

Company announcement 8/2014

7 May 2014

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## Financial statement as at 31 March 2014

### Organic performance in line with our expectations in traditionally small Q1

*2013 numbers have been restated as previously proportionately consolidated entities are now recognised as associates.*

#### Financial highlights

- Organic net revenue growth of 3% to DKK 12.9bn.
- Organic price/mix growth of 5%.
- Organic gross profit growth of 4%.
- Operating profit of DKK 453m negatively impacted by the translation effect of foreign currencies (especially the Russian rouble), different phasing of unallocated costs, and investments in premium brands in Asia.
- Adjusted net profit of DKK -50m.

#### Operational highlights

- Continued solid market share performance across all three regions.
- The uncertain macro situation in Eastern Europe is having a further negative impact on the economies and consumer sentiment and consequently, we now assume that the Russian market will decline mid-single-digit.
- Group beer volume declined organically by 3%.
- Our international premium portfolio continued to grow, with particularly strong performance by Tuborg (+21%) and Somersby (+85%). The Carlsberg brand grew 2% in its premium markets.
- The implementation of the supply chain integration and business standardisation project (BSP1) continues and was in March rolled out in the UK. More markets will follow in the autumn.
- The integration of Chongqing Brewery is running according to plan.

#### 2014 earnings expectations

- 2014 outlook of a high single-digit percentage organic operating profit growth maintained. In reported terms, results are expected to be impacted more negatively by currencies than previously anticipated.

Commenting on the results, CEO Jørgen Buhl Rasmussen says: "In the traditionally small first quarter, the Group delivered organic performance in line with our expectations. The Western European business continued its strong performance while results in Eastern Europe were impacted by the uncertain macro situation. In Asia, underlying volumes grew by low-single-digit percentages and our premium portfolio continued to perform strongly, driven by growth and share gains in the premium segment. We continued to invest in growth and efficiency opportunities, and these included BSP1 roll-out, investments behind brands, building sales capabilities and expanding capacity in growth markets."

#### Contacts

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## KEY FIGURES AND FINANCIAL RATIOS

DKK million	Q1 2014	Q1 2013	2013	
<b>Total sales volumes (million hl)</b>				
Beer	27.4	28.3	138.7	
Other beverages	4.6	4.5	21.5	
<b>Pro rata volumes (million hl)</b>				
Beer	25.0	24.1	119.7	
Other beverages	4.3	4.1	19.7	
<b>Income statement</b>				
Net revenue	12,896	12,704	64,350	
Operating profit before special items	453	628	9,723	
Special items, net	-29	-49	-435	
Financial items, net	-346	-353	-1,506	
Profit before tax	78	226	7,782	
Corporation tax	-16	-46	-1,833	
Consolidated profit	62	180	5,949	
Attributable to:				
Non-controlling interests	129	118	478	
Shareholders in Carlsberg A/S	-67	62	5,471	
Shareholders in Carlsberg A/S (adjusted) <sup>1</sup>	-50	95	5,772	
<b>Statement of financial position</b>				
Total assets	145,875	155,460	149,993	
Invested capital	115,869	124,907	119,000	
Interest-bearing debt, net	38,571	35,759	34,636	
Equity, shareholders in Carlsberg A/S	61,273	70,315	67,811	
<b>Statement of cash flows</b>				
Cash flow from operating activities	-1,196	-859	8,142	
Cash flow from investing activities	-900	-1,687	-8,038	
Free cash flow	-2,096	-2,546	104	
<b>Financial ratios</b>				
Operating margin	%	3.5	4.9	15.1
Return on average invested capital (ROIC)	%	8.1	7.9	8.1
Equity ratio	%	42.0	45.2	45.2
Debt/equity ratio (financial gearing)	x	0.60	0.49	0.49
Interest cover	x	1.31	1.78	6.46
<b>Stock market ratios</b>				
Earnings per share (EPS)	DKK	-0.4	0.4	35.9
Earnings per share, adjusted (EPS-A) <sup>1</sup>	DKK	-0.3	0.6	37.8
Cash flow from operating activities per share (CFPS)	DKK	-7.8	-5.6	53.4
Free cash flow per share (FCFPS)	DKK	-13.7	-16.7	0.7
Share price (B-shares)	DKK	539.0	566.0	600.0
Number of shares (period-end, excl. treasury shares)	1,000	152,539	152,555	152,533
Number of shares (average, excl. treasury shares)	1,000	152,535	152,549	152,548

<sup>1</sup> Adjusted for special items after tax.

## BUSINESS DEVELOPMENT

	2013	Change			2014	Change Reported
		Organic	Acq., net	FX		
<b>Q1</b>						
Pro rata (million hl)						
Beer	24.1	-3%	7%		25.0	4%
Other beverages	4.1	3%	0%		4.3	3%
Total volume	28.2	-2%	6%		29.3	4%
DKK million						
Net revenue	12,704	3%	5%	-6%	12,896	2%
Operating profit	628	-21%	7%	-14%	453	-28%
Operating margin (%)	4.9				3.5	-140bp

### Group financial highlights

Group beer volumes declined organically by 3%, while reported beer volumes grew 4%. The growing organic volumes in Western Europe were not enough to offset the organic volume decline in Eastern Europe and Asia, although the underlying Asian volumes grew by low-single-digit percentages. The acquisition impact was mainly related to Chongqing Brewery in China. Other beverages grew organically by 3%.

Net revenue grew 3% organically as the strong +5% price/mix more than off-set the total organic volume decline of -2%. Reported net revenue grew 2% as a result of -6% from currencies and a net acquisition impact of +5%. The negative currency impact was due to weaker currencies in several markets, including Russia, Ukraine, Norway, Malaysia and Indochina.

Gross profit grew organically by 4% with a 6% growth in gross profit per hl.

Group operating profit declined by 28% mainly as a result of the negative currency impact (-14%) and phasing of un-allocated costs. Group operating margin declined 140bp to 3.5%.

Reported net profit was DKK -67m (DKK 62m in 2013).

Adjusted net profit (adjusted for special items after tax) was DKK -50m (DKK 95m in 2013).

