

# Carlsberg Breweries

First Quarter Results

8 May 2002

# Highlights

- Overall improved performance for Carlsberg Breweries
  - Beer volume growth 21 %
  - EBITA improved by DKK 233 million (+193 %)
- Northern and Western Europe well above last year
- Continued outstanding results in BBH
- Continued growth for Carlsberg brand
  - Volume growth 4 % in Q1
  - To be launched in Russia in Q2
  - New important sponsorship
    - Euro 2004

# Income Statement - extended

in DKK million	1 Jan - 31 Mar		Change	Year
	2002	2001		2001
Net sales	7 572	6 969	+9 %	34 419
Operating profit before goodwill amortisation	354	121	+193 %	2 971
Special items	-	-		32
Financials net	-259	-151		-806
Corporation tax	-30	-17		-507
Net profit before goodwill amortisation	65	-47		1 690
Goodwill amortisation	-95	-71		-314
Other items	-	403		403
Consolidated profit	-30	285		1 779

\*Gains from sale of Thai shares

# Income Statement

in DKK million	1 Jan - 31 Mar			Year
	2002	2001	Change	2001
Net sales	7 572	6 969	+9 %	34 419
EBITA	354	121	+193 %	2 971
Goodwill amortisation	-95	-71		-314
EBIT	259	50	+418 %	2 689
EBITA-margin	4.7 %	1.7 %	2.9%-p	8.6 %
EBIT-margin	3.4%	0.7%	2.7%-p	7.8%

# Balance sheet

in DKK million	<u>31 Mar 02</u>	<u>31 Dec 01</u>
Non-current assets	29 224	29 741
Current assets	14 194	15 036
<b>Total assets</b>	<b>43 418</b>	<b>44 777</b>
Equity	13 431	14 839
<b>Net interest-bearing debt</b>	<b>14 563</b>	<b>13 660</b>

# Cash flow

in DKK million	Q 1 2002
<b>Operational cash flow</b>	<b>273</b>
Capital expenditure and expansion investments	-733
Acquired companies	-73
Other financial activities	-16
<b>Cash used in investment activities</b>	<b>-822</b>
<b>Free cash flow</b>	<b>-549</b>
<b>Cash flow, financing</b>	<b>-566</b>
<b>Increase in cash deposits and cash</b>	<b>-1 115</b>

# Change in volume

1 Jan - 31 Mar

Million HL	2002	2001	Change
<b>Beer</b>			
Western Europe	5.5	5.3	+ 4 %
Central and Eastern Europe	7.5	5.2	+ 43 %
Carlsberg Asia	3.0	2.7	+ 10 %
<b>Total</b>	<b>16.0</b>	<b>13.2</b>	<b>+ 21 %</b>
<b>Soft drinks, water and others</b>			
<b>Total</b>	<b>4.3</b>	<b>4.2</b>	<b>+ 2 %</b>

# Northern and Western Europe

in DKK million	1 Jan - 31 Mar		Change	Year
	2002	2001		2001
Net sales	5 638	5 232	+8 %	26 064
EBITA	139	32	+334 %	1 785
EBITA-margin	2.5 %	0.6 %	+1.9 %-p	6.8 %
Volume (mill. hl of beer)	5.5	5.3	+4 %	27.2

- Volume and profit growth in the UK
- Positive development in the Nordic countries
- Strong growth in Portugal due to increased volumes



# Northern & Western Europe - Key issues

- Positive trends in the UK
  - Healthy branded products growth and increased market share for Carlsberg-Tetley
    - 18.9 % volume growth for Carlsberg Export (premium lager)
    - 7.5 % volume growth for Carlsberg Lager (standard lager)
  - Operations and performance improved
- Sweden; first signs of improvement
  - Shift in sales to more profitable brands
  - Strong growth for important brands in Q1
    - Carlsberg +28 %
    - Tuborg +12 %
    - Falcon +11 %
  - Closure of Gothenburg plant according to plan
- Feldschlösschen turnaround on schedule

# Central and Eastern Europe

in DKK million	1 Jan - 31 Mar			Year
	2002	2001	Change	2001
Net sales	1 593	915	+74 %	5 842
EBITA	175	120	+46 %	1 204
EBITA-margin	11.0 %	13.1 %	-2.1 %-p	20.6 %
Volume (mill. hl of beer)	7.5	5.2	+43 %	29.4

- Continued positive market trends in Russia and Ukraine
- Strong volume and profit growth in BBH
- Carlsberg brand to be launched in Russia in Q2
- Weaker margin primarily due to weak results in Turkey in Q1

