Q1 2018 AIDE MEMOIRE

A number of events in 2017 and 2018 have an impact on the year-on-year comparison for Q1 and FY 2018. These include the following items, which you may wish to consider in your modelling. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for Q1 2018 versus Q1 2017.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

At the Q1 2017 conference call, we commented on the **Q1 volume growth**:

"We saw solid volume performance in a number of markets, as well as relisting at a major customer in Poland."

…and at that Q4 2017 conference call announcement, we commented on **price/mix**:

"Pricing in Western Europe, there will be few, let's say, that remains to be, of course, difficult but we have some small successes in some of the countries …it remains difficult, but we continue to look into that"

Eastern Europe

At the Q1 2017 conference call, we commented on the **Russian market pricing and market share development**:

"Our Eastern European business had a good start for the year with a strong price/mix of 13% …. Please be aware that price/mix will be less pronounced in the remainder of the year as we start cycling last year's price increases and as we started the PET downsizing in the second half of last year. Our Russian market share was flat sequentially but declined year-on-year due to our early implementation of the PET downsizing and share losses in the declining traditional trade channel."

… and at the Q4 2017 conference call, we commented on the **Russian market pricing**:

"As expected, price/mix was less pronounced in H2, as part of the positive impact from the downsizing came through in Q4 2016."

At the Q4 2017 conference call, we commented on the **Russian market share for 2017**:

"…declined by 270 basis points year-over-year."

Asia

At the Q4 2017 conference call, we talked about our **priorities for Asia**:

"…accelerating organic growth in Asia through premiumisation…"

… and further commented on **India**:

"In India, 2017 was a very volatile year due to the highway ban and the introduction of GST. Consequently, our volumes declined by 2%..."

Disposals

At the Q2 2017 conference call, we made the following comment re. **disposals**:

"Please note that the sale of Nordic Getränke in April 2017 will have an impact on net revenue of approximately minus DKK 1 billion, with modest impact on operating profit."

Accounting changes

In the appendix to the Q4 2018 announcement the accounting changes related to IFRS15 and our changed volume definition are described.

At the Q4 2017 conference call, we said:

"We will adopt IFRS 15 from the 1st of January 2018. That means that we will reclassify some trade marketing costs as discount and hence move them from A&P spend to discounts booked in revenue. This will reduce net revenue by around DKK 1.2 billion, and marketing costs will be reduced by the same amount. There will be no impacts on operating profit and cash flow."

…and continued:

"So far, we have reported volumes on a pro rata basis, which means that we have included our share of volumes from associated companies. Since these companies are only one line consolidated, we have not booked any revenue from them, and therefore there has not been a clear link between our reported volumes and net revenue.

Going forward, we will not include volumes from associated companies and consequently, our volumes will decline. The impact will be seen in Western Europe and Asia as our largest associates currently are Portugal and Cambodia. In Appendix 1 in the announcement, you can find 2017 pro forma numbers reflecting these changes so that you can update your models."

OUTLOOK

In the Q4 2017 announcement, we commented:

"At regional level, we have the following priorities for 2018: continued improvement in margins and operating profit in Western Europe; accelerating organic growth in Asia through premiumisation; and rebalancing the focus towards top-line growth in Eastern Europe.

Based on these priorities, for 2018 the Group expects to deliver:

- *Mid-single-digit percentage growth in operating profit.*

Due to the recent strength of DKK against most currencies, we assume a negative translation impact of around DKK -450m for 2018 (based on the spot rates at 6 February)."

Other relevant assumptions are:

"Financial expenses, excluding currency losses or gains and fair value adjustments, are expected to be around DKK 800m.

The effective tax rate is expected to be below 29%.

Capital expenditures at constant currencies are expected to be around DKK 4.5bn."

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 expectations or forecasts at the time. 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.