### Group operational highlights

Our commercial agenda remained unchanged and included continued embedding and, in some mature markets, further development and improvement of our Value Management tool box. In addition, our innovation efforts remained at a high level and included the further roll-out of brands and concepts, such as Radler, Brewmasters' Collection, Jacobsen, our proprietary DraughtMaster technology and Seth & Riley's Garage.

The Carlsberg brand grew 2% in its premium markets. Our English Premier League sponsorship was activated in 58 markets across the world with a campaign featuring both high-reach television and outdoor commercials, and strong retail promotions, activating an extensive array of exclusive rights. We carried on our efforts to innovate and excel in digital and mobile

marketing. To this end, we launched #CarlsbergTalk: live chats on Twitter with Liverpool FC celebrities, which so far have reached up to 1.2m impressions.

The Tuborg brand grew strongly by 21% for the quarter, driven by strong performance in Asia, with particularly strong growth in China and India.

Kronenbourg 1664 will celebrate its 350<sup>th</sup> anniversary in 2014. The brand came off to a good start to 2014, mainly driven by easy comparisons with prior year due to the French destocking in Q1 2013 as well as further roll-out in new markets.

Somersby continued its very strong progress, growing 85%. For two years in a row now, the brand has been the fastest growing global cider brand. The key reasons for the impressive growth were last year's launch in the UK, continued positive performance in Poland, line extensions in established markets, and launches in new markets.

Our Belgian abbey ale, Grimbergen, also continued to strengthen its position and since 2011, it has been the fastest growing international abbey beer. We continue to strengthen the brand's footprint and it is now being sold in 33 markets across the world.

In February, the Group reported its deliverance of its three-year targets for energy and CO<sub>2</sub>. In addition, we reported that our focus on health and safety has resulted in a significant reduction of lost-time accidents over the past three years. We have announced new 2016 targets for CO<sub>2</sub> emission, energy and water consumption as well as for health and safety, sustainable packaging, responsible drinking and marketing communication.

In March, BSPI was rolled out in the UK and we are preparing for the implementation in three more markets after the summer season.

### **Structural changes**

In the first three months of 2014, the Group took further steps to strengthen its growth profile:

- In Vietnam, we increased the ownership of South-East Asia Brewery Ltd to 100% (previously 60% ownership) and of Hanoi-Vung Tau Beer Joint Stock Company to 100% (previously 55% ownership).
- In the Czech Republic, we acquired 51% of Zatecký Pivovar, spol. s r.o.

### **2014 earnings expectations**

For 2014, the Group maintains its organic earnings growth expectation:

- Operating profit to grow organically by high-single-digit percentages.

Due to a more negative currency outlook than previously anticipated (notably the Russian Rouble), reported results expectations have been adjusted accordingly:

- Reported operating profit to grow by low-single-digit percentages (previously mid-

- single-digit).
- Reported adjusted net profit<sup>1</sup> to grow by low-single-digit percentages (previously mid-single-digit).

The outlook, in reported terms, is based on an assumed 2014 average for our major currencies calculated on forward rates, including an average EUR/RUB exchange rate of approximately 51 (an EUR/RUB change of +/- 1 impacts Group operating profit by approximately +/- DKK 100m).

Included in the outlook is a more uncertain macro situation in Russia and Ukraine. Consequently, the Russian market is now assumed to decline mid-single-digit (previously low-single-digit) in volume terms, while continuing healthy value growth. The impact of the expected lower Russian market will be off-set by continued positive performance in other regions and overall cost consciousness.

All other assumptions remain unchanged and are listed below.

For 2014, the Group assumes the following market development in Western Europe and Asia:

- The Western European beer markets will decline slightly as consumers in many markets remain under pressure, in spite of the macroeconomic situation in some markets having improved slightly.
- The Asian markets will continue to grow in line with 2013.

Reported cost of goods sold per hl is expected to be lower than in 2013. In organic terms, cost of goods sold per hl is expected to be similar to last year.

Sales and marketing investments to net revenue are expected to remain at a similar level to last year.

Costs related to the integrated supply chain and business standardisation project in Western Europe are expected to impact Group operating profit negatively in 2014 by DKK 450-500m (2013: approximately DKK 350m).

Average all-in cost of debt is assumed to be similar to 2013.

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

Capital expenditures are expected to be at the level of 2013 with continued capacity investments in Asia.

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<sup>1</sup> Adjusted for special items after tax

## WESTERN EUROPE

	2013	Change			2014	Change Reported
		Organic	Acq., net	FX		
<b>Q1</b>						
Pro rata (million hl)						
Beer	9.6	3%	0%		9.9	3%
Other beverages	3.1	1%	0%		3.2	1%
Total volume	12.7	2%	0%		13.1	2%
DKK million						
Net revenue	7,483	4%	0%	-2%	7,640	2%
Operating profit	408	11%	0%	-3%	440	8%
Operating margin (%)	5.5				5.8	30bp

The Western European beer markets declined by an estimated 1%. We gained market shares in markets such as Poland, Greece and Portugal.

Our beer volumes grew organically by 3%. The volumes were negatively impacted by the later sell-in to Easter in the Nordics and the UK this year versus last year whereas the destocking in France in Q1 last year had a positive impact. Beer volumes grew in markets such as France, Poland and Germany while they declined in the Nordics and the UK. Other beverages grew organically by 1%.

Net revenue increased organically by 4% to DKK 7,640m. Price/mix grew 1%. Across the region, price increases were executed or are planned.

Operating profit grew organically by 11% to DKK 440m and operating margin improved 30bp to 5.8%.

## EASTERN EUROPE

	2013	Change			2014	Change Reported
		Organic	Acq., net	FX		
<b>Q1</b>						
Pro rata (million hl)						
Beer	7.7	-7%	0%		7.1	-7%
Other beverages	0.2	-7%	0%		0.2	-7%
Total volume	7.9	-7%	0%		7.3	-7%
DKK million						
Net revenue	2,902	4%	0%	-18%	2,484	-14%
Operating profit	83	-51%	0%	-59%	-8	-110%
Operating margin (%)	2.9				-0.3	-320bp

The Russian beer market declined by an estimated 5% due to the final year-on-year impact from kiosk closures, the uncertain macro environment and weaker economic growth. The Ukrainian beer market declined by mid-single-digit percentages, driven by a very challenging

macroeconomic climate which more than off-set the more favourable weather conditions this year compared to last year.

