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Company announcement 1/2013
18 February 2013

Financial statement as at 31 December 2012

Good performance – positive market share development across all regions and strong cash generation

Unless otherwise stated, comments in this announcement refer to full-year performance.

Financial highlights

- Organic net revenue growth of 3% to DKK 67.2bn (Q4: +5%).
- Continued solid beer price/mix of +3% (Q4: +5%).
- Group operating profit of DKK 9.8bn (Q4: DKK 2.2bn) in line with our guidance.
- Adjusted net profit growth of 6%, slightly higher than our guidance.
- Free operating cash flow of DKK 4.8bn (+13%) and free cash flow of DKK 5.9bn (+50%).
- For 2012, Carlsberg A/S proposes a 9% increase in dividend per share to DKK 6.00.
- For 2013, the Group expects to deliver operating profit of around DKK 10bn (assuming RUB/EUR at 42 and DKK 300-400m costs related to the supply chain integration and business standardisation project) and a mid-single-digit percentage increase in adjusted net profit.

Operational highlights

- The Western European beer market declined by 1-2% (around 3% decline excluding Poland), the Russian beer market was flat and the Asian beer markets continued to grow.
- Group organic beer volumes were flat (Q4: flat).
  - Western European volumes grew organically by 1% (Q4: +1%).
  - Eastern European beer volumes declined organically by 6% (Q4: -3%) due to Russian stocking movements and suspended production in Uzbekistan.
  - Our Russian consumer in-market sales grew by 2% (Q4: +4%), while our shipments declined by 4% (Q4: flat), impacted negatively by stocking movements.
  - Strong Asian organic volume growth of 9% (Q4: +4%); including acquisitions, volumes were up 19%.
- Driven by strong commercial execution, Western Europe delivered solid volume and value market share growth.
- Our Russian market share returned to a positive trend and was flat y/y, with the Q4 share up y/y by 110bp to 38.3%.
- We further improved our market share across Asia with particularly strong volume growth in India, Cambodia, Vietnam, Laos, Nepal and Malaysia.
- Our international premium brands continued to perform well with 8% Carlsberg brand growth in premium markets, 6% Tuborg brand growth, and our cider brand, Somersby, almost doubling its volumes to become the fastest growing global top 10 cider brand in 2012.
- The buy-out of minority shareholders in Baltika Breweries and the sale of the brewery site in Copenhagen were completed.

Commenting on the results, CEO Jørgen Buhl Rasmussen says: "The Group delivered a good performance in 2012, despite a challenging Western European beer market. The commercial and organisational changes implemented in Russia are bearing fruit, and in Asia we continue to deliver impressive growth and strengthen our market positions. In 2013, we will continue to drive our commercial agenda across all three regions, invest in our brands, and ensure that our sales and marketing capabilities are best in class. In Asia, we will look to capitalise on the attractive growth opportunities available. In our continuous drive to improve efficiency and deliver excellent service to our customers, the roll-out across Western Europe of our supply chain integration and business standardisation project will be a key priority in 2013. It represents a step change in the way we run our business in Western Europe and will provide us with significant long-term benefits and competitive advantages. All of these activities will help us to deliver positive volume and value market share growth and drive long-term value creation."

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KEY FIGURES AND FINANCIAL RATIOS

DKK million		2008	2009	2010	2011	2012
Sales volumes, gross (million hl)						
Beer		126.8	137.0	136.5	139.8	140.9
Other beverages		22.3	22.2	22.5	22.2	22.0
Pro rata volumes (million hl)						
Beer		109.3	116.0	114.2	118.7	120.4
Other beverages		19.8	19.8	19.3	19.2	19.1
Income statement						
Net revenue		59,944	59,382	60,054	63,561	67,201
Operating profit before special items		7,978	9,390	10,249	9,816	9,793
Special items, net		-1,641	-695	-249	-268	85
Financial items, net		-3,456	-2,990	-2,155	-2,018	-1,772
Profit before tax		2,881	5,705	7,845	7,530	8,106
Corporation tax		312	-1,538	-1,885	-1,838	-1,861
Consolidated profit		3,193	4,167	5,960	5,692	6,245
Attributable to:						
Non-controlling interests		572	565	609	543	638
Shareholders in Carlsberg A/S		2,621	3,602	5,351	5,149	5,607
Shareholders in Carlsberg A/S (adjusted)*		4,077	4,170	5,425	5,203	5,504
Balance sheet						
Total assets		142,639	134,515	144,250	147,714	153,965
Invested capital		118,643	109,538	117,119	118,196	121,467
Interest-bearing debt, net		44,156	35,679	32,743	32,460	32,480
Equity, shareholders in Carlsberg A/S		54,750	54,829	64,248	65,866	70,261
Cash flow						
Cash flow from operating activities		7,812	13,631	11,020	8,813	9,871
Cash flow from investing activities		-57,153	-3,082	-5,841	-4,883	-3,974
Free cash flow		-49,341	10,549	5,179	3,930	5,897
Investments						
Acquisition and disposal of property, plant and equipment, net		-4,669	-2,342	-2,197	-3,618	-2,264
Acquisition and disposal of entities, net		-51,438	95	-477	-260	-27
Financial ratios						
Operating margin	%	13.3	15.8	17.1	15.4	14.6
Return on average invested capital (ROIC)	%	8.2	8.2	8.8	8.4	8.0
Equity ratio	%	38.4	40.8	44.5	44.6	45.6
Debt/equity ratio (financial gearing)	x	0.74	0.60	0.47	0.45	0.44
Debt/operating profit before depreciation and amortisation	x	3.80	2.71	2.30	2.39	2.35
Interest cover	x	2.31	3.14	4.76	4.86	5.53
Stock market ratios**						
Earnings per share (EPS)	DKK	22.1	23.6	35.1	33.8	36.8
Earnings per share, adjusted* (EPS-A)	DKK	34.3	27.3	35.6	34.1	36.1
Cash flow from operating activities per share (CFPS)	DKK	65.8	89.3	72.1	57.7	64.6
Free cash flow per share (FCFPS)	DKK	-415.4	69.1	33.9	25.7	38.6
Dividend per share (proposed)	DKK	3.5	3.5	5.0	5.5	6.0
Payout ratio	%	20	15	14	16	16
Share price (B shares)	DKK	171.3	384.0	558.5	405.0	554.0
Number of shares (year-end)	1,000	152,554	152,553	152,539	152,523	152,555
Number of shares (average, excl. treasury shares)	1,000	118,778	152,550	152,548	152,538	152,543

* Adjusted for special items net of tax. ** Stock market ratios for 2008 are adjusted for bonus factor from rights issue in June 2008 in accordance with IAS 33. Number of shares (year-end) is not adjusted.
Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines "Recommendations and Financial Ratios 2010".

BUSINESS DEVELOPMENT

		Change				Change
DKK million	2011	Organic	Acq., net	FX	2012	Reported
Q4						
Beer (million hl)	26.9	0%	1%		27.1	1%
Other beverages (million hl)	4.6	-1%	0%		4.6	-1%
Net revenue	14,853	5%	0%	2%	15,932	7%
Operating profit	1,834	14%	0%	3%	2,152	17%
Operating margin (%)	12.3				13.5	120bp
12 mths						
Beer (million hl)	118.7	0%	1%		120.4	1%
Other beverages (million hl)	19.2	-2%	2%		19.1	0%
Net revenue	63,561	3%	1%	2%	67,201	6%
Operating profit	9,816	-5%	2%	3%	9,793	0%
Operating margin (%)	15.4				14.6	-80bp

Group financial highlights

For 2012, overall market growth was mixed across our three regions. Impacted by a challenging macro and consumer environment and bad weather during the summer, the Western European market declined overall by around 3% (excluding the strong-performing Polish market). The Russian beer market was flat for the year. The Asian markets continued to grow.

Group organic beer volumes were flat (Q4: flat). Volume development in Q1 and Q4 was impacted by destocking in Russia in Q1, stocking in France in Q4 and less stocking in Russia in Q4 than in 2011. Adjusted for this disruption, organic beer volume growth would have been +1%. Reported beer volumes grew by 1%. The acquisition impact related to Asia. The pro rata volume for other beverages was flat.

Net revenue grew by 6% to DKK 67,201m as a result of 3% organic growth (total beverage volume of -1% and positive price/mix of 4%), +2% from currencies and a net acquisition impact of +1%. Revenue dynamics were slightly more favourable in Q4 with 5% organic revenue growth due to country mix.

Cost of sales per hl for the year grew organically by 4% in line with expectations. Gross profit per hl grew organically by 3% (Q4: +8%) as the positive price/mix and production efficiencies more than offset the higher input costs. Due to the higher input costs across all regions, gross profit margin decreased by 30bp to 49.7% (Q4: 130bp improvement to 49.1%).