# Central and Eastern Europe - Key issues

- **BBH expansion initiatives**
  - Svyturys consolidated in BBH 2002
  - Decision to build new brewery in Samara (Russia)
  - Acquisition of Voronezh (not consolidated in Q1)
  - New brewery to be built in Kiev
- **Restructuring of Carlsberg Okocim according to plan**
  - Stable market shares during the restructuring period
  - Strengthened brand portfolio; Okocim and Carlsberg brand to be relaunched in Q2
  - Margins still too low, as expected
- **Türk Tuborg**
  - Volume growth and increased market shares
  - Low prices have offset positive effects of a relatively strong currency
  - Margins still too low, as expected

# BBH - Baltic Beverages Holding

in DKK million	1 Jan - 31 Mar			Year
	2002	2001	Change	2001
Net sales (50%)	949	561	+69 %	3 637
EBITA (50%)	219	109	+101 %	1 001
EBITA-margin	23.1 %	19.4 %	3.7%-p	27.5 %
Average RUR/USD exchange rate	30.8	28.7	-6.9%	29.3

- Strong volume growth (Beer +43 %)
- Capacity continuously increasing
- Carlsberg brand to be launched in the Russian market in Q2

## BBH - Market trends beer

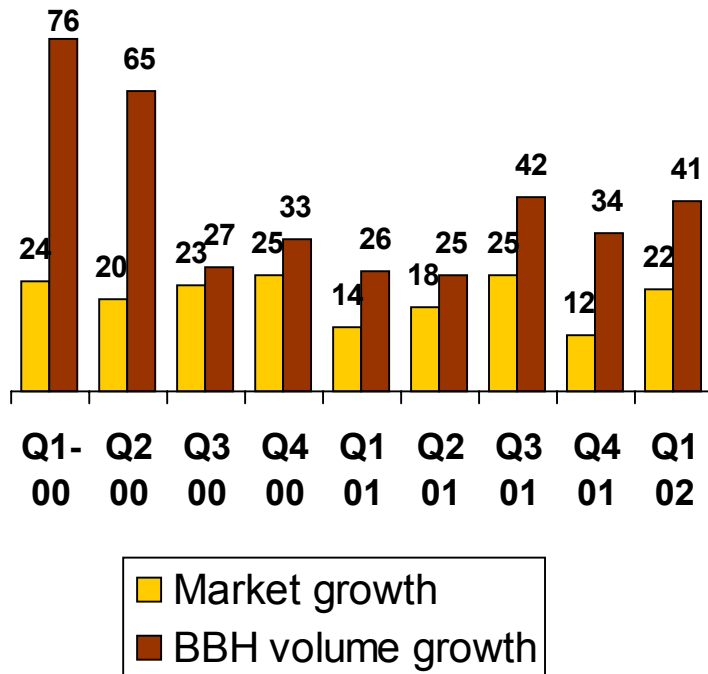
	Market growth Q1-2002	Baltic Beverages Holding			Litres per capita Year 2001
		Volume growth 2001-2002	Market share Q1-2002	Change from Q1-2001	
<b>Russia</b>	22 %	41 %	33 %	+ 3.6 %-p	41
<b>Ukraine</b>	13 %	29 %	20 %	+ 1.9 %-p	25
<b>Baltic States*</b>	19 %	50 %	46 %	+ 9.6 %-p	57

- Strengthened market positions in all markets

\*) Including Svyturys and Utenos Alus in Lithuania in Q1 2002, including Utenos Alus and Kalnapilis in Q1 2001

# Beer market in Russia

Market growth and  
BBH volume growth (%)



Market shares in Russia

Brewery	1 Jan - 31 Mar	
	2002	2001
BBH	33.4 %	29.8 %
Sun Interbrew	11.0 %	11.6 %
Ochakova	8.2 %	8.8 %
Krasny Vostok	7.3 %	8.1 %
Bravo	3.4 %	3.5 %
St. Razin	2.7 %	2.5 %
Efes	2.2 %	2.3 %
SAB	1.8 %	1.8 %
Others	30.0 %	31.6 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

- 2001 figures have been corrected
- BBH market share including Vena

# Carlsberg Asia

in DKK million	1 Jan - 31 Mar		Change	Year
	2002**	2001*		2001*
Net sales	323	530	-39 %	1 847
EBITA	137	91	+51 %	403
EBITA-margin	42.4 %			
EBITA-margin excl. Hite	32.8 %	17.2 %	15.6%-p	21.8 %
Volume beer mill HL	3.0	2.7	+10 %	11.3