Our Russian volume market share improved by 20bp to 38.4% (source: Nielsen Retail Audit, Urban & Rural Russia). The solid market share improvement was driven by brands such as Baltika 7, Baltika 9 and Zhigulevskoe.

The Group's regional beer volumes consequently declined organically by 7%.

In Ukraine, our business has been operating with very limited disruption and we have been able to produce, sell and distribute our products across the country. In February, we had to stop production at two breweries for a few days. The Ukrainian government has decided to increase beer excise duties by 43% as of 1 May. This will require a consumer price increase of approximately 5-6%.

Organic net revenue grew 4%, driven by a strong 11% price/mix. Reported net revenue declined by 14% due to the substantial negative currency impact of -18%.

Due to the strong price/mix improvement, organic gross profit grew by mid-single-digit percentages and by double-digit percentages per hl. The gross profit improvement was, however, off-set by the negative operational leverage in our fixed cost base in a seasonally small Q1 and consequently, operating profit declined.

## ASIA

	2013	Change			2014	Change Reported
		Organic	Acq., net	FX		
<b>Q1</b>						
Pro rata (million hl)						
Beer	6.8	-5%	22%		8.0	17%
Other beverages	0.8	14%	2%		0.9	16%
Total volume	7.6	-3%	20%		8.9	17%
DKK million						
Net revenue	2,262	3%	25%	-7%	2,732	21%
Operating profit	477	-9%	9%	-5%	455	-5%
Operating margin (%)	21.1				16.7	-440bp

The Asian region continued the growth trend in the first quarter. Some markets developed less favourably, such as Vietnam due to the economic slowdown and the Xinjiang province in China due to bad weather. We continued to deliver solid market share performance in the region.

Beer volumes declined organically by 5% cycling a strong +14% organic volume growth in Q1 last year. Including acquisitions, they grew by 17%. We achieved particularly strong growth in India, Laos, Cambodia, and for our international premium portfolio in China and India. Our volumes were negatively impacted by the market slowdown in Vietnam and the earlier sell-in to the

Chinese New Year this year versus last year in China and Malaysia. In addition, our Chinese business was impacted by bad weather in Xinjiang and a decision to reduce unprofitable volumes in China. Adjusting for these factors, the Asian region would have delivered a low-single-digit percentage volume growth. The acquisition impact derived mainly from the consolidation of Chongqing Brewery.

Our international premium portfolio grew stronger than the regional volume growth. The Carlsberg brand grew approximately 3% in its premium markets, mainly because of good performance in China where the re-launch of Carlsberg Chill progressed well and Carlsberg Light continued to grow.

Tuborg almost doubled its volumes in the quarter, delivering particularly strong performance in China where volumes tripled. In India, Tuborg continued to be a key driver of the continued market share growth. We continued the further roll-out of Kronenbourg 1664. The brand is establishing a solid footprint in the super premium segment across our Asian region and is now available in Malaysia, Singapore, Hong Kong, China and, most recently, in India and Malawi.

Organic net revenue grew 3%. Reported growth was 21%, impacted negatively by the currency impact from Malaysia, Malawi, Laos and India. We achieved a positive price/mix in most markets and despite a negative country mix, overall price/mix developed favourably (+6%). This was mainly due to a strong double-digit price/mix in China, which was positively impacted by the decision to reduce unprofitable volumes, price increases and market share gains in the growing premium segment.

Gross profit grew organically by mid-single digit percentages while operating profit declined organically by 9% with a 5% reported decline. The decline was mainly driven by our decision to invest in the Asian growth opportunities, such as the establishment of our business in Myanmar and increased marketing investments behind our premium brands, as well as different phasing of marketing investments versus last year. As expected, the operating margin declined by 440bp (of which 200bp were due to the consolidation of Chongqing Brewery).

#### **CENTRAL COSTS (NOT ALLOCATED)**

Central costs were DKK 402m (DKK 288m in 2013). 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 functions and central marketing (including sponsorships). The year-on-year increase was due to phasing of supply chain costs and marketing investments.



## OTHER ACTIVITIES

In addition to beverage activities, Carlsberg runs the Carlsberg Research Center which generated an operating loss of DKK 32m (loss of DKK 51m in 2013).

## COMMENTS ON THE FINANCIAL STATEMENTS

### ACCOUNTING POLICIES

The present interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and Danish regulations governing presentation of interim reports by listed companies.

Except for the changes described below, the consolidated financial statements have been prepared using the same accounting policies as the consolidated financial statements for 2013. The consolidated financial statements for 2013 contain a complete description of the accounting policies, including a description of the below described changes in the accounting policies which have been implemented as of 1 January 2014.

As of 1 January 2014, the Carlsberg Group has implemented IFRS 10-12 and the amendments to IAS 27-28 which has impacted the Group's financial statements and segment reporting as investments in joint ventures has been included as associates, i.e. accounted for using the equity method instead of proportionately consolidated. The change has primarily impacted the consolidation method for Unicer (Portugal) and Cambrew (Cambodia).

The changed consolidation method has impacted all line items in the financial statements due to the deconsolidation of the previously proportionately consolidated share of the entities.

The effect of the change in accounting policies is recognised in the opening balance 1 January 2013 in accordance with the specific transition requirements in the standards. Comparative figures for 2013 have been restated accordingly. The effect of the changes in accounting policies on the main figures is as follows:

	31 Mar. 2013			31 Dec. 2013		
	Reported, old policies	Change	Restated, new policies	Reported, old policies	Change	Restated, new policies
Net revenue	13,278	-574	12,704	66,552	-2,202	64,350
Operating profit before special items	661	-33	628	9,844	-121	9,723
Consolidated profit	181	-1	180	5,951	-2	5,949
Result attributable to shareholders in Carlsberg A/S	62	-	62	5,471	-	5,471
Total assets	156,748	-1,288	155,460	151,138	-1,145	149,993
Equity attributable to shareholders in Carlsberg A/S	70,315	-	70,315	67,811	-	67,811
Equity attributable to non-controlling interests	3,365	-13	3,352	3,688	-13	3,675
Free cash flow	-2,604	58	-2,546	200	-96	104

Furthermore, amendments to IAS 32 and IAS 39 and IFRIC 21 "Levies" have been implemented without impacting the financial reporting.

