



ORK - Carlsberg Breweries A/S established

Carlsberg A/S and Orkla ASA signed the final agreement regarding the establishment of Carlsberg Breweries A/S on 13 February 2001.

The process started on 31 May 2000 when Carlsberg A/S and Orkla announced the following deal:

- That Carlsberg's and Orkla's brewing activities will be united in a new company Carlsberg Breweries A/S with headquarters in Copenhagen;
- That Carlsberg A/S will own 60% and Orkla 40% of Carlsberg Breweries;
- That Carlsberg Breweries' three primary focus markets will be Western Europe, Eastern Europe and Asia. The Carlsberg brand will be the leading international beer brand, supported by strong regional and local brands.

On 7 August 2000, the Merger Task Force of the EU Commission announced that approval of the establishment of Carlsberg Breweries was a matter for the relevant local competition authorities.

On 9 November 2000, the Lithuanian authorities approved the unification of the activities of Baltic Beverages Holding (BBH) and Carlsberg in Lithuania on the condition that the parties sell one of their three breweries.

On 12 December 2000, the Norwegian competition authorities approved the establishment of Carlsberg Breweries on the condition that Carlsberg dispose of its indirect ownership of Coca-Cola Drikker Norge.

On 13 December 2000, the Swedish competition authorities gave conditional approval to Carlsberg A/S and Orkla to merge their Swedish breweries Falcon and Pripps as a part of the formation of Carlsberg Breweries. The Swedish authorities requested that seven brands be sold, that distribution of five import brands be discontinued, that Falcon stop its distribution co-operation with Coca-Cola Drycker Sverige and that Carlsberg A/S dispose of its indirect ownership in Coca-Cola Drycker Sverige.

On 2 January 2001, the Finnish competition authorities approved the establishment of Carlsberg Breweries on the condition that Orkla sells its shareholding in Finland's largest brewery, Oyj Hartwall Abp. In addition, Carlsberg Breweries must accept not to use its 50% shareholding in BBH to influence Hartwall and therefore the competitive situation on the Finnish market. Furthermore, Hartwall must discontinue some production and distribution agreements with Carlsberg and Pripps Bryggerier. If these three conditions are not met, Carlsberg Breweries shall carry-out one of the three following alternatives:

- Carlsberg Breweries A/S sells its 50 per cent share of BBH;
- Carlsberg Breweries A/S buys the 50 per cent of BBH that Oyj Hartwall Abp owns;
- Carlsberg Breweries A/S sells its Finnish brewery Oy Sinebrychoff Ab.

Carlsberg A/S and Orkla have accepted all conditions imposed in relation to the establishment of Carlsberg Breweries A/S and the parties are currently working to fulfil the above-mentioned conditions. No further conditions remain to be fulfilled.

After 31 May the following activities have taken place:

On 3 November 2000, Carlsberg A/S on behalf of Carlsberg Breweries announced the acquisition of Switzerland's largest brewery, Feldschlösschen Getränke Holding AG. The agreement applied with retrospective effect from 1 July the same year.

On 15 December 2000, Carlsberg A/S signed an agreement with Chang Beverage Company to establish Carlsberg Asia Ltd, a 50/50 joint venture which will administer and develop the company's sales and brewing activities in Asia. Carlsberg Asia Ltd. will be part of Carlsberg Breweries.

Accounts, etc.

As a consequence of the final agreement to establish Carlsberg Breweries, Carlsberg Breweries' accounts will include the new activities as of 1 January 2001.

Orkla will consolidate its 40% ownership stake in Carlsberg Breweries from 1 January 2001, using the proportionate consolidation method (line-by-line).

Unaudited pro forma accounts for year 2000 for Carlsberg Breweries will be included in Orklas preliminary profit statement, which will be published on 15 February 2001.

Board of directors and executive board

In connection with the announcement made on 31 May 2000 regarding the establishment of Carlsberg Breweries, it was also announced that the board of directors of Carlsberg Breweries A/S will consist of eight representatives elected by the shareholders, three of which from Orkla. (Orklas representatives will be Jens P. Heyerdahl d.y., Finn Jebsen and Tom Vidar Rygh.)

Furthermore, it was announced that the executive board of Carlsberg Breweries A/S will consist of President and CEO Flemming Lindeløv and executive vice-presidents Nils Smedegaard Andersen, Michael C. Iuul, Paul Bergqvist and Bjørn Erik Næss.