- Increased profits mainly due to
  - Consolidation of Hite brewery (One line consolidation - DKK 31 million), and
  - Thailand in line with profit guarantee
- Reduced net sales as a result of consolidation of the new set up in Asia and some delays regarding the Thai operation
- Positive trend in both Malaysia and Singapore

\*2001 figures represent old set up in Asia – 100%

\*\* New set-up represents 50%

# Carlsberg Asia (continued)

- New operational set-up is running
  - Consolidated from January 2002
- Thailand
  - New operational structure under implementation, but
    - To ensure an appropriate level of results until the new set-up in Thailand is operative the partners have agreed on a profit guarantee in Thailand (CBTL)
    - The profit guarantee contributes annually USD 50 million on profit before tax over a period of 3 years (Carlsberg Asia's consolidate USD 25 million)
    - The partner has given the guarantee
- Increased ownership in Hite brewery, consolidated as associated company
- In order to secure growth new projects to be considered



# Carlsberg Breweries – going forward

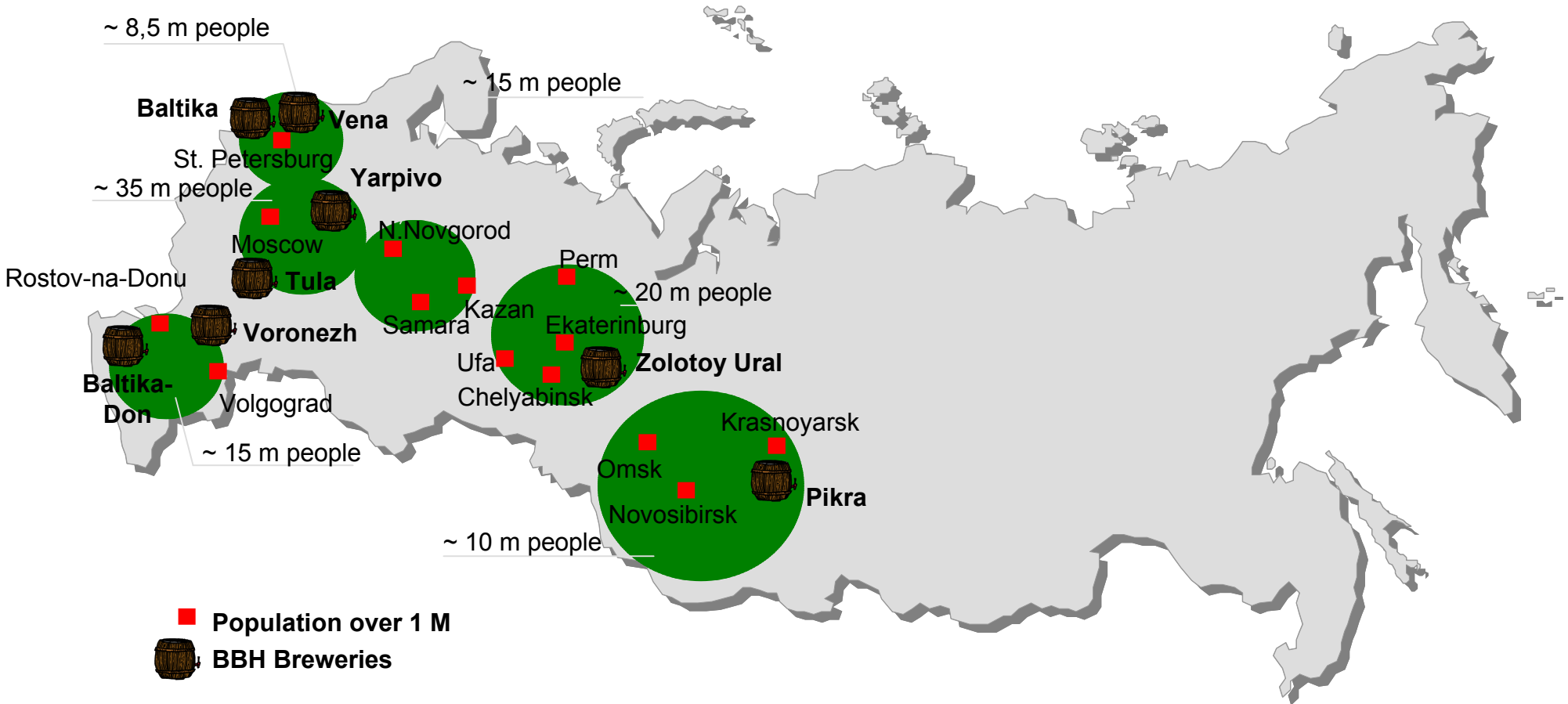
- EBITA growth in 2002 expected to be approximately 20%
- Strong focus on cash flow and reduction of capital employed
- Continue to improve operational performance
  - Stabilise and improve Swedish operations
  - Complete restructuring in Poland and Turkey
- Grow profitably according to strategy
  - Continued investments in growth markets
  - Participate in market consolidation
  - Acquire majority ownership in core breweries
  - Strengthen the Carlsberg brand
  - Focus on customers and consumers