Operating expenses grew organically by 4% for the year (Q4: +2%), largely in line with the organic growth in net revenue. The increase was driven by several factors, including higher logistics costs in Eastern Europe, increased trade marketing investments in Russia and growth in Asia.

Consequently, Group operating profit was flat at DKK 9,793m with a 5% organic decline (Q4: +14%) and reported operating margin declined to 14.6%. The positive currency impact was mainly due to the weakness of the DKK versus Eastern European and Asian currencies. The acquisition impact was due to the 2011 acquisitions in Laos and Vietnam. Adjusted for the stocking/destocking disruptions in Russia and France and the suspended production in Uzbekistan, organic operating profit would have declined by an estimated 1-2%.

Reported net profit grew to DKK 5,607m (2011: DKK 5,149m), impacted positively by the capital gain in Q2 from the sale of the Copenhagen brewery site.

Adjusted net profit (adjusted for post-tax impact of special items) grew by 6% to DKK 5,504m versus 2011 (DKK 5,203m). This was slightly higher than management's outlook for the year.

Average trade working capital to net revenue was reduced to 1.0% at the end of 2012 versus 1.9% at the end of 2011.

Free operating cash flow was DKK 4,797m, up 13% from 2011. Free cash flow improved strongly to DKK 5,897m (DKK 3,930m in 2011), driven by improved trade working capital and the proceeds from the sale of the Copenhagen brewery site, which more than offset higher tax payments and slightly higher capital expenditures.

The Group invested significant resources in structural changes such as the buyout of minority shareholders in Russia and the Balkans and still managed to maintain net interest-bearing debt at DKK 32.5bn, unchanged from 2011.

The Group took advantage of the attractive market for corporate bonds and issued three bonds during 2012. In July, the Group placed a 7-year EUR 500m bond with a coupon of 2.625%. The principal amount of this issue was increased in November to EUR 750m, together with the issue of a 10-year EUR 750m bond with a coupon of 2.625%.

The Supervisory Board has decided to propose a 9% increase in dividend per share to DKK 6.00 (DKK 5.50 for 2011).

Group operational highlights

A key part of the Group's strategy is to drive both our international premium brands – Carlsberg, Tuborg, Kronenbourg 1664, Grimbergen and Somersby – and our strong local power brands. We will continue the development, enhancement and deployment of our sales and marketing tools across our markets and ensure that best practices are embedded across all relevant markets.

The repositioning of the Carlsberg brand, initiated in 2011, continued to be strongly supported in 2012. An important event was the EURO 2012 sponsorship, which was successfully activated and an important driver of the 8% volume growth of the Carlsberg brand in its premium markets. The brand grew across all three regions.

An important initiative behind Tuborg was the rejuvenation of the brand in early 2012 in selected markets, including a new campaign with a new tagline, new visual identity and new communication. The brand grew 6% for the year. Major commercial activities were the introduction of Tuborg in China in the spring and the launch of the new 3G Tuborg bottle in Russia and India. All initiatives yielded very good results.

Kronenbourg 1664 grew its volume both in France and outside France. We continued to introduce the brand in new markets and saw particularly good results in Russia, Denmark, Canada and in several Asian markets. The wheat beer Kronenbourg Blanc contributed significantly to overall brand development.

Our cider brand, Somersby, almost doubled its volumes and became the fastest growing global top 10 cider brand in 2012 (source: Canadean). The strong growth was driven by both category growth and a significant geographical expansion throughout the Carlsberg Group. The Somersby portfolio was extended with Somersby Double Press, a premium, naturally refreshing dry cider. Somersby was launched in 15 new markets in 2012 and is now available in 35 markets worldwide.

Grimbergen, our super-premium Belgian abbey ale, was launched in nine new markets across Europe and Asia. This, coupled with the introduction of a new proprietary Grimbergen bottle, livery, an impactful marketing activation programme and strong performance in the French market, resulted in solid double-digit volume growth for the Grimbergen brand.

As a result of the strong performance of our international premium portfolio as well as our local power brands, in 2012 the Group once again grew market share across a substantial part of its business, including very solid market share performance in Western Europe (approximately +40bp). In Eastern Europe, our market share developed favourably throughout the year and continued the positive trend seen since Q4 2011. In Asia, we continued to increase our market share across most markets.

During the year, we invested alongside the United Nations Industrial Development Organization (UNIDO) in an initiative to improve the environment in Russia; through the International Centre for Alcohol Policy (ICAP) we pledged a 5-year commitment to strengthen our efforts to reduce the misuse of alcohol; and we continued to make good progress in lowering our energy and water consumption and CO_2 emissions.

Structural changes

During 2012, the Carlsberg Group took several important steps to further focus and strengthen the company's growth profile.

On April 12, the Group announced the establishment of a consortium comprising a group of Danish investors and the Carlsberg Group, to develop the former brewery site in Copenhagen. The total value of the transaction was approximately DKK 2.5bn. As a result, the Group booked a gain of DKK 1.7bn in special items and proceeds of DKK 1.9bn in Q2.

In Q1, the Group increased its ownership in several businesses in the Balkan area and now has 100% ownership of the subsidiaries in Serbia, Croatia and Bulgaria.

In 2012 the Carlsberg Group initiated and completed the buyout of the remaining minority shareholders in Baltika Breweries. Following a successfully executed voluntary offer and compulsory purchase, the Carlsberg Group announced on 29 November that the transaction was complete and that it had obtained 100% ownership of Baltika Breweries at a total purchase price of DKK 4.3bn.

On 14 November, the Group announced the signing of an agreement to acquire a further shareholding of approximately 19% in Chongqing Jianiang Brewery Co. Ltd., taking the total shareholding close to 50%. Our partner in this joint venture is Chongqing Brewery Co. Ltd.

The supply chain integration and business standardisation project

2013 will be a year in which the Carlsberg Group will start implementing one of its largest and most important projects in recent years. The roll-out of the supply chain integration and business standardisation project in Western Europe will start with our Swedish subsidiary going live with the system in the spring, followed later by Norway and the UK.

The project will be a key enabler for the transformation of our Western European operating model, with all procurement, production, planning and logistics across the region being centrally managed, supported by standardised processes and data, and full transparency. The purpose is to improve capabilities, customer service and efficiency, increase speed and optimise asset utilisation. This project will yield significant long-term benefits when fully implemented in Western Europe, but will also require significant resources and entail substantial implementation costs.

For 2013, 2014 and 2015, additional costs related to this project are expected to be approximately DKK 300-400m, DKK 400-500m and DKK 500m respectively.

2013 earnings expectations

For 2013, the Carlsberg Group expects beer market dynamics for all three regions to be similar to 2012.

2013 volumes are expected to be impacted by destocking in France and Russia in Q1 and stock building in Russia in Q4 ahead of the RUB 3 excise tax increase in January 2014.

Reported cost of sales per hl is expected to be flat with limited variation between the three regions. In organic terms, cost of sales per hl is expected to grow by low single-digit percentages.

The Group will continue to drive a focused commercial agenda, balancing volume and value share. For 2013, we expect sales and marketing investments to revenue at the level of last year.

Costs associated with roll-out of the integrated supply chain and business standardisation project in Western Europe will impact Group profits in 2013 by approximately DKK 300-400m.

Average all-in cost of debt will decline by some 50-75bp due to the maturity of a GBP 200m bond in February 2013 and the bond issues during 2012.

The tax rate is expected to be 24-25%.

Capital expenditures are expected to remain at the level of 2012.

The outlook is based on an average EUR/RUB exchange rate of 42 (a EUR/RUB change of +/- 1 impacts Group operating profit by slightly less than +/- DKK 100m).

Based on the above, for 2013 the Group expects:

- Operating profit before special items of around DKK 10bn.
- Adjusted net profit[1] to increase by a mid-single-digit percentage.

Longer-term outlook

In 2012, we updated the Group's strategy to give it an even sharper focus. The strategy revolves around our brands, customers, efficiency and effectiveness, our commitment to social responsibility, and our people. Performance and achievements against the strategy will be measured using a wide range of KPIs, which are embedded in incentive schemes throughout the organisation.

The updated strategy has impacted our external medium-term margin targets. The Group remains confident in its ability to constantly improve profitability through a combination of growth, innovations, efficiency improvements and structural changes. However, the margin targets have proved difficult to use as internal and external performance targets, as several events, both within and beyond our control, have and will continue to impact margins – such as costs related to the supply chain integration and business standardisation project as well as a volatile input cost environment, especially in Eastern Europe.

