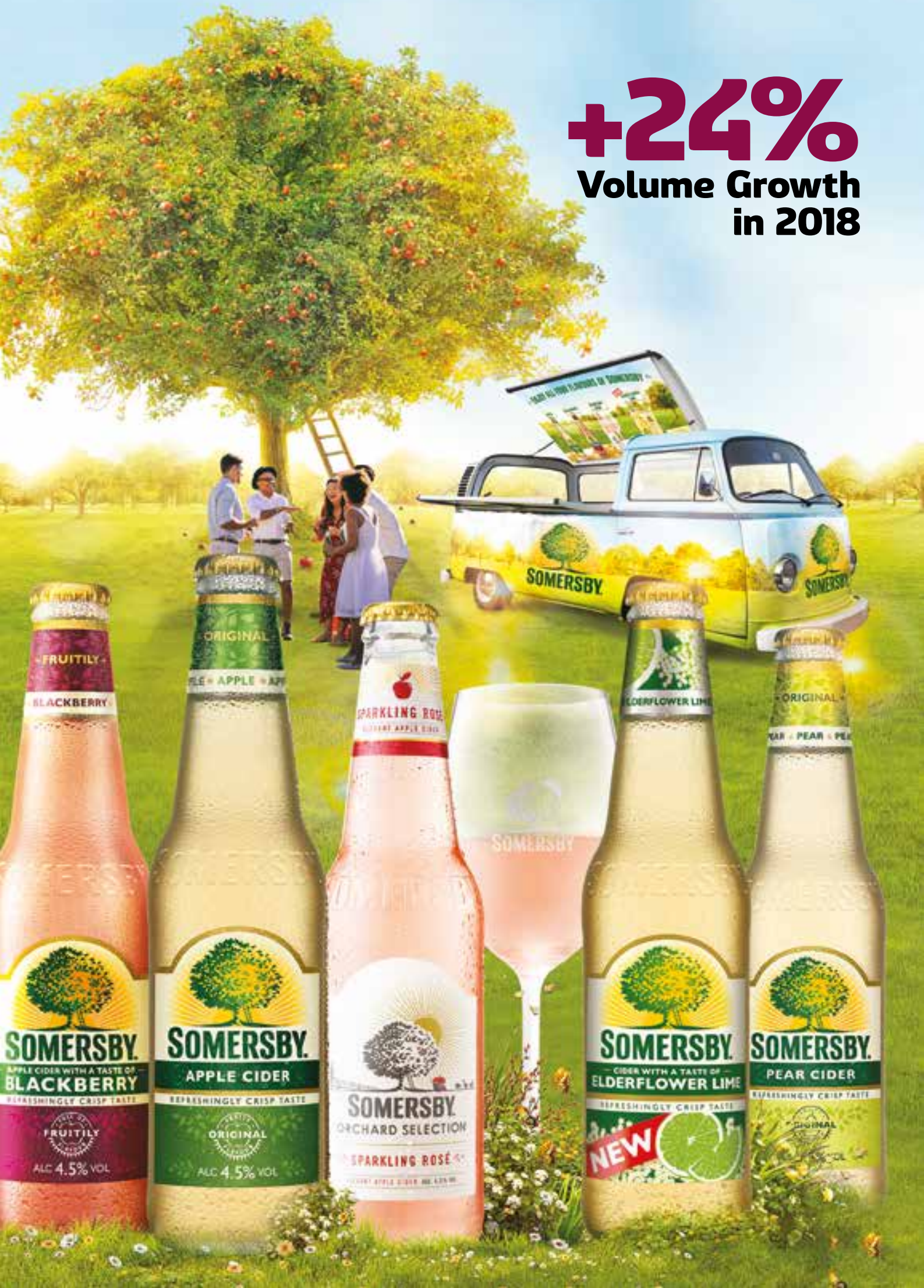


Somersby Sparkling Rosé

First cider dedicated to ladies, turning ordinary moments elegantly pink



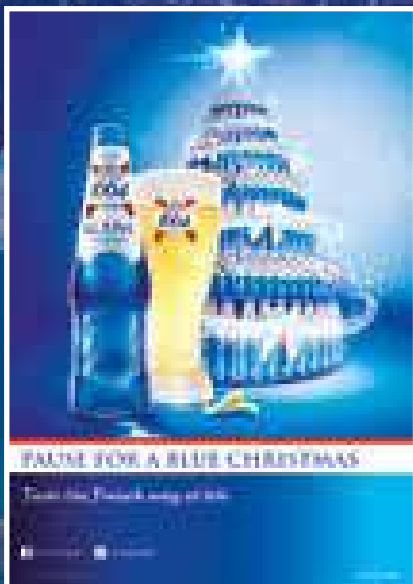
+24%
Volume Growth
in 2018



TASTE THE FRENCH WAY OF LIFE **KRONENBOURG** **1664 BLANC**



**Pause for a
Blue Treat**
promotion offered
chilled 1664 Blanc to
consumers' doorsteps



**Pause for a
Blue Christmas**
dressed up bars and
pubs with over 100
Christmas trees of
iconic-blue bottles

**Limited edition festive pack -
perfect for gifting!**



+40%
Volume Growth
in 2018



JAPAN'S NO.1 PREMIUM BEER **ASAHI SUPER DRY**



Asahi is now
available in
**550 Japanese
eateries in
Malaysia and
Singapore**

+8%

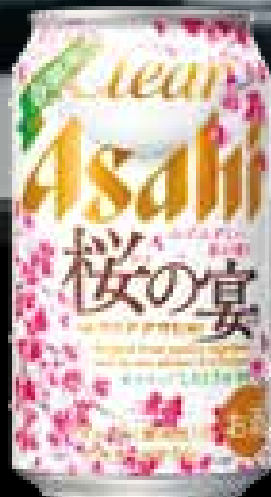
**Volume Growth
in 2018**

Limited-edition
Asahi Mini Can
promotion highlighted
the unique miniaturisation
in Japanese culture



..... **SINGAPORE**

**3 seasonal
variants in
convenience
stores**



DRAUGHT STOUT
“JUST MADE RIGHT”
**CONNOR'S
STOUT PORTER**



+42%
Volume Growth
in 2018



Over
30,000
Stout Drinkers
participated in the
challenge and learned to
pour a perfect pint



96%
satisfaction rate
achieved from blind-taste test
of Connor's Stout

3 wins at the
Loyalty & Engagement
Awards 2018
by Marketing magazine in Singapore

1. GOLD for Best Engagement Strategy for a Male Audience
2. SILVER for Best Customer Experience
3. SILVER for Best Use of Experiential/Live Marketing



THE LEADING US INTERNATIONAL CRAFT BRAND **BROOKLYN**



**First Flagship Bar
in Southeast Asia**

at Highline, Resorts World Genting
opened in October 2018



+178%

Volume Growth in 2018



Beer tasting
and food pairing
sessions held
in Klang Valley
received positive
reviews



..... SINGAPORE

Brooklyn
seasonal variants
Sorachi Ace and
Summer Ale
available on tap



Craft beer
lovers now
can enjoy
Brooklyn's
draught beers
straight from
the tap!