# Enclosures

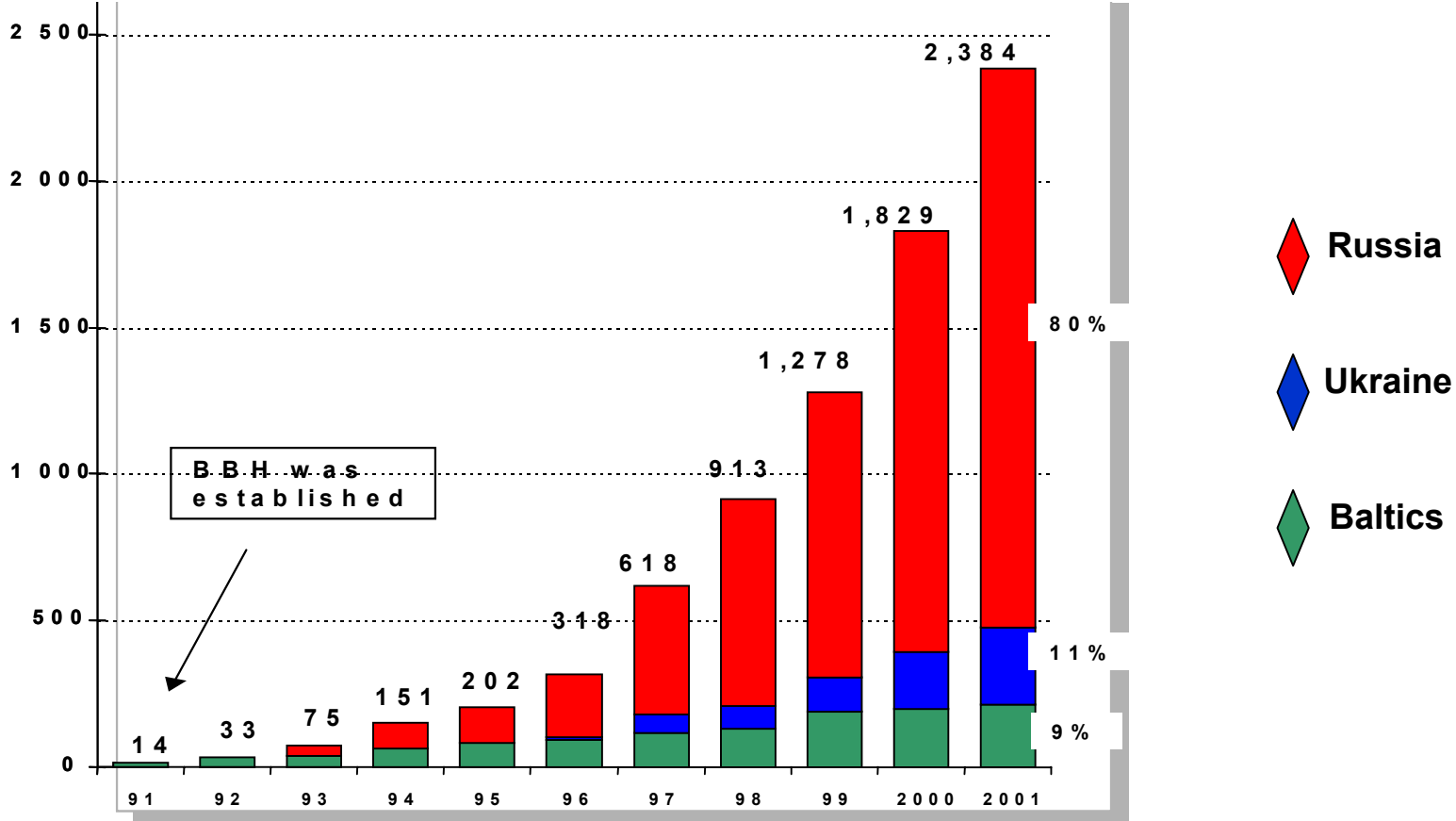
# Acquisitions in Q1-2002

- Carlsberg Asia's ownership in Hite Brewery (South Korea) increased to 25%
- Ownership in Carlsberg Italy increased to 100%
- BBH acquisition of 70% of Voronezh
- BBH greenfield operations in Samara
- Carlsberg Asia acquisition of 25% of Lao Brewery (Laos)