Consequently, we have decided to remove the medium-term margin targets and replace them with a clear and simple metric that reflects the Group's intentions of generating long-term value. Based on our view of our regional beer markets and our ability to drive volume and value growth in the category and continuously improve efficiencies, we believe the Group is capable of generating sustained long-term operating profit and earnings per share growth. As a result of this, our ambitions are:

- For Western Europe to improve the operating margin by an average of 50bp or more per year for at least the next five years.

- For the Group, our longer-term ambition is to deliver an average growth in adjusted underlying earnings per share[1] of more than 10% p.a.

[1] Adjusted for special items after tax

WESTERN EUROPE

DKK million	2011	Change Organic	Change Acq., net	Change FX	2012	Change Reported
Q4						
Beer (million hl)	11.5	1%	0%		11.7	1%
Other beverages (million hl)	3.7	-3%	0%		3.6	-3%
Net revenue	8,715	3%	0%	2%	9,175	5%
Operating profit	1,166	-13%	0%	2%	1,038	-11%
Operating margin (%)	13.4				11.3	-210bp
12 mths						
Beer (million hl)	49.7	1%	0%		50.3	1%
Other beverages (million hl)	15.1	-4%	0%		14.5	-4%
Net revenue	36,879	1%	0%	1%	37,727	2%
Operating profit	5,419	-6%	0%	1%	5,121	-5%
Operating margin (%)	14.7				13.6	-110bp

The Western European beer market was challenging in 2012, impacted by difficult consumer dynamics as well as poor weather during the summer in some markets. The overall market declined by around 3%, excluding the Polish market, which continued to grow.

The positive market share trend from 2010 and 2011 in Western Europe continued in 2012, and we gained approximately 40bp market share for the region with particularly good performances achieved in Finland, Sweden, Norway, Poland, Portugal, the UK, Greece and Serbia. The performance was driven by a focused commercial agenda, including the embedding and further development of our value management tools, a focus on our international premium brands and local power brands, and our improved portfolio optimisation tool.

A very important commercial activity for the Carlsberg brand in 2012 was the EURO 2012 sponsorship. The event was activated in all markets in the region with significant resources being put into a successful execution of the event. It was an important driver behind the 6% volume growth of the Carlsberg brand in its premium markets in the region.

In our ambition to drive revenue growth, innovations remain a key priority. Several new products, including line extensions of local power brands and Garage Hard Lemonade in Finland and Denmark, were launched in the first half of the year. In addition, the roll-out and support of our international premium brands continued throughout the region.

As a result of the strong market share improvement in Western Europe and stock building in France ahead of the excise duty increase in January 2013, beer volumes grew organically by 1% (Q4: +1%). Other beverages declined organically by 4% (Q4: -3%). Total volumes, including non-beer beverages, were flat.

Organic net revenue grew by 1% (Q4: +3%). Reported net revenue grew by 2% to DKK 37,727m. The positive currency impact came from markets such as the UK, Norway and Sweden.

Price/mix was +1%, driven by the focused execution of our commercial agenda, including low single-digit price increases across markets in the region. Some of the improvement was offset by negative country mix, as our Polish business continued to grow well ahead of the region, and the ongoing negative channel mix with the off-trade taking share from the on-trade.

Gross profit margin declined slightly due to the negative impact from higher input costs.

Operating profit declined organically by 6% and the operating profit margin declined by 110bp to 13.6%. The decline in operating profit margin was mainly because of lower gross profit margin due to higher input costs, a negative country mix and poor weather during the summer. Despite stock building in France, operating margin declined in Q4, impacted by higher input costs, lower volumes (excluding France) and a tough comparison with the historically strong performance in Western Europe in Q4 2011.

The Nordics and Poland

Driven by our local power brands and Somersby, we improved our market share by more than 100bp in Sweden with particularly good performance in the off-trade channel.

In a Finnish market that saw a decline of approximately 5%, we grew our volumes and gained significant market share. This was driven by improved category management and retailers having a better balance between brand and private label promotions in the off-trade.

In Norway, we gained market share thanks to strong commercial execution. In December, we announced our plans to move to 100% one-way recyclable packaging for all water and CSD products. This restructuring will centralise the local CSD production and lead to a workforce reduction of 240 employees by 2015.

The Danish market declined by approximately 7% in 2012, impacted by poor weather during the summer and an excise tax increase in January 2012. As we led on prices for a large part of the year, our market share declined for the first nine months but in Q4 our market share increased strongly.

Our Polish business delivered a strong performance in 2012. In a market that grew by approximately 5%, we grew our volumes by almost 15%, achieving a market share of 17.5% (+90bp). Our value market share grew slightly faster. The strong performance was driven by our local brands Harnas, Kasztelan and Okocim as well as the Carlsberg brand, which benefited strongly from the successful execution of the EURO 2012 sponsorship. In addition, the growth was supported by our position in the rapidly expanding modern trade channel.

France, the UK and Switzerland

The UK market declined by 5% and our UK volumes were down by 3% as the poor weather during the summer more than offset the positive impact from the Diamond Jubilee and EURO 2012. However, our market share improved by 30bp to 15.3% driven by particularly good performance in the on-trade, which benefited from our expanded portfolio offering, while our off-trade market share declined slightly.

In Q4, our French business was impacted by the announcement of a 160% excise tax increase to come into effect on 1 January 2013, which led to stock building among wholesalers and retailers. Hence, our French volumes (shipments) increased by approximately 1% in a flat market. On 1 January 2013, we increased our prices to pass on the higher taxes. The trend towards greater premiumisation continues in France with consumers trading up from mainstream to premium. This development impacted our market share negatively as the market share growth in super-premium and premium with Carlsberg, Grimbergen and 1664 was not sufficient to offset declining volumes in mainstream and economy.

The Swiss beer market grew slightly in 2012. Our market share declined marginally due to a growing penetration of imported brands supported by a strong CHF.

EASTERN EUROPE

DKK million	2011	Change Organic	Change Acq., net	Change FX	2012	Change Reported
Q4						
Beer (million hl)	10.8	-3%	0%		10.4	-3%
Other beverages (million hl)	0.2	-8%	0%		0.2	-8%
Net revenue	4,384	2%	0%	4%	4,642	6%
Operating profit	804	40%	0%	6%	1,174	46%
Operating margin (%)	18.3				25.3	700bp
12 mths						
Beer (million hl)	47.7	-6%	0%		44.7	-6%
Other beverages (million hl)	1.9	-7%	0%		1.8	-7%
Net revenue	19,719	1%	0%	2%	20,236	3%
Operating profit	4,286	-3%	0%	3%	4,302	0%
Operating margin (%)	21.7				21.3	-40bp

Overall, the Eastern European beer markets were flat for the year, although with some variations between the quarters. In the first half of the year, the beer category in our two largest markets in the region, Russia and Ukraine, benefited from pre-election income increases and low inflation, which drove market volume growth. In the second half of the year, the beer category was negatively impacted by the lack of pre-election benefits, higher inflation and, in Ukraine, a worsening macroeconomy. In addition, we saw some transitional disruption in Russia following the closure of non-stationary outlets starting from mid-year ahead of the sales restrictions coming into effect on 1 January 2013.

Our Eastern European beer volumes declined organically by 6% to 44.7m hl (Q4: -3%). The decline was due to Russian destocking in Q1 and less stocking in Q4 than in 2011, and to Uzbekistan, where production was suspended all year as a result of a lack of raw materials following increasing currency conversion difficulties.

Organic net revenue for the region grew by 1% (Q4: +2%). Reported net revenue grew by 3% to DKK 20,236m because of a positive currency impact, mainly from the RUB. Driven by positive pricing across most of our Eastern European markets and positive mix, we achieved a positive price/mix for beer of 7% (Q4: 4%).

Operating profit declined organically by 3% to DKK 4,302m with an operating margin of 21.3%. Q4 operating profit grew organically by 40% to DKK 1,174m. The variance in operating profit and margin between the quarters and versus 2011 was driven by the phasing of price increases, higher input costs, the operational leverage effect from Russian destocking in Q1, higher logistics costs and the phasing of sales and marketing investments, which in 2012 were skewed towards H1. In addition, operating profit was impacted by the continued suspension of production in Uzbekistan. The net impact on operating profit in 2012 versus 2011 of the Russian stocking movements and Uzbekistan amounted to approximately DKK -400m.

Russia

The Russian market was flat for the year and our in-market sales ("off-take") grew by 2%. Our Russian volume market share was flat (38.2%) versus 2011 with a similar development in value share (source: Nielsen Retail Audit, Urban & Rural Russia). Our Russian beer volumes (shipments) declined by 4%, impacted by destocking in Q1 (year-on-year impact of estimated 1.3m hl) and an estimated 0.5m hl less stocking in Q4 than 2011.