Additionally, the classification of duties payable and amortisation of on-trade loans in the statement of cash flows have been changed as of 1 January 2014. Duties payable are now included in change in trade working capital while in prior periods, they were included in change in other working capital. Amortisation of on-trade loans is now included in change in on-trade loans while in prior periods, it was included in adjustment for non-cash items. The comparative numbers have been restated accordingly.

## **INCOME STATEMENT**

Net special items (pre-tax) include costs in connection with the restructuring measures implemented across the Group and amounted to DKK -29m against DKK -49m in 2013.

Net financial items amounted to DKK -346m against DKK -353m in 2013. Net interest costs were DKK -343m, compared with DKK -391m in 2013. Other net financial items were impacted by currency movements, fair value adjustments and fees and amounted to DKK -3m compared with DKK 38m last year.

Tax totalled DKK -16m against DKK -46m in 2013, equivalent to a tax rate of 21%.

Carlsberg's share of net profit was DKK -67m. Adjusted net profit (adjusted for post-tax impact of special items) was DKK -50m compared with DKK 95m in Q1 2013.

## **STATEMENT OF FINANCIAL POSITION**

At 31 March 2014, Carlsberg had total assets of DKK 145.9bn (DKK 150.0bn at 31 December 2013).

### **Assets**

Intangible assets amounted to DKK 87.2bn against DKK 91.2bn at 31 December 2013. Property, plant and equipment were DKK 31.2bn (DKK 32.4bn at 31 December 2013). Financial assets were DKK 7.2bn against DKK 7.0bn at 31 December 2013.

Current assets totalled DKK 20.4bn against DKK 19.5bn at 31 December 2013.

### **Liabilities**

Total equity was DKK 64.8bn (DKK 71.5bn at 31 December 2013). DKK 61.3bn can be attributed to shareholders in Carlsberg A/S and DKK 3.5bn to non-controlling interests.

Equity in the period was in particular impacted by currency adjustments of DKK -5.2bn and payment of dividends to shareholders of DKK -1.4bn.

Total liabilities were DKK 81.1bn (DKK 78.5bn at 31 December 2013). Non-current liabilities increased by DKK 3.0bn compared with 31 December 2013, while current liabilities excluding the current portion of borrowings were DKK 23.9bn (DKK 24.3bn at 31 December 2013).

## STATEMENT OF CASH FLOWS

Operating profit before depreciation and amortisation was DKK 1,442m (DKK 1,588m in Q1 2013).

The change in trade working capital was DKK -1,763m (DKK -1,459m in Q1 2013). The change in trade working capital was impacted by stock building prior to Easter and the BSP1 go-live in the UK, and the consolidation of Chongqing Brewery. Trade working capital to net revenue was - 3.8% at the end of Q1 2014 (MAT) versus -3.0% at the end of Q1 2013 (now including excise duties, ref. accounting policies). Change in other working capital was DKK -194m (DKK -85m in Q1 2013).

Paid net interest etc. amounted to DKK -42m against DKK -304m in Q1 2013 (Q1 2013 was impacted by a loss on the settlement of financial instruments).

Cash flow from operating activities for Q1 was DKK -1,196m against DKK -859m in Q1 2013.

Cash flow from investing activities was DKK -900m against DKK -1,687m in Q1 2013 which was impacted by prepayment for the acquisition of shares in Chongqing Brewery.

Free cash flow was DKK -2,096m against DKK -2,546m in Q1 2013.

## FINANCING

At 31 March 2014, the gross interest-bearing debt amounted to DKK 43.3bn and net interest-bearing debt amounted to DKK 38.6bn. The difference of DKK 4.7bn was other interest-bearing assets, including DKK 3.1bn in cash and cash equivalents.

Of the gross interest-bearing debt, 78% (DKK 33.8bn) was long term, i.e. with maturity more than one year from 31 March 2014. The net interest-bearing debt consisted primarily of facilities in EUR and approximately 55% was fixed interest (fixed-interest period exceeding one year).

## FINANCIAL CALENDAR

The financial year follows the calendar year, and the following schedule has been set for 2014:

20 August 2014	Interim results for Q2 2014
10 November 2014	Interim results for Q3 2014

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 Board of Directors and the Executive Board have discussed and approved the interim report of the Carlsberg Group for the period 1 January – 31 March 2014.

The interim report which has not been audited or reviewed by the Company's auditor has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Carlsberg Group's assets, liabilities and financial position at 31 March 2014, and of the results of the Carlsberg Group's operations and cash flow for the period 1 January – 31 March 2014. Further, in our opinion the management's review (p. 1-14) gives a true and fair review of the development in the Group's operations and financial matters, the result of the Carlsberg Group for the period and the

financial position as a whole, and describes the significant risks and uncertainties pertaining to the Group..

**Copenhagen, 7 May 2014**

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

Carl Bache

Richard Burrows

Donna Cordner

Eva V. Decker

Elisabeth Fleuriot

Kees van der Graaf

Finn Lok

Søren-Peter Fuchs Olesen

Elena V. Pachkova

Peter Petersen

Nina Smith

Lars Stemmerik

## FINANCIAL STATEMENT

	Income statement
	Statement of comprehensive income
	Statement of financial position
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Appendix	Russian market shares

The Carlsberg Group is one of the leading brewery groups in the world, with a large portfolio of beer and other beverage brands. Our flagship brand – Carlsberg – is one of the best-known beer brands in the world and the Baltika, Carlsberg and Tuborg brands are among the eight biggest brands in Europe. More than 45,000 people work for the Carlsberg Group, and our products are sold in more than 150 markets. In 2013, the Carlsberg Group sold 120 million hectolitres of beer, which is about 36 billion bottles of beer.

Find out more at [www.carlsberggroup.com](http://www.carlsberggroup.com).