# BBH - coverage of main population centres in Russia



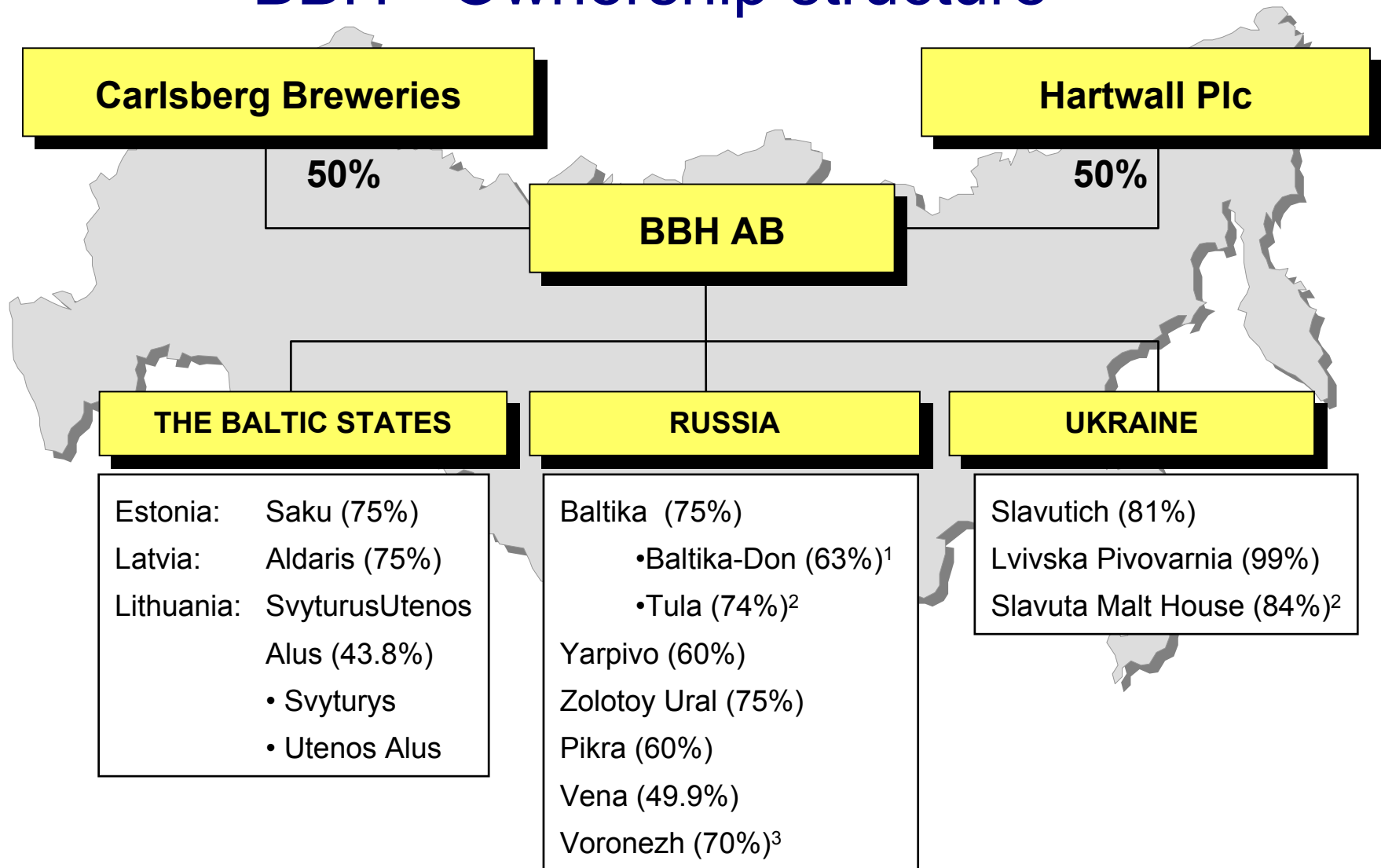
# BBH aggregate sales volume (mill. L)