The market declined by an estimated 2-3% in Q4 as it was temporarily impacted by the closure of non-stationary outlets. Our Russian Q4 volumes (shipments) were flat and our in-market sales (“off-take”) grew by 4%. Our Q4 volume market share was 38.3%, a 110bp improvement versus Q4 2011, and with a similar value share development.

Our market share performance has been on a positive trend since end 2011. A key driver behind this has been the commercial and organisational changes that were implemented in the Russian business throughout 2011 and at the beginning of 2012.

We continue to drive a very focused brand agenda in Russia. Within the super-premium category, the largest international premium brand in Russia, Tuborg, delivered solid growth following the rejuvenation of the brand early in the year with the introduction of the 3G bottle. Kronenbourg 1664 was the fastest-growing brand in our portfolio. Within mainstream, the Baltika and, especially, Zatecky Gus brands performed very well, while in premium Baltika 7 lost some share due to the disruption following the non-stationary outlet closures.

The price increases for 2012 were introduced in November 2011 and March, May and August 2012 to cover the duty increase and the input cost increases. Another price increase in October 2012 was implemented to offset part of the January 2013 excise duty increase of RUB 3. In total, average consumer price increases for the year were approximately 10%. In addition, Russian consumers continued to trade up. Hence, our Russian price/mix was +5%.

Ukraine

The Ukrainian beer market was slightly down for the year. Market dynamics worsened in the second half due to a slowdown in the Ukrainian economy, which led to market decline and consumer downtrading.

Our Ukrainian business continued its positive trend with a 20bp market share improvement to 29.3%. 2012 was the sixth consecutive year of market share improvement in Ukraine. The main drivers of the market share gains were a strong performance by the Lvivske and Baltika brands and the successful activation of the EURO 2012 sponsorship, which supported local brands as well as the Carlsberg brand.

ASIA

		Change				Change
DKK million	2011	Organic	Acq., net	FX	2012	Reported
Q4						
Beer (million hl)	4.6	4%	5%		5.0	9%
Other beverages (million hl)	0.6	14%	0%		0.7	14%
Net revenue	1,735	21%	2%	-3%	2,085	20%
Operating profit	283	18%	1%	-6%	319	13%
Operating margin (%)	16.3				15.3	-100bp
12 mths						
Beer (million hl)	21.3	9%	10%		25.4	19%
Other beverages (million hl)	2.1	17%	14%		2.8	31%
Net revenue	6,838	19%	10%	4%	9,114	33%
Operating profit	1,286	12%	15%	4%	1,685	31%
Operating margin (%)	18.8				18.5	-30bp

Most of our Asian beer markets showed strong growth momentum throughout the year. China was impacted by bad weather late in the year and a slight slowdown in overall growth.

Our Asian region delivered another year of outstanding performance with strong volume, revenue and profit growth and remains an important growth driver for the Carlsberg Group. We will continue to invest in the region, both organically through capacity expansions to meet the growing demand and by means of acquisitions through a focused M&A approach.

Beer volumes grew organically by 9% (Q4: +4%). Including acquisitions, beer volumes were up 19% to 25.4m hl, corresponding to 21% of Group volumes. Volume growth was particularly strong in India, Cambodia, Vietnam, Laos, Nepal and Malaysia.

The positive acquisition impact was a result of the increased ownership in Hue Brewery (Vietnam) and Lao Brewery (Laos) in 2011; in South Asian Breweries (India) in both 2011 and 2012; and the Chongqing Jianiang Brewery Co. Ltd. joint venture in China in 2012. Other beverages grew significantly by 31% (17% organically) due to strong performance in Laos and Cambodia.

Roll-out of our international brands across Asia is an important growth driver for the business as this will strengthen our local portfolios. In 2012, two important commercial activities in Asia were the activation of EURO 2012 and the rejuvenation of the Tuborg brand. EURO 2012 was effectively leveraged across the region and provided important brand building and promotional opportunities for the Carlsberg brand. The brand grew 7%, mainly driven by China and India. The successful launch of Tuborg in China and the introduction of the new 3G bottle in India resulted in strong brand volume growth of more than 60% across the region, which in 2012 accounted for approximately 13% of the Group's total Tuborg volumes. Somersby was launched in selected markets with positive consumer response.

The Asian region continued to deliver very strong financial results. Net revenue grew organically by 19% (Q4: 21%) and reported net revenue (including currency and acquisitions) grew by 33% (Q4: 20%).

Operating profit grew organically by 12% (Q4: 18%) and reported growth by 31% to DKK 1,685m. The Asian business now accounts for 17% of Group operating profit (9% in 2010). Operating profit margin declined slightly due to the substantial investments in capacity expansions and capability building, as well as a negative country mix.

China
Our Chinese market share grew slightly, driven by the strong performance of our international premium brands and the expanded distribution of both the Carlsberg and Tuborg brands. In particular, the Carlsberg franchise grew strongly, supported by good performances of Light and Chill. Further, we continued our capability-building programme within sales. Our overall Chinese volumes grew organically by 4% (7% including acquisitions) and reported beer volumes exceeded 14m hl.

Price/mix was approximately 10%, driven by price increases, strong growth of our international premium brands and premiumisation efforts related to local power brands. Profitability in China was impacted by the substantial marketing investments in the Tuborg launch.

Indochina
Our businesses in Indochina continued their strong growth trend with 18% organic beer volume growth. Reported volumes, which included the acquisitions in Vietnam and Laos, grew by more than 50%. All countries – Vietnam, Cambodia, Laos and Thailand – delivered strong growth, mainly as a result of strong performance of the local power brands, Angkor, Beerlao and Huda Beer.

During the year we announced the establishment of a sales and marketing joint venture with Singha Corporation in Thailand.

India
Our Indian volumes grew organically by approximately 45% and, for the first time, volumes exceeded the threshold of 1m hl. The strong volume growth was driven by the Tuborg and Carlsberg brands, with the rejuvenated Tuborg brand being a particular driver as it became the largest international premium brand in the country. Our market share exceeded 7% (+100bp). In Q4, the Group expanded its position in India through the acquisition of a brewery in Dharuhera (Haryana) and began construction of a 0.5m hl brewery in Patna (Bihar). These are the Group's sixth and seventh breweries in India, adding to our five existing breweries in Paonta Sahib, Alwar, Aurangabad, Kolkata and Hyderabad.

Malaysia/Singapore
Our business in Malaysia/Singapore maintained its focus on premiumisation and continued to perform well. Several commercial initiatives took place during the year, including activities behind the international brands Kronenbourg 1664, Kronenbourg Blanc and Somersby. We strengthened our market share in the premium beer category considerably. Somersby became the number one cider brand in Singapore.

CENTRAL COSTS (NOT ALLOCATED)

Central costs are incurred for ongoing support of the Group's overall operations and strategic development and driving efficiency programmes. In particular, they include the costs of running headquarters and central marketing (including sponsorships).

Central costs were DKK 1,199m (DKK 1,114m in 2011).

OTHER ACTIVITIES

In addition to beverage activities, Carlsberg has interests in the sale of real estate, primarily at its former brewery sites, and the operation of the Carlsberg Research Center. These activities generated an operating loss of DKK 116m (loss of DKK 61m in 2011).

During 2012, the Copenhagen brewery site was disposed of. The capital gain from the disposal is included in special items.

COMMENTS ON THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The 2012 consolidated financial statements of the Carlsberg Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies, cf. the IFRS statutory order pursuant to the Danish Financial Statements Act.

In addition, the consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the IASB.

The effect of purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities in business combinations has changed the comparative figures in accordance with IFRS 3 requirements.

INCOME STATEMENT

Net special items (pre-tax) amounted to DKK 85m against DKK -268m in 2011. The main items impacting special items were the sale of the Copenhagen brewery site (DKK 1.7bn), impairment of Vena Brewery, production and sales equipment in Russia (DKK -589m), impairment and restructuring of our business in Uzbekistan (DKK -290m), restructuring in Norway (DKK -262m) and restructuring of the Nordic Getränke joint venture in Germany (DKK -118m). Generally, special items include costs in connection with the restructuring measures implemented across the Group.

Net financial costs declined to DKK -1,772m against DKK -2,018m in 2011. Net interest costs were DKK -1,560m (2011: DKK 1,744m) due to lower average funding costs coming from lower short-term interest rates and the maturity of a GBP 250m bond in December 2011. Other net financial items decreased to DKK -212m (2011: DKK -274m), primarily due to currency and fair value adjustments.

Tax totalled DKK -1,861m against DKK -1,838m in 2011. The reported tax rate was 23% versus 24% in 2011 impacted by non-taxed gains within special items.

Non-controlling interests were DKK -638m, an increase of DKK -95m versus 2011 (DKK -543m) due to the increased shareholding in Lao Brewery in 2011, since when the company has been fully consolidated (51% ownership) versus previous proportional consolidation. This more than offset lower non-controlling interests from Baltika Breweries following the buyout of minority shareholders during the year.