## INCOME STATEMENT

DKK million	Q1	Q1	2013
	2014	2013	
Net revenue	12,896	12,704	64,350
Cost of sales	-6,957	-6,828	-32,423
Gross profit	5,939	5,876	31,927
Sales and distribution expenses	-4,284	-4,188	-18,181
Administrative expenses	-1,298	-1,128	-4,415
Other operating activities, net	13	-2	22
Share of profit after tax, associates and joint ventures	83	70	370
Operating profit before special items	453	628	9,723
Special items, net	-29	-49	-435
Financial income	153	307	717
Financial expenses	-499	-660	-2,223
Profit before tax	78	226	7,782
Corporation tax	-16	-46	-1,833
Consolidated profit	62	180	5,949
Attributable to:			
Non-controlling interests	129	118	478
Shareholders in Carlsberg A/S	-67	62	5,471
Earnings per share	-0.4	0.4	35.9
Earnings per share, diluted	-0.4	0.4	35.7

**STATEMENT OF COMPREHENSIVE INCOME**

DKK million	Q1 2014	Q1 2013	2013
Consolidated profit	62	180	5,949
Other comprehensive income:			
Retirement benefit obligations	-11	2	824
Share of other comprehensive income, associates and joint ventures	-	-	2
Corporation tax relating to items that will not be reclassified	2	-	-195
Items that will not be reclassified to the income statement:	-9	2	631
Foreign exchange adjustments of foreign entities	-5,224	1,280	-7,499
Value adjustments of hedging instruments	90	-172	10
Effect of hyperinflation	-	21	61
Other	-	21	-29
Corporation tax relating to items that may be reclassified	-7	34	-8
Items that may be reclassified to the income statement:	-5,141	1,184	-7,465
Other comprehensive income	-5,150	1,186	-6,834
Total comprehensive income	-5,088	1,366	-885
Attributable to:			
Non-controlling interests	100	235	305
Shareholders in Carlsberg A/S	-5,188	1,131	-1,190



## STATEMENT OF FINANCIAL POSITION

DKK million	31 Mar. 2014	31 Mar. 2013	31 Dec. 2013
<b>Assets</b>			
Intangible assets	87,191	91,381	91,196
Property, plant and equipment	31,151	31,160	32,377
Financial assets	7,166	11,163	6,963
<b>Total non-current assets</b>	<b>125,508</b>	<b>133,704</b>	<b>130,536</b>
Inventories and trade receivables	13,061	13,108	12,245
Other receivables etc.	4,254	3,870	3,626
Cash and cash equivalents	3,052	4,778	3,586
<b>Total current assets</b>	<b>20,367</b>	<b>21,756</b>	<b>19,457</b>
<b>Total assets</b>	<b>145,875</b>	<b>155,460</b>	<b>149,993</b>
<b>Equity and liabilities</b>			
Equity, shareholders in Carlsberg A/S	61,273	70,315	67,811
Non-controlling interests	3,511	3,352	3,675
<b>Total equity</b>	<b>64,784</b>	<b>73,667</b>	<b>71,486</b>
Borrowings	33,776	40,639	30,239
Deferred tax, retirement benefit obligations etc.	13,953	15,927	14,502
<b>Total non-current liabilities</b>	<b>47,729</b>	<b>56,566</b>	<b>44,741</b>
Borrowings	9,444	1,686	9,417
Trade payables	11,983	11,082	12,621
Deposits on returnable packaging	1,335	1,260	1,598
Other current liabilities	10,600	11,199	10,130
<b>Total current liabilities</b>	<b>33,362</b>	<b>25,227</b>	<b>33,766</b>
<b>Total equity and liabilities</b>	<b>145,875</b>	<b>155,460</b>	<b>149,993</b>

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

DKK million	Shareholders in Carlsberg A/S							31 Mar. 2014	
	Share capital	Currency translation	Hedging reserves	Total reserves	Retained earnings	Equity, shareholders		Non-controlling interests	Total equity
						in Carlsberg A/S			
Equity at 1 January 2014	3,051	-13,208	-682	-13,890	78,650	67,811	3,675	71,486	
Consolidated profit	-	-	-	-	-67	-67	129	62	
Other comprehensive income:									
Foreign exchange adjustments of foreign entities	-	-5,195	-	-5,195	-	-5,195	-29	-5,224	
Value adjustments of hedging instruments	-	59	31	90	-	90	-	90	
Retirement benefit obligations	-	-	-	-	-11	-11	-	-11	
Corporation tax	-	-	-9	-9	4	-5	-	-5	
Other comprehensive income	-	-5,136	22	-5,114	-7	-5,121	-29	-5,150	
Total comprehensive income for the period	-	-5,136	22	-5,114	-74	-5,188	100	-5,088	
Acquisition/disposal of treasury shares	-	-	-	-	-9	-9	-	-9	
Share-based payment	-	-	-	-	24	24	-	24	
Dividends paid to shareholders	-	-	-	-	-1,220	-1,220	-208	-1,428	
Acquisition of non-controlling interests	-	-	-	-	-145	-145	-56	-201	
Total changes in equity	-	-5,136	22	-5,114	-1,424	-6,538	-164	-6,702	
Equity at 31 March 2014	3,051	-18,344	-660	-19,004	77,226	61,273	3,511	64,784	

STATEMENT OF CHANGES IN EQUITY (PAGE 2 OF 2)