Year	1996	1997	1998	1999	2000
Increase from previous year	57%	94%	48%	40%	43%
Increase 2001 since	650%	286%	161%	87%	30%
CAGR 2001 since	50%	40%	38%	37%	30%



# BBH - Ownership structure

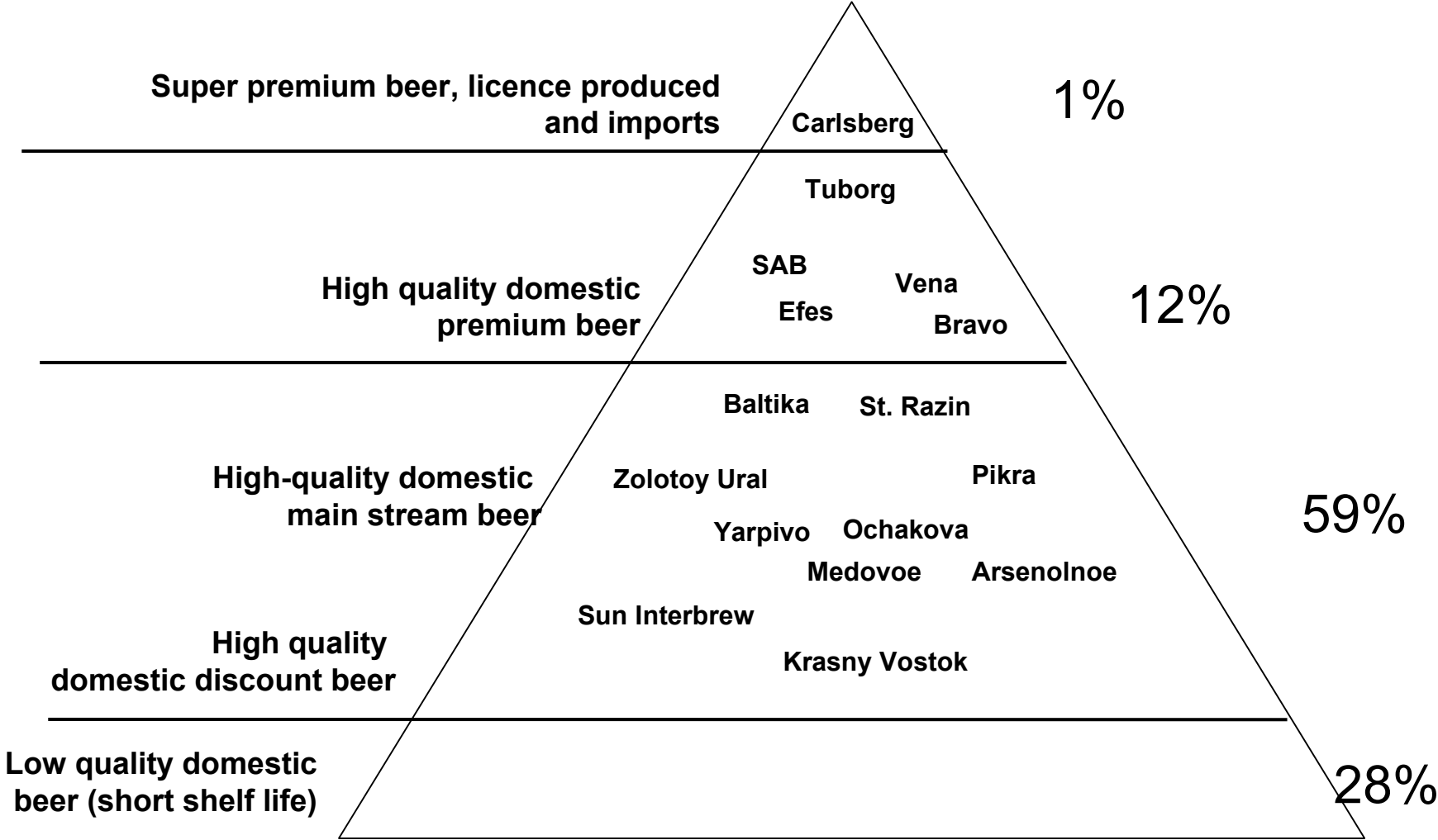


1) Baltika-Don is majority owned through Baltika. Tula is owned 50.01% by Baltika and 35.9 % by BBH

2) Slavuta is the only malt house owned directly by BBH, the seven others are owned by the breweries