Carlsberg's share of net profit was DKK 5,607m versus DKK 5,149m in 2011. Adjusted net profit (adjusted for post-tax impact of special items) was DKK 5,504m (2011: DKK 5,203m), corresponding to 6% growth.

STATEMENT OF FINANCIAL POSITION

At 31 December 2012, Carlsberg had total assets of DKK 154.0bn against DKK 147.7bn at 31 December 2011.

Assets

Intangible assets increased to DKK 91.2bn against DKK 89.0bn at 31 December 2011, driven by currency impact from Russia.

Property, plant and equipment increased to DKK 32.0bn against DKK 31.8bn at 31 December 2011, mainly due to investments being on a par with depreciation, an exchange rate difference of DKK 0.7bn and impairment of DKK -0.9bn, mainly related to activities in Russia and Norway.

Financial assets increased to DKK 9.6bn against DKK 8.0bn at 31 December 2011. The increase was largely related to investments in the 48.58% shareholding in Chongqing Jianiang Brewery Co. Ltd. In China and the 25% shareholding in the consortium developing the Copenhagen brewery site.

Current assets increased to DKK 21.1bn against DKK 18.2bn at 31 December 2011. The increase was primarily related to cash.

Liabilities
Total equity increased to DKK 73.7bn versus DKK 71.6bn at 31 December 2011. DKK 70.3bn can be attributed to shareholders in Carlsberg A/S and DKK 3.4bn to non-controlling interests.

The increase in equity of DKK 2.0bn was mainly due to profit for the period of DKK 6.2bn and foreign exchange gains of DKK 1.9bn. Payment of dividends to shareholders amounted to DKK -1.1bn, actuarial losses to DKK -0.7bn and acquisition of non-controlling interests to DKK -4.6bn, mainly related to the acquisition of minority shares in Baltika Breweries.

Liabilities increased to DKK 80.3bn against DKK 76.1bn at 31 December 2011. The increase was in both current and non-current liabilities.

Non-current liabilities increased to DKK 52.8bn (DKK 49.5bn at 31 December 2011), principally due to higher borrowings related to increased financial investments in associated entities and non-controlling interests.

Current liabilities increased to DKK 27.5bn (DKK 25.7bn at 31 December 2011) due to a DKK 1.9bn bond that matures February 2013 and thus became a current liability, and an increase in trade payables of DKK 0.8bn as a result of our continued focus on reducing average trade working capital.

CASH FLOW

Operating profit before depreciation and amortisation was DKK 13,812m (DKK 13,600m in 2011).

The change in trade working capital was DKK 852m (DKK -571m in 2011). Average trade working capital to net revenue was 1.0% at the end of 2012 versus 1.9% at the end of 2011.

Paid net interest etc. amounted to DKK -1,996m (DKK -2,070m in 2011).

Cash flow from operating activities was DKK 9,871m against DKK 8,813m in 2011. The 12% increase was driven by improved trade working capital.

Cash flow from investing activities was DKK -3,974m against DKK -4,883m in 2011. Cash flow from investing activities was positively impacted by DKK 1.9bn related to the proceeds from the sale of the Copenhagen brewery site. Total operational investments of DKK -5.1bn were above 2011 (DKK -4.6bn in 2011) and primarily included sales investments and capacity expansion in Asia. Total financial investments of DKK -791m (DKK -311m in 2011) were mainly related to the acquisition of associates, including the establishment of the Chongqing Jianiang Brewery Co. Ltd. joint venture and the subsequent acquisition of an additional 18.58% shareholding.

Free cash flow was DKK 5,897m against DKK 3,930m for 2011.

FINANCING

At 31 December 2012, gross interest-bearing debt amounted to DKK 40.1bn and net interest-bearing debt amounted to DKK 32.5bn. The difference of DKK 7.6bn was other interest-bearing assets, including DKK 5.8bn in cash and cash equivalents. Net interest-bearing debt was impacted by DKK 4.9bn from acquisition of non-controlling interests, mainly related to the increased shareholding in Baltika Breweries.

Of the gross interest-bearing debt, 92% (DKK 36.7bn) was long term, i.e. with maturity after more than one year. The net interest-bearing debt consisted primarily of facilities in EUR and approximately 86% was at fixed interest (fixed-interest period exceeding one year).

The Group issued three bonds during 2012. In July, the Group placed a 7-year EUR 500m bond with a coupon of 2.625%. The principal amount of this issue was increased to EUR 750m in November together with the issue of a 10-year EUR 750m bond with a coupon of 2.625%.

INCENTIVE PROGRAMMES

In 2012, a total of 131,500 share options were granted to members of the Executive Board of the Carlsberg Group.

In addition, a total of 202,955 performance share units (PSUs) have been granted to other management personnel as part of the long-term incentive programme. The number of PSUs in this programme is preliminary, as the final number will be determined on the basis of a per-unit value calculated as an average of the share price on the first five trading days after publication of the present Company announcement.

The share options were granted to a total of two employees with an exercise price of DKK 444.60 (2011: 61,200 share options to three employees with an exercise price of DKK 566.78). The PSUs were granted to a total of 319 employees with an exercise price of DKK 0 (2011: no grant).

Long-term incentive awards for the Executive Board for 2013 will be determined following the Annual General Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting will take place on Thursday 21 March 2013 at 4.30 pm (CET) at Tap 1, Ny Carlsberg Vej 91, Copenhagen, Denmark.

BOARD RESOLUTIONS AND PROPOSALS TO THE ANNUAL GENERAL MEETING

The Supervisory Board will recommend to the Annual General Meeting that a dividend be paid for 2012 of DKK 6.00 per share or a total of DKK 915m.

FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2013

The financial year follows the calendar year, and the following schedule has been set for 2013:

26 February 2013	Annual report for 2012
21 March 2013	Annual General Meeting
7 May 2013	Interim results for Q1 2013
21 August 2013	Interim results for Q2 2013
13 November 2013	Interim results for Q3 2013

Carlsberg's communication with investors, analysts and the press is subject to special restrictions during a four-week period prior to the publication of interim and annual financial statements.

DISCLAIMER

This Company Announcement contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of raw materials and packaging materials, cost of energy, production- and distribution-related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market-driven price reductions, market acceptance of new products, changes in consumer preferences, launches of rival products, stipulation of market value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

MANAGEMENT STATEMENT

The Supervisory Board and Executive Board have discussed and approved the Company announcement on the financial statement as at 31 December 2012.

The Company announcement of the financial statement as at 31 December 2012 has been prepared using the same accounting policies as the consolidated financial statements for 2012.

Copenhagen, 18 February 2013

Executive Board of Carlsberg A/S

Jørgen Buhl Rasmussen President & CEO	Jørn P. Jensen Deputy CEO & CFO

Supervisory Board of Carlsberg A/S

Flemming Besenbacher Chairman	Jess Søderberg Deputy Chairman	Hans Andersen
Richard Burrows	Donna Cordner	Elisabeth Fleuriot
Kees van der Graaf	Thomas Knudsen	Niels Kærgård
Søren-Peter Fuchs Olesen	Bent Ole Petersen	Peter Petersen
Lars Stemmerik	Per Øhrgaard	

FINANCIAL STATEMENT

This statement is available in Danish and English. In the event of any discrepancy between the two versions, the Danish version shall prevail.