DKK million	31 Mar. 2013								
	Shareholders in Carlsberg A/S						Equity, shareholders in Carlsberg A/S	Non- controlling interests	Total equity
	Share capital	Currency translation	Hedging reserves	Total reserves	Retained earnings				
Equity at 1 January 2013	3,051	-5,865	-758	-6,623	73,833	70,261	3,389	73,650	
Changes in accounting policies	-	-	-	-	-	-	-13	-13	
Restated equity at 1 January 2013	3,051	-5,865	-758	-6,623	73,833	70,261	3,376	73,637	
Consolidated profit	-	-	-	-	62	62	118	180	
Other comprehensive income:									
Foreign exchange adjustments of foreign entities	-	1,165	-	1,165	-	1,165	115	1,280	
Value adjustments of hedging instruments	-	-187	15	-172	-	-172	-	-172	
Retirement benefit obligations	-	-	-	-	2	2	-	2	
Effect of hyperinflation	-	20	-	20	-	20	1	21	
Other	-	-	-	-	20	20	1	21	
Corporation tax	-	47	-13	34	-	34	-	34	
Other comprehensive income	-	1,045	2	1,047	22	1,069	117	1,186	
Total comprehensive income for the period	-	1,045	2	1,047	84	1,131	235	1,366	
Acquisition/disposal of treasury shares	-	-	-	-	-31	-31	-	-31	
Share-based payment	-	-	-	-	13	13	-	13	
Dividends paid to shareholders	-	-	-	-	-915	-915	-137	-1,052	
Acquisition of non-controlling interests	-	-	-	-	-144	-144	-126	-270	
Acquisition of entities	-	-	-	-	-	-	4	4	
Total changes in equity	-	1,045	2	1,047	-993	54	-24	30	
Equity at 31 March 2013	3,051	-4,820	-756	-5,576	72,840	70,315	3,352	73,667	

## STATEMENT OF CASH FLOWS

DKK million	Q1 2014	Q1 2013	2013
Operating profit before special items	453	628	9,723
Adjustment for depreciation, amortisation and impairment losses	989	960	3,869
Operating profit before depreciation, amortisation and impairment losses <sup>1</sup>	1,442	1,588	13,592
Adjustment for other non-cash items	-50	-58	-221
Change in trade working capital	-1,763	-1,459	663
Change in other working capital	-194	-85	-886
Restructuring costs paid	-127	-78	-617
Interest etc. received	27	82	329
Interest etc. paid	-69	-386	-2,424
Corporation tax paid	-462	-463	-2,294
Cash flow from operating activities	-1,196	-859	8,142
Acquisition of property, plant and equipment and intangible assets	-953	-974	-5,582
Disposal of property, plant and equipment and intangible assets	39	33	149
Change in trade loans	67	3	48
Total operational investments	-847	-938	-5,385
Free operating cash flow	-2,043	-1,797	2,757
Acquisition and disposal of entities, net	-76	-138	-2,340
Acquisition and disposal of associates, net	-	-	-191
Acquisition and disposal of financial assets, net	2	-4	5
Change in financial receivables	6	-607	-250
Dividends received	18	-	141
Total financial investments	-50	-749	-2,635
Other investments in property, plant and equipment	-3	-	-18
Disposal of other property, plant and equipment	-	-	-
Total other activities <sup>2</sup>	-3	-	-18
Cash flow from investing activities	-900	-1,687	-8,038
<b>Free cash flow</b>	<b>-2,096</b>	<b>-2,546</b>	<b>104</b>
Shareholders in Carlsberg A/S	-1,229	-946	-986
Non-controlling interests	-331	-407	-677
External financing	3,276	2,601	-67
Cash flow from financing activities	1,716	1,248	-1,730
Net cash flow	-380	-1,298	-1,626
Cash and cash equivalents at beginning of period	3,208	5,000	5,000
Currency translation adjustments	-105	91	-166
Cash and cash equivalents at period-end <sup>3</sup>	2,723	3,793	3,208

<sup>1</sup> Impairment losses excluding those reported in special items.

<sup>2</sup> Other activities cover real estate, separate from beverage activities.

<sup>3</sup> Cash and cash equivalents less bank overdrafts.

## NOTE 1

## Segment reporting by region (beverages)

	Q1 2014	Q1 2013	2013
<b>Beer sales (pro rata, million hl)</b>			
Western Europe	9.9	9.6	49.0
Eastern Europe	7.1	7.7	42.4
Asia	8.0	6.8	28.3
Total	25.0	24.1	119.7
<b>Other beverages (pro rata, million hl)</b>			
Western Europe	3.2	3.1	14.9
Eastern Europe	0.2	0.2	1.7
Asia	0.9	0.8	3.1
Total	4.3	4.1	19.7
<b>Net revenue (DKK million)</b>			
Western Europe	7,640	7,483	37,393
Eastern Europe	2,484	2,902	17,711
Asia	2,732	2,262	9,063
Not allocated	40	57	183
Beverages, total	12,896	12,704	64,350
<b>Operating profit before depreciation, amortisation and special items (EBITDA, DKK million)</b>			
Western Europe	857	836	6,923
Eastern Europe	320	467	5,566
Asia	655	609	2,475
Not allocated	-360	-274	-1,242
Beverages, total	1,472	1,638	13,722
<b>Operating profit before special items (EBIT, DKK million)</b>			
Western Europe	440	408	5,183
Eastern Europe	-8	83	4,127
Asia	455	477	1,882
Not allocated	-402	-288	-1,330
Beverages, total	485	680	9,862
<b>Operating margin (%)</b>			
Western Europe	5.8	5.5	13.9
Eastern Europe	-0.3	2.9	23.3
Asia	16.7	21.1	20.8
Not allocated	...	...	...
Beverages, total	3.8	5.3	15.3

## NOTE 2

## Segment reporting by activity

DKK million	Q1 2014			Q1 2013		
	Bever- ages	Other activities	Total	Bever- ages	Other activities	Total
Net revenue	12,896	-	12,896	12,704	-	12,704
Operating profit before special items	485	-32	453	680	-52	628
Special items, net	-27	-2	-29	-49	-	-49
Financial items, net	-341	-5	-346	-350	-3	-353
Profit before tax	117	-39	78	281	-55	226
Corporation tax	-28	12	-16	-60	14	-46
Consolidated profit	89	-27	62	221	-41	180
Attributable to:						
Non-controlling interests	129	-	129	118	-	118
Shareholders in Carlsberg A/S	-40	-27	-67	103	-41	62

DKK million	2013		
	Bever- ages	Other activities	Total
Net revenue	64,350	-	64,350
Operating profit before special items	9,862	-139	9,723
Special items, net	-442	7	-435
Financial items, net	-1,486	-20	-1,506
Profit before tax	7,934	-152	7,782
Corporation tax	-2,025	192	-1,833
Consolidated profit	5,909	40	5,949
Attributable to:			
Non-controlling interests	478	-	478
Shareholders in Carlsberg A/S	5,431	40	5,471