3) To be consolidated in 2002

# BBH - beer segmentation in Russia



# BBH - malthouses

Country	Malthouse	Owner	Capacity (tonnes/year)
Lithuania	Litmalt	Lahden Polttimo 50%	10,000
		Utenos Alus 50%	
Russia	Yarpivo	Yarpivo	15,000
	Baltika	Soufflet 70%	105,000
		Baltika 30%	
	Zolotoy Ural	Zolotoy Ural	12,000
Ukraine	Slavuta Malt House	BBH 82 %	90,000
<b>Total</b>			<b>232,000</b>

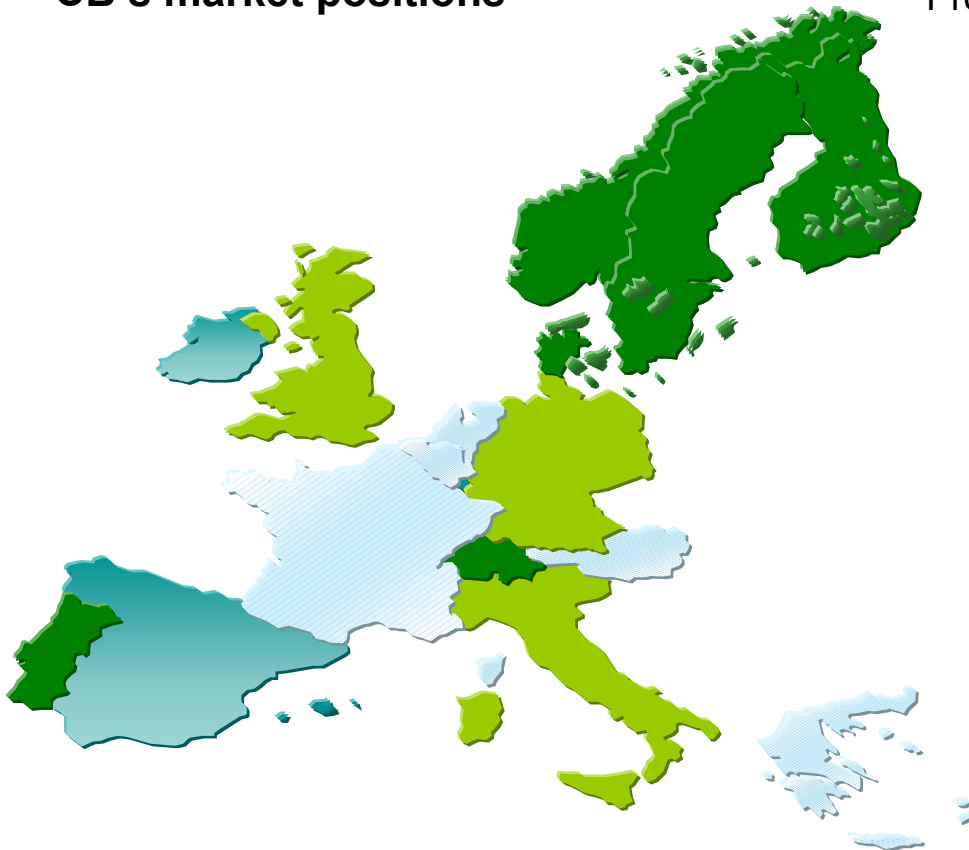


# BBH - success factors

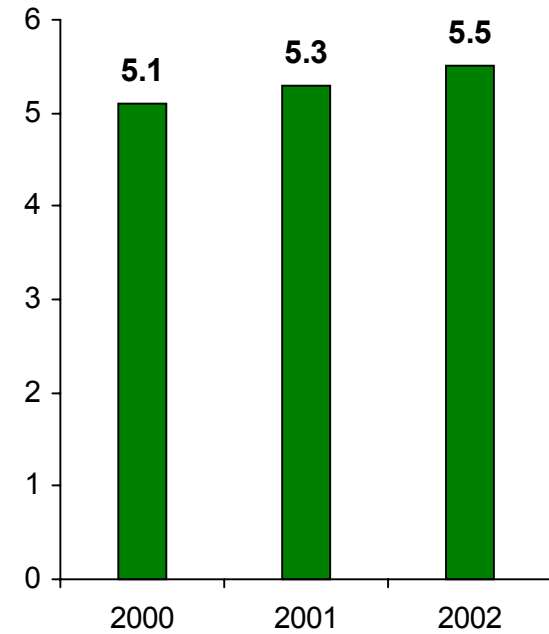
- Acquire majority interests in locally dominant breweries through new issues of equity
  - Local brands, management and ownership
  - collector of beer tax
- Quality improvements
  - Beer of western quality using modern technology
  - Extensive personnel development
- Brand strategy with focus on main stream quality segment
- Volume growth (capacity expansion and further acquisitions)
- Improved distribution system
- Support from BBH (Hartwall/Carlsberg Breweries) in marketing, sales and distribution as well as in purchasing and financing