INCOME STATEMENT

DKK million	Q4 2012	Q4 2011	2012	2011
Net revenue	15,932	14,853	67,201	63,561
Cost of sales	-8,111	-7,757	-33,831	-31,788
Gross profit	7,821	7,096	33,370	31,773
Sales and distribution expenses	-4,618	-4,433	-19,645	-18,483
Administrative expenses	-1,070	-1,017	-4,185	-3,903
Other operating income, net	5	106	145	249
Share of profit after tax, associates	14	82	108	180
Operating profit before special items	2,152	1,834	9,793	9,816
Special items, net	-1,306	-1,074	85	-268
Financial income	68	56	900	630
Financial expenses	-520	-546	-2,672	-2,648
Profit before tax	394	270	8,106	7,530
Corporation tax	-85	-272	-1,861	-1,838
Consolidated profit	309	-2	6,245	5,692
Attributable to:				
Non-controlling interests	117	83	638	543
Shareholders in Carlsberg A/S	192	-85	5,607	5,149
Earnings per share	1.3	-0.5	36.8	33.8
Earnings per share, diluted	1.2	-0.5	36.7	33.7

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q4 2012	Q4 2011	2012	2011
Profit for the period	309	-2	6,245	5,692
Other comprehensive income:				
Foreign exchange adjustments of foreign entities	-827	2,821	1,904	-1,839
Value adjustments of hedging instruments	137	-65	111	-12
Retirement benefit obligations	-573	-790	-741	-1,093
Share of other comprehensive income in associates	4	3	4	3
Effect of hyperinflation	18	175	75	175
Other	-1	18	-2	-26
Corporation tax	59	269	88	314
Other comprehensive income	-1,183	2,431	1,439	-2,478
Total comprehensive income	-874	2,429	7,684	3,214
Attributable to:				
Non-controlling interests	28	397	582	639
Shareholders in Carlsberg A/S	-902	2,032	7,102	2,575

STATEMENT OF FINANCIAL POSITION

DKK million	31 Dec. 2012	31 Dec. 2011
Assets		
Intangible assets	91,216	89,041
Property, plant and equipment	31,991	31,848
Financial assets	9,623	8,039
Total non-current assets	132,830	128,928
Inventories and trade receivables	12,369	12,205
Other receivables etc.	2,979	2,866
Cash and cash equivalents	5,760	3,145
Total current assets	21,108	18,216
Assets held for sale	27	570
Total assets	153,965	147,714
Equity and liabilities		
Equity, shareholders in Carlsberg A/S	70,261	65,866
Non-controlling interests	3,389	5,763
Total equity	73,650	71,629
Borrowings	36,706	34,364
Deferred tax, retirement benefit obligations etc.	16,074	15,178
Total non-current liabilities	52,780	49,542
Borrowings	3,352	1,875
Trade payables	11,862	11,021
Deposits on returnable bottles and crates	1,381	1,291
Other current liabilities	10,922	11,528
Total current liabilities	27,517	25,715
Liabilities associated with assets held for sale	18	828
Total equity and liabilities	153,965	147,714

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

DKK million	Shareholders in Carlsberg A/S								31 Dec. 2012
	Share capital	Currency translation	Hedging reserves	A-f-S invest-ments	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	Non-controlling interests	Total equity
Equity at 1 January 2012	3,051	-7,728	-1,159	147	-8,740	71,555	65,866	5,763	71,629
Profit for the period	-	-	-	-	-	5,607	5,607	638	6,245
Other comprehensive income:									
Foreign exchange adjustments of foreign entities	-	1,952	-	-	1,952	-	1,952	-48	1,904
Value adjustments of hedging instruments	-	-216	327	-	111	-	111	-	111
Retirement benefit obligations	-	-	-	-	-	-729	-729	-12	-741
Share of other comprehensive income in associates	-	-	-	-	-	4	4	-	4
Effect of hyperinflation	-	71	-	-	71	-	71	4	75
Other	-	-	-	-	-	-2	-2	-	-2
Corporation tax	-	56	74	-	130	-42	88	-	88
Other comprehensive income	-	1,863	401	-	2,264	-769	1,495	-56	1,439
Total comprehensive income for the period	-	1,863	401	-	2,264	4,838	7,102	582	7,684
Acquisition/disposal of treasury shares	-	-	-	-	-	12	12	-	12
Exercise of share options	-	-	-	-	-	-37	-37	-	-37
Share-based payment	-	-	-	-	-	54	54	-	54
Dividends paid to shareholders	-	-	-	-	-	-839	-839	-282	-1,121
Acquisition of non-controlling interests	-	-	-	-	-	-1,897	-1,897	-2,674	-4,571
Total changes in equity	-	1,863	401	-	2,264	2,131	4,395	-2,374	2,021
Equity at 31 December 2012	3,051	-5,865	-758	147	-6,476	73,686	70,261	3,389	73,650

STATEMENT OF CHANGES IN EQUITY (PAGE 2 OF 2)

DKK million	Shareholders in Carlsberg A/S								31 Dec. 2011
	Share capital	Currency translation	Hedging reserves	A-f-S invest-ments	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	Non-controlling interests	Total equity
Equity at 1 January 2011	3,051	-6,049	-1,154	147	-7,056	68,253	64,248	5,381	69,629
Profit for the period	-	-	-	-	-	5,149	5,149	543	5,692
Other comprehensive income:									
Foreign exchange adjustments of foreign entities	-	-1,941	-	-	-1,941	-	-1,941	102	-1,839
Value adjustments of hedging instruments	-	-20	8	-	-12	-	-12	-	-12
Retirement benefit obligations	-	-	-	-	-	-1,079	-1,079	-14	-1,093
Share of other comprehensive income in associates	-	-	-	-	-	3	3	-	3
Effect of hyperinflation	-	166	-	-	166	-	166	9	175
Other	-	-	-	-	-	-25	-25	-1	-26
Corporation tax	-	116	-13	-	103	211	314	-	314
Other comprehensive income	-	-1,679	-5	-	-1,684	-890	-2,574	96	-2,478
Total comprehensive income for the period	-	-1,679	-5	-	-1,684	4,259	2,575	639	3,214
Acquisition/disposal of treasury shares	-	-	-	-	-	-3	-3	-	-3
Exercise of share options	-	-	-	-	-	-46	-46	-	-46
Share-based payment	-	-	-	-	-	-1	-1	-	-1
Share buy-back	-	-	-	-	-	-	-	-417	-417
Dividends paid to shareholders	-	-	-	-	-	-763	-763	-121	-884
Acquisition of non-controlling interests and entities	-	-	-	-	-	-176	-176	-1,353	-1,529
Effect of hyperinflation	-	-	-	-	-	32	32	2	34
Acquisition of entities	-	-	-	-	-	-	-	1,632	1,632
Total changes in equity	-	-1,679	-5	-	-1,684	3,302	1,618	382	2,000
Equity at 31 December 2011	3,051	-7,728	-1,159	147	-8,740	71,555	65,866	5,763	71,629

STATEMENT OF CASH FLOWS

DKK million	Q4 2012	Q4 2011	2012	2011
Operating profit before special items	2.152	1.834	9.793	9.816
Adjustment for depreciation, amortisation and impairment losses	1.048	990	4.019	3.784
Operating profit before depreciation, amortisation and impairment losses[1]	3.200	2.824	13.812	13.600
Adjustment for other non-cash items	67	114	334	315
Change in trade working capital	561	1.027	852	-571
Change in other working capital	332	338	-523	-421
Restructuring costs paid	-126	-224	-324	-448
Interest etc. received	238	168	354	218
Interest etc. paid	-611	-626	-2.350	-2.288
Corporation tax paid	-503	-303	-2.284	-1.592
Cash flow from operating activities	3.158	3.318	9.871	8.813
Acquisition of property, plant and equipment and intangible assets	-1.690	-1.471	-5.067	-4.329
Disposal of property, plant and equipment and intangible assets	26	152	440	276
Change in trade loans	-148	-112	-447	-518
Total operational investments	-1.812	-1.431	-5.074	-4.571
Free operating cash flow	1.346	1.887	4.797	4.242
Aquisition and disposal of entities, net	-27	-368	-27	-260
Acquisition of associates	-606	-40	-825	-75
Disposal of associates	3	-120	3	15
Acquisition of financial assets	1	10	-39	-9
Disposal of financial assets	6	-	25	7
Change in financial receivables	25	-32	-28	-47
Dividends received	10	27	100	58
Total financial investments	-588	-523	-791	-311
Other investments in property, plant and equipment	-5	-19	-6	-36
Disposal of other property, plant and equipment	-2	-	1.897	35
Total other activities[2]	-7	-19	1.891	-1
Cash flow from investing activities	-2.407	-1.973	-3.974	-4.883
Free cash flow	**751**	**1.345**	**5.897**	**3.930**
Shareholders in Carlsberg A/S	-9	5	-864	-812
Non-controlling interests	-1.606	-326	-5.198	-1.876
External financing	2.029	-207	2.473	-1.003
Cash flow from financing activities	414	-528	-3.589	-3.691
Net cash flow	1.165	817	2.308	239
Cash and cash equivalents at beginning of period	3.964	1.901	2.835	2.601
Currency translation adjustments	-70	117	-84	-5
Cash and cash equivalents at period-end[3]	5.059	2.835	5.059	2.835

[1] Impairment losses excluding those reported in special items.

[2] Other activities cover real estate and assets under construction, separate from beverage activities.

[3] Cash and cash equivalents less bank overdrafts.