## NOTE 3

## Segment reporting by quarter

DKK million	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
<b>Net revenue</b>								
Western Europe	10,667	10,361	9,175	7,483	10,371	10,542	8,997	7,640
Eastern Europe	6,266	5,805	4,480	2,902	6,245	4,598	3,966	2,484
Asia	2,379	2,389	2,085	2,262	2,416	2,232	2,153	2,732
Not allocated	24	32	30	57	26	47	53	40
Beverages, total	19,336	18,587	15,770	12,704	19,058	17,419	15,169	12,896
Other activities	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19,336</b>	<b>18,587</b>	<b>15,770</b>	<b>12,704</b>	<b>19,058</b>	<b>17,419</b>	<b>15,169</b>	<b>12,896</b>
<b>Operating profit before special items</b>								
Western Europe	1,799	1,807	1,038	408	1,709	1,985	1,081	440
Eastern Europe	1,509	1,600	1,174	83	1,608	1,297	1,139	-8
Asia	431	502	319	477	484	485	436	455
Not allocated	-238	-286	-343	-288	-376	-350	-316	-402
Beverages, total	3,501	3,623	2,188	680	3,425	3,417	2,340	485
Other activities	-30	-27	-36	-52	-26	-25	-36	-32
<b>Total</b>	<b>3,471</b>	<b>3,596</b>	<b>2,152</b>	<b>628</b>	<b>3,399</b>	<b>3,392</b>	<b>2,304</b>	<b>453</b>
Special items, net	1,445	-6	-1,306	-49	-81	-43	-262	-29
Financial items, net	-411	-442	-452	-353	-405	-290	-458	-346
Profit before tax	4,505	3,148	394	226	2,913	3,059	1,584	78
Corporation tax	-974	-787	-85	-46	-717	-738	-332	-16
<b>Consolidated profit</b>	<b>3,531</b>	<b>2,361</b>	<b>309</b>	<b>180</b>	<b>2,196</b>	<b>2,321</b>	<b>1,252</b>	<b>62</b>
<b>Attributable to:</b>								
Non-controlling interests	176	225	117	118	122	113	125	129
Shareholders in Carlsberg A/S	3,355	2,136	192	62	2,074	2,208	1,127	-67

## NOTE 4

### Special items

DKK million	Q1 2014	Q1 2013	2013
Special items, income:			
Revaluation gain, incl. recycling of cumulative exchange rate differences, on entities acquired in step acquisitions	13	-	239
Gain on disposal of property, plant and equipment impaired in prior years	11	20	40
Income total	24	20	279
Special items, expenses:			
Impairment of trademarks	-	-	-200
Restructuring of Ringnes, Norway	-14	-31	-88
Impairments of other non-current assets	-	-	-30
Restructuring of Carlsberg Deutschland	-	-	-40
Impairment and restructuring in relation to optimisation and standardisation in Western Europe	-16	-27	-176
Termination benefits and restructuring of sales, logistics and administration, Carlsberg UK	-	-	-27
Termination benefits and impairment of Brasseries Kronenbourg, France	-8	-11	-59
Restructuring of Baltika Breweries, Russia	-8	-	-37
Restructuring of Aldaris, Latvia	-3	-	-74
Impairment and restructuring of Xinjiang Wusu Group, China	-	-	-62
Costs related to acquisitions and disposals of entities	-4	-	-28
Reversal of provision for onerous malt and hops contracts	-	-	107
Expenses total	-53	-69	-714
Special items, net	-29	-49	-435



NOTE 5 (PAGE 1 OF 2)

Debt and credit facilities

DKK million	31 Mar. 2014
Non-current borrow ings	
Issued bonds	21,466
Bank borrow ings	10,796
Mortgages	1,457
Other non-current borrow ings	57
Total	33,776
Current borrow ings	
Issued bonds	7,463
Current portion of other non-current borrow ings	59
Bank borrow ings	1,913
Other current borrow ings	9
Total	9,444
Total non-current and current borrow ings	43,220
Cash and cash equivalents	-3,052
Net financial debt	40,168
Other interest-bearing assets	-1,597
Net interest-bearing debt	38,571

## NOTE 5 (PAGE 2 OF 2)

## Debt and credit facilities

DKK million						
Time to maturity for non-current borrowings						31 Mar. 2014
	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	-	2,860	7,422	-	11,184	21,466
Bank borrowings	689	66	16	10,006	6	10,783
Mortgages	-	-	-	-	1,457	1,457
Other non-current borrowings	13	9	9	23	16	70
<b>Total</b>	<b>702</b>	<b>2,935</b>	<b>7,447</b>	<b>10,029</b>	<b>12,663</b>	<b>33,776</b>

DKK million	Net financial debt	Interest*			
		Floating	Fixed	Floating %	Fixed %
Interest risk at 31 Mar. 2014					
EUR	30,493	8,798	21,695	29%	71%
DKK	3,764	3,561	203	95%	5%
Other currencies	5,911	5,848	63	99%	1%
<b>Total</b>	<b>40,168</b>	<b>18,207</b>	<b>21,961</b>	<b>45%</b>	<b>55%</b>

\* After interest rate, net investment hedges and currency swaps.