# Northern and Western Europe

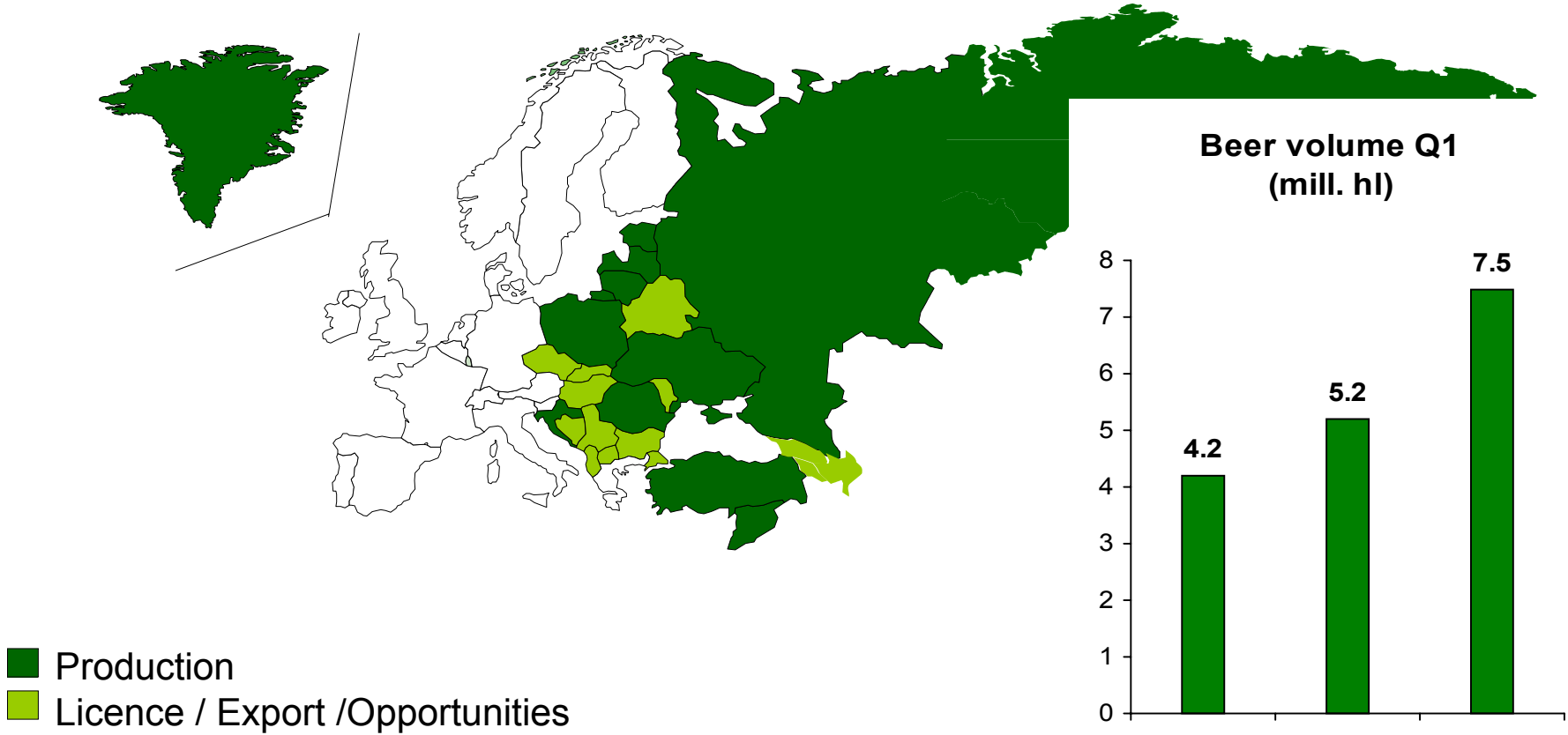
CB's market positions



Beer volume Q1 (mill. hl)



# Central and Eastern Europe



# Asia - Market overview