NOTE 1 (PAGE 1 of 2)

Segment reporting by region (beverages)

DKK million	Q4 2012	Q4 2011	2012	2011
Beer sales (pro rata, million hl)				
Western Europe	11.7	11.5	50.3	49.7
Eastern Europe	10.4	10.8	44.7	47.7
Asia	5.0	4.6	25.4	21.3
Total	27.1	26.9	120.4	118.7
Net revenue				
Western Europe	9,175	8,715	37,727	36,879
Eastern Europe	4,642	4,384	20,236	19,719
Asia	2,085	1,735	9,114	6,838
Not allocated	30	19	124	125
Beverages, total	15,932	14,853	67,201	63,561
Operating profit before depreciation, amortisation and special items (EBITDA)				
Western Europe	1,544	1,646	6,984	7,307
Eastern Europe	1,550	1,188	5,883	5,753
Asia	458	393	2,194	1,643
Not allocated	-320	-374	-1,144	-1,060
Beverages, total	3,232	2,853	13,917	13,643
Operating profit before special items (EBIT)				
Western Europe	1,038	1,166	5,121	5,419
Eastern Europe	1,174	804	4,302	4,286
Asia	319	283	1,685	1,286
Not allocated	-343	-386	-1,199	-1,114
Beverages, total	2,188	1,867	9,909	9,877
Operating profit margin (%)				
Western Europe	11.3	13.4	13.6	14.7
Eastern Europe	25.3	18.3	21.3	21.7
Asia	15.3	16.3	18.5	18.8
Not allocated	…	…	…	…
Beverages, total	13.7	12.6	14.7	15.5

NOTE 1 (PAGE 2 of 2)

Segment reporting by region (beverages)

DKK million	2012	2011
Capital expenditure, CAPEX		
Western Europe	2,114	1,946
Eastern Europe	1,233	1,153
Asia	1,339	889
Not allocated	374	332
Beverages, total	5,060	4,320
Depreciation and amortisation		
Western Europe	1,835	1,884
Eastern Europe	1,582	1,467
Asia	508	356
Not allocated	55	55
Beverages, total	3,980	3,762
Capital expenditure/Depreciation and amortisation (%)		
Western Europe	114%	103%
Eastern Europe	78%	79%
Asia	264%	250%
Not allocated	-	-
Beverages, total	126%	115%
Invested capital, year-end		
Western Europe	28,002	27,754
Eastern Europe	67,194	65,285
Asia	17,075	15,631
Not allocated	-3,175	-2,678
Beverages, total	109,096	105,992
Return on average invested capital, ROIC (%)		
Western Europe	17.3	18.3
Eastern Europe	6.4	6.5
Asia	10.3	11.4
Not allocated	…	…
Beverages, total	9.0	9.4

NOTE 2

Segment reporting by activity

DKK million	Q4 2012 Bever-ages	Q4 2012 Other activities	Q4 2012 Total	Q4 2011 Bever-ages	Q4 2011 Other activities	Q4 2011 Total
Net revenue	15,932	-	15,932	14,853	-	14,853
Operating profit before special items	2,188	-36	2,152	1,867	-33	1,834
Special items, net	-1,307	1	-1,306	-201	-873	-1,074
Financial items, net	-450	-2	-452	-411	-79	-490
Profit before tax	431	-37	394	1,255	-985	270
Corporation tax	-59	-26	-85	-575	303	-272
Consolidated profit	372	-63	309	680	-682	-2
Attributable to:						
Non-controlling interests	117	-	117	83	-	83
Shareholders in Carlsberg A/S	255	-63	192	597	-682	-85

DKK million	2012 Bever-ages	2012 Other activities	2012 Total	2011 Bever-ages	2011 Other activities	2011 Total
Net revenue	67,201	-	67,201	63,561	-	63,561
Operating profit before special items	9,909	-116	9,793	9,877	-61	9,816
Special items, net	-1,812	1,897	85	605	-873	-268
Financial items, net	-1,735	-37	-1,772	-1,908	-110	-2,018
Profit before tax	6,362	1,744	8,106	8,574	-1,044	7,530
Corporation tax	-1,529	-332	-1,861	-2,156	318	-1,838
Consolidated profit	4,833	1,412	6,245	6,418	-726	5,692
Attributable to:						
Non-controlling interests	638	-	638	543	-	543
Shareholders in Carlsberg A/S	4,195	1,412	5,607	5,875	-726	5,149

In 2012, special items were affected by an intra-Group transaction between a company within the beverage activity and a company within other activities.

NOTE 3

Segment reporting by quarter

DKK million	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Net revenue								
Western Europe	7,311	10,824	10,029	8,715	7,524	10,667	10,361	9,175
Eastern Europe	3,569	6,188	5,578	4,384	3,050	6,515	6,029	4,642
Asia	1,610	1,688	1,805	1,735	2,261	2,379	2,389	2,085
Not allocated	38	40	28	19	39	24	31	30
Beverages, total	12,528	18,740	17,440	14,853	12,874	19,585	18,810	15,932
Other activities	-	-	-	-	-	-	-	-
Total	12,528	18,740	17,440	14,853	12,874	19,585	18,810	15,932
Operating profit before special items								
Western Europe	433	2,031	1,789	1,166	477	1,799	1,807	1,038
Eastern Europe	490	1,677	1,315	804	19	1,509	1,600	1,174
Asia	300	314	389	283	433	431	502	319
Not allocated	-246	-302	-180	-386	-332	-238	-286	-343
Beverages, total	977	3,720	3,313	1,867	597	3,501	3,623	2,188
Other activities	26	-25	-29	-33	-23	-30	-27	-36
Total	1,003	3,695	3,284	1,834	574	3,471	3,596	2,152
Special items, net	-81	-104	991	-1,074	-48	1,445	-6	-1,306
Financial items, net	-569	-615	-344	-490	-467	-411	-442	-452
Profit before tax	353	2,976	3,931	270	59	4,505	3,148	394
Corporation tax	-92	-740	-734	-272	-15	-974	-787	-85
Consolidated profit	261	2,236	3,197	-2	44	3,531	2,361	309
Attributable to:								
Non-controlling interests	88	181	191	83	120	176	225	117
Shareholders in Carlsberg A/S	173	2,055	3,006	-85	-76	3,355	2,136	192

NOTE 4

Special items

DKK million	2012	2011
Special items, income:		
Gain on disposal of entities and adjustments to gain in prior year	107	64
Gain on sale of Copenhagen brewery site	1,719	-
Revaluation gain on step acquisition of entities	-	1,300
Other restructuring income etc., other entities	-	40
Income total	1,826	1,404
Special items, cost:		
Impairment of trademarks	-	-450
Impairment and restructuring of Carlsberg Uzbekistan	-290	-300
Impairment of Nordic Getränke GmbH, Germany	-118	-260
Impairment of business standardisation project	-	-250
Restructuring of Carlsberg Sverige (2011: Impairment of non-current assets in connection with change of production structure)	-76	-47
Impairment of Vena Brewery, production and sales equipment in connection with restructuring, Baltika Breweries, Russia	-589	-
Impairment of non-current assets	-93	-31
Restructuring of Ringnes AS, Norway	-262	-
Termination benefits and impairment of non-current assets in connection with restructuring at Carlsberg Deutschland	-37	-94
Impairment and restructuring in relation to optimisation of packaging standardisation in Western Europe	-	-36
Termination benefits in connection with restructuring in central headquarters functions	-10	-76
Restructuring of Leeds Brewery, Carlsberg UK	-4	-57
Termination benefits in connection with restructuring of sales force, logistics and administration, Carlsberg UK	-	-16
Termination benefits and impairment of non-current assets in connection with new administration structure at Brasseries Kronenbourg, France	-76	-32
Termination benefits etc., Carlsberg Italia	-16	-10
Termination benefits etc. in connection with Operational Excellence Programmes	-86	-57
Loss on sale of Sorex, France	-	-86
Provision for onerous malt contracts, including reversal of unused provision from previous year	-	150
Cost in relation to acquisition of Hue Brewery Ltd., Vietnam	-	-14
Other restructuring costs etc., other entities	-84	-6
Cost total	-1,741	-1,672
Special items, net	85	-268

NOTE 5 (PAGE 1 OF 2)

Debt and credit facilities

DKK million	31 Dec. 2012
Non-current borrow ings:	
Issued bonds	29,021
Bank borrow ings	5,722
Mortgages	1,457
Lease liabilities	35
Other non-current borrow ings	471
Total	36,706
Current borrow ings:	
Current portion of other non-current borrow ings	2,109
Bank borrow ings	1,179
Lease liabilities	4
Other current borrow ings	60
Total	3,352
Total non-current and current borrow ings	40,058
Cash and cash equivalents	-5,760
Net financial debt	34,298
Other interest-bearing assets net	-1,818
Net interest-bearing debt	32,480

All borrow ings are measured at amortised cost. How ever, an EMTN GBP 300m bond, at fixed rate sw apped to floating rate, is measured at fair value. The carrying amount of this bond is DKK 2,999m.