DKK million	
Committed credit facilities*	31 Mar. 2014
Less than 1 year	9,444
1 to 2 years	2,579
2 to 3 years	2,935
3 to 4 years	7,447
4 to 5 years	10,029
More than 5 years	21,301
<b>Total</b>	<b>53,735</b>
Short term	9,444
Long term	44,291

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

## NOTE 6

## Net interest-bearing debt

DKK million	Q1 2014	Q1 2013	2013
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Net interest-bearing debt is calculated as follows:

Non-current borrowings	33,776	40,639	30,239
Current borrowings	9,444	1,686	9,417
Payables for acquisitions	49	-	188
Gross interest-bearing debt	43,269	42,325	39,844
Cash and cash equivalents	-3,052	-4,778	-3,586
Loans to associates	-56	-107	-55
On-trade loans	-1,839	-1,916	-1,850
less non-interest-bearing portion	836	900	869
Other receivables	-2,400	-2,180	-2,128
less non-interest-bearing portion	1,813	1,515	1,542
Net interest-bearing debt	38,571	35,759	34,636

Changes in net interest-bearing debt:

Net interest-bearing debt at beginning of period	34,636	31,962	31,962
Cash flow from operating activities	1,196	859	-8,142
Cash flow from investing activities, excl. acquisition of entities	824	1,549	5,698
Cash flow from acquisition of entities, net	76	138	2,340
Dividend to shareholders and non-controlling interests	1,428	1,052	1,272
Acquisition of non-controlling interests	123	270	320
Acquisition/disposal of treasury shares	9	31	70
Acquired net interest-bearing debt from acquisition of entities	113	52	1,039
Change in interest-bearing lending	-16	61	291
Effects of currency translation	191	-253	-139
Other	-9	38	-75
Total change	3,935	3,797	2,674
Net interest-bearing debt, end of period	38,571	35,759	34,636

## NOTE 7

### Acquisition of entities

In Q1 2014, Carlsberg gained control of Hanoi-Vung Tau Beer Joint Stock Company, (Vietnam). In Q4 2013, Carlsberg gained control of Chongqing Brewery (China) and South Asian Breweries Group (India).

Acquired entities	Country of main operations	Previous method of consolidation	Previously held ownership interest	Acquired ownership interest	Total Carlsberg interest	Acquisition date	Main activity	Consideration
Hanoi-Vung Tau Beer Joint Stock Company	Vietnam	Equity method	55%	45%	100%	12 Feb. 2014	Brewery	92
Chongqing Brewery Group	China	Equity method	30%	30%	60%	11 Dec. 2013	Brewery	2,636
South Asian Breweries Group	India	Proportionate	60%	7%	67%	31 Oct. 2013	Brewery	108

These step acquisitions were 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.

DKK million	Chongqing Brewery Group	Other	Total
Fair value of consideration transferred for acquired ownership interest	2,636	200	2,836
Fair value of previously held ownership interest	4,115	294	4,409
Fair value of put options recognised as part of acquisition	428	-	428
Total cost of acquisition	7,179	494	7,673
Net assets of acquired entities, attributable to Carlsberg	1,013	396	1,409
Goodwill from step acquisitions	6,166	98	6,264

In February 2014, Carlsberg gained control of Hanoi-Vung Tau Beer Joint Stock Company, (Vietnam) through the acquisition of the 45% shareholding held by our partner Hanoi Beer Alcohol and Beverage Corporation, (Vietnam). The shareholding in the company recognised prior to gaining control had a fair value that was higher than the carrying amount, why a revaluation adjustment of DKK 13m has been recognised. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities is still ongoing. Adjustments are therefore expected to be made to all items in the opening statement of financial position. Accounting for the acquisition will be completed within the 12-month period required by IFRS 3.

In December 2013, Carlsberg gained control of Chongqing Brewery in China by completing a partial takeover offer acquiring 30.29% of the shares at a purchase price of DKK 2,636m. In addition, a put option was granted allowing a non-controlling interest of 4.95% of the shares to be sold to Carlsberg within a 12-month period at the same price per share as the partial takeover offer price. This put option was recognised at fair value, amounting to DKK 428m. Prior to Carlsberg gaining control, Chongqing Brewery was classified as an associate and consolidated according to the equity method.

In October 2013, Carlsberg gained control of South Asian Breweries Group through the exercise by a non-controlling interest of a put option of 6.67% of the shares at a price of DKK 108m. Prior to Carlsberg

gaining control, South Asian Breweries Group was classified as a joint venture and proportionately consolidated.

The acquisitions of Chongqing Brewery and South Asian Breweries Group were both made in several steps over a period of 2-3 years, leading to Carlsberg gaining control in December and October 2013 respectively. The shareholding for each of these groups recognised prior to gaining control had a fair value equal to the carrying amount, which is why no revaluation adjustment has been recognised. The purchase price allocations of the fair value of identified assets, liabilities and contingent liabilities are still ongoing. Adjustments are therefore expected to be made to all items in the opening statement of financial position, especially in relation to trademarks and property, plant and equipment in Chongqing Brewery. Accounting for the acquisition will be completed within the 12-month period required by IFRS 3.

DKK million	Chongqing Brewery		
	Group	Other	Total
Intangible assets	106	15	121
Property, plant and equipment	2,297	984	3,281
Financial assets, excl. deferred tax	132	1	133
Inventories	265	66	331
Loans and receivables, current	226	329	555
Cash and cash equivalents	444	34	478
Provisions	-89	-3	-92
Deferred tax assets and liabilities, net	25	-	25
Borrowings	-1,101	-817	-1,918
Trade payables and other payables	-753	-213	-966
Net assets of acquired entities	1,552	396	1,948
Non-controlling interests' proportionate share of acquired net assets, recognised	-539	-	-539
Net assets of acquired entities, attributable to Carlsberg	1,013	396	1,409

**NOTE 8****Contingent liabilities**

The Federal Cartel Office in Germany has issued a decision against Carlsberg Deutschland and imposed a fine in the amount of EUR 62m on Carlsberg Deutschland for alleged infringement of the competition rules in 2007. Management does not agree with the conclusions or findings of the Federal Cartel Office and, accordingly, Carlsberg Deutschland has appealed the decision to the relevant German Court. The imposed fine has therefore not been provided for in the accounts.

## Appendix

### Russian market shares

Russian market shares (%)	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014
Baltika	38.3	38.2	39.0	38.9	38.2	38.6	38.4
Efes RUS	15.1	13.4	13.1	13.2	13.6	13.3	13.7
ABI	14.7	14.0	13.9	13.9	13.9	13.9	13.1
Heineken	13.1	14.0	13.6	13.6	13.5	13.7	13.2
Others	18.8	20.4	20.4	20.4	20.8	20.5	21.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Nielsen updated its retail universe from Q3 2013. All historical numbers have been adjusted accordingly.

Source: Nielsen Retail Audit, Urban & Rural Russia