NOTE 5 (PAGE 2 OF 2)

Debt and credit facilities

DKK million Time to maturity for non-current borrowings	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	31 Dec. 2012 Total
Issued bonds	7,443	-	2,999	7,402	11,177	29,021
Bank borrowings	400	5,263	56	3	-	5,722
Mortgages	-	-	-	-	1,457	1,457
Other non-current borrowings and leases	213	167	60	34	32	506
Total	8,056	5,430	3,115	7,439	12,666	36,706

DKK million Interest risk at 31 Dec. 2012	Net financial debt*	Interest** Floating	Fixed	Floating %	Fixed %
EUR	29,855	748	29,107	3%	97%
DKK	-465	-692	227	149%	-49%
Other currencies	4,908	4,841	67	99%	1%
Total	34,298	4,897	29,401	14%	86%

* After swaps and currency derivatives.

** Before currency derivatives.

DKK million Committed credit facilities*	31 Dec. 2012
Less than 1 year	3,862
1 to 2 years	8,055
2 to 3 years	14,326
3 to 4 years	9,083
4 to 5 years	7,439
More than 5 years	12,666
Total	55,431
Short-term	3,862
Long-term	51,569

* Defined as short-term borrowings and long-term committed credit facilities.

NOTE 6

Net interest-bearing debt

DKK million	Q4 2012	Q4 2011	2012	2011
Net interest-bearing debt is calculated as follow s:				
Non-current borrow ings			36,706	34,364
Current borrow ings			3,352	1,875
Liabilities associated w ith assets held for sale			-	747
Gross interest-bearing debt			40,058	36,986
Cash and cash equivalents			-5,760	-3,145
Loans to associates			-110	-97
Loans to partners			-226	-230
On-trade loans			-2,022	-2,066
less non-interest-bearing portion			1,012	1,030
Other receivables			-1,862	-1,318
less non-interest-bearing portion			1,390	1,300
Net interest-bearing debt			32,480	32,460
Changes in net interest-bearing debt:				
Net interest-bearing debt at beginning of period	31,790	32,680	32,460	32,743
Cash flow from operating activities	-3,158	-3,318	-9,871	-8,813
Cash flow from investing activities, excl. acquisition of entities	2,380	1,605	3,947	4,623
Cash flow from acquisition of entities, net	27	368	27	260
Share buy-back	-	47	-	417
Dividend to shareholders and non-controlling interests	21	-	1,121	884
Acquisition of non-controlling interests	1,585	278	4,916	1,338
Acquisition/disposal of treasury shares	9	-2	25	49
Acquired net interest-bearing debt from acquisition/ disposal of entities and partial disposal of investments w ith loss of control	-7	-12	-154	44
Change in interest-bearing lending	-107	237	18	18
Settlement of financial instruments in relation to loan agreements	-	805	-	805
Effects of currency translation	-106	141	327	289
Other	46	-369	-336	-197
Total change	690	-220	20	-283
Net interest-bearing debt, end of period	32,480	32,460	32,480	32,460

NOTE 7

Acquisition of entities

The Group has not completed any acquisitions of entities during 2012.

Acquisition of entities
In 2012, the purchase price of part of the activities in S&N (acquired in 2008) has been adjusted by DKK 4m as a result of allocation of debt according to agreement. The adjustment was recognised as goodwill. The purchase price is expected to be further adjusted depending on the final allocation of debt according to agreement.

Acquisition of proportionally consolidated entities
In Q2 2012, Carlsberg acquired 6% of the shares in the jointly controlled entity South Asian Breweries Pte. Ltd., which is recognised by proportional consolidation. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities in the acquisition has not yet been completed. The fair value of identified assets, liabilities and contingent liabilities less the cost of the acquisition is recognised as goodwill. Accounting for the acquisition will be completed within the 12-month period required by IFRS 3.

During 2011, Carlsberg acquired 22.5% in Q2 and an additional 4% in Q4 of the shares in the jointly controlled entity South Asian Breweries Pte. Ltd., which is recognised by proportional consolidation. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities in both acquisitions has been completed. The fair value of identified assets, liabilities and contingent liabilities less the cost of the acquisitions was recognised as goodwill.

Step acquisition of entities
In 2011, Carlsberg gained control of Lao Brewery Co. Ltd. in Laos and Hue Brewery Ltd. in Vietnam. Previously both entities were proportionally consolidated.

DKK million Acquired entity	Previous method of consolidation	Previoulsy held ownership interest	Acquired ownership interest	Total Carlsberg interest	Acquisition date	Main activity	Cost
Lao Brewery Co. Ltd.	Proportionally	50.00%	1.00%	51.0%	30-08-2011	Brewery	33
Hue Brewery Ltd.	Proportionally	50.00%	50.00%	100.0%	23-11-2011	Brewery	485

DKK million	Lao Brewery Co. Ltd.	Hue Brewery Ltd.	Total
Fair value of consideration transferred for acquired ownership interest	33	485	518
Fair value of previously held ownership interest	1,665	451	2,116
Fair value of non-controlling ownership interest	1,632	-	1,632
Fair value of entities acquired in step acquisition, total	**3,330**	**936**	**4,266**
Carrying amount of identified assets and liabilities recognised before step acquisition	368	74	442
Revaluation of identified assets and liablities recognised before step acquisition	68	81	149
Fair value of acquired identified assets, liabilities and contingent liabilities	436	155	591
Fair value of identified assets, liabilities and contingent liabilities	**872**	**310**	**1,182**
Total goodwill	**2,458**	**626**	**3,084**
Goodwill recognised before step acquisition	344	28	372
Change in total recognised goodwill	**2,114**	**598**	**2,712**
Goodwill is attributable to:			
Shareholders in Carlsberg A/S	1,253	626	1,879
Non-controlling interests	1,205	-	1,205
Total goodwill	**2,458**	**626**	**3,084**
Gain on revaluation of previously held ownership interest in entities acquired in step acquisitions:			
Carrying amount of previously held ownership interest	-712	-102	-814
Fair value of previously held ownership interest	1,665	451	2,116
Recycling of cumulative exchange differences	44	-46	-2
Total	**997**	**303**	**1,300**
Elements of cash consideration paid:			
Cash	-	485	485
Cash and cash equivalents, acquired	-125	-66	-191
Total cash consideration paid	**-125**	**419**	**294**
Capital injection in kind	33	-	33
Total consideration transferred	**-92**	**419**	**327**

Acquired cash only comprises the additional consolidated share in the step acquisition due to the change from proportional consolidation to full consolidation equal to the difference between the previous ownership interest and 100% for previously proportionally consolidated entities.

Recognised assets and liabilities

DKK million	Acquired share of net assets recognised at fair value			Recognition of previously recognised net assets at fair value	Total change in net assets from acquisition
	Lao Brewery Co. Ltd.	Hue Brewery Ltd.	Total		
Intangible assets	130	108	238	237	475
Property, plant and equipment	251	91	342	-42	300
Inventories	24	14	38	-3	35
Loans and receivables, current	20	3	23	-	23
Cash and cash equivalents	125	66	191	-	191
Pension liabilities	-13	-	-13	-	-13
Deferred tax assets and liabilities, net	-31	-29	-60	-43	-103
Borrowings	-18	-17	-35	-	-35
Trade payables and other payables	-52	-81	-133	-	-133
Net assets	**436**	**155**	**591**	**149**	**740**

In Q3 2011, Carlsberg acquired an additional 1% of the shareholding in the joint venture Lao Brewery Co. Ltd. in a disproportionate capital increase in which Carlsberg contributed assets in kind, thus gaining control of the entity in a step acquisition. The fair value of the consideration injected amounted to DKK 33m. The shareholdings held immediately before obtaining control were recognised at fair value with the revaluation adjustment, DKK 997m, recognised in special items. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities has been completed.

This step acquisition was a natural step for Carlsberg and in line with the strategy of obtaining full control of key operating activities. The calculation of goodwill represents staff competences as well as expectations of positive growth. Goodwill related to the non-controlling interests' share of Lao Brewery Co. Ltd. was recognised as part of goodwill.

The fair value of the non-controlling ownership interest was estimated based on the net present value of expected future cash flows from the entity, the cost of newly acquired shareholdings in the entity, excluding control premium, and other fair value models as applicable for the transaction. The key assumptions applied for the Lao Brewery Co. Ltd. transaction were an after-tax WACC of 11.4% and a terminal growth rate of 2.5%.

In Q4 2011, Carlsberg acquired an additional 50% of the shareholding in the joint venture Hue Brewery Ltd. and thereby gained control through a step acquisition. The shareholdings held immediately before obtaining control were recognised at fair value with the revaluation adjustment, DKK 303m, recognised in special items. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities has been completed.

This step acquisition was a natural step for Carlsberg and in line with the strategy of obtaining full control of key operating activities. The calculation of goodwill represents staff competences as well as expectations of positive growth.