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14/2002

**Announcement to the Copenhagen Stock Exchange**

**Q1 Financial Statement of the Carlsberg Group as at 31 March 2002**

**Good progress in results**

- Operating profit amounted to DKK 439m against DKK 144m last year (+205%).
- Profit before amortisation and write-down on goodwill (exclusive of one-off items in 2001) improved by DKK 220m.
- Progress in beer volume compared to last year of +21% (16.0m hl).
- A programme for repurchase of own shares will be established.

**Contact:**

**Jørn P. Jensen, CEO**  
**Per Brøndum Andersen, CFO**  
**Telephone: +45 3327 2727**

**HIGHLIGHTS AND KEY FIGURES**

**for the period 1 January – 31 March 2002**  
(Unaudited)

<b>DKK million</b>	<b>2001</b>	<b>2002</b>	<b>Changes</b>
	<b>Q1</b>	<b>Q1</b>	<b>in percent</b>
Net revenue	6,969	<b>7,572</b>	+9
Operating profit	144	<b>439</b>	+205
Special items, net	0	<b>0</b>	
Financials, net	252	<b>-220</b>	
Corporation tax	59	<b>65</b>	+10
Profit before amortisation and write-down of goodwill	337	<b>154</b>	-54
Goodwill amortisation and write-down	69	<b>92</b>	+33
Consolidated profit	268	<b>62</b>	-77
Carlsberg A/S' share of profit	118	<b>29</b>	-75
	<b>31.12.01</b>	<b>31.03.02</b>	<b>Changes</b>
			<b>in percent</b>
Capital and reserves	19,158	<b>17,820</b>	-7
Total assets	47,455	<b>46,512</b>	-2
Net interest-bearing debt	10,918	<b>11,984</b>	+10

**Movements in consolidated capital and reserves:**

Capital and reserves as at 31 December 2001	<b>19,158</b>
Consolidated profit	<b>62</b>
Disposal relating to the establishment of Carlsberg Asia Ltd.	<b>-905</b>
Dividend, Carlsberg A/S	<b>-320</b>
Dividend, minority interests	<b>-214</b>
Currency translation adjustments, etc.	<b>39</b>
Capital and reserves as at 31 March 2002	<b>17,820</b>
Minority interests as at 31 March 2002	<b>6,508</b>
Carlsberg A/S' share of capital and reserves as at 31 March 2002	<b>11,312</b>

The accounting policies applied have been changed compared to the Annual Accounts for 2001. The announcement to the Copenhagen Stock Exchange of 16 April 2002 explains the effect of the changes on the accounting figures for 2001 and the previous three years. For a more detailed explanation of the changes in accounting policies, please see the above-mentioned announcement. All figures in the present financial statement have been prepared in accordance with the new accounting policies.

Following the receipt of the approval from the Malaysian authorities, the financial statement for Asia (Carlsberg Asia Ltd.) is based on the new 50/50% joint venture structure, where Carlsberg Asia Ltd. is pro rata consolidated with effect from 1 January 2002.

## Comments on developments in the period under review

The beer and soft drink sales of the Carlsberg Group for the quarter increased by 21% and 2%, respectively, compared to last year. **Net revenue** amounted to DKK 7,572m against DKK 6,969m for the same period last year (+9%). Most of the increase is due to organic growth in Eastern Europe as well as the companies acquired in Turkey and Poland in July and August 2001. Net exchange rate effects were negligible.

**Operating profit** totalled DKK 439m against DKK 144m last year (+205%). This is mainly attributable to a significant increase in profit in Western Europe and Eastern Europe.

**Net financials** showed a negative DKK 220m in line with expectations. Last year, this item was influenced by (net) gains of DKK 518m from the sale of the minority shares in Thai breweries.

**Profit before amortisation and goodwill** thus amounted to DKK 154m against DKK 337m last year. When making comparisons, the 2001 results should be adjusted for the said capital gain after tax (totalling DKK 403m), and an increase of DKK 220m then appears.

**Carlsberg A/S' share of profit** amounted to DKK 29m against DKK 118m for the same period last year. When adjusting the 2001 results for the above-mentioned capital gain, the increase totals DKK 153m.

The **net interest-bearing debt** of approx. DKK 12bn has developed as expected and is slightly above the level at 31 December 2001.

As expected, the Carlsberg Group's **cash flow** showed a negative DKK 1.1bn in Q1. The cash flow from operations was a positive DKK 0.4bn. Cash flows from investment and financing activities of a negative DKK 1.5bn are mainly caused by investments in property, plant and equipment of DKK 0.8bn and dividend paid of DKK 0.5bn.

A review of the three regions in Carlsberg Breweries A/S is set out below with reference to comparative figures for 2001 based on the new accounting policies.

**Western Europe:**

DKK million	Q1 2001	Q1 2002	Changes in percent
Net revenue	5,232	5,638	+8
Operating profit	32	139	+334
Operating margin (%)	0.6	2.5	
Beer sales (million hl)	5.3	5.5	+4

**Net revenue** rose by about DKK 0.4bn (+8%) to DKK 5.6bn, which is primarily due to developments in the UK, Italy and the Nordic countries.

**Operating profit** in Q1 was markedly up on last year, cf. the comments on the individual markets set out below, and profit totalled DKK 107m more than last year.

During the period, consumption of beer in **Denmark** showed a slightly rising trend, and Carlsberg Danmark registered a 4% growth in volume. Because of the large differences in excise duties between Denmark and Germany, more than 20% of total Danish beer consumption is still purchased south of the border. The increase in the excise duties on soft drinks as at 1 January 2001 still has a negative effect on soft drink sales, but the company has gained market share. The results of the Danish activities are better than last year – overall due to increased efficiency.

In the **United Kingdom**, Carlsberg-Tetley achieved an increase in volume, particularly for the Carlsberg brand, and realised satisfactory progress in results. The profit growth is primarily attributable to increased volume and a better product mix.

In **Switzerland**, Feldschlösschen continues the positive development in line with plans.

In **Sweden**, the integration of Pripps and Falcon into Carlsberg Sverige is proceeding according to plans, including the closing of the brewery in Gothenburg, which was completed in April. The Swedish beer market increased by 4% in Q1, resulting in growth for important brands in Carlsberg Sverige. The focus on profitable brands in combination with the restructuring project has resulted in signs of improved earnings and has strengthened expectations of progress in the results for the year.

In **Norway**, operating profit was above the level of last year, primarily due to an increase in volume.

In **Portugal**, results were up on last year because of improved sales, and results in **Italy** were slightly above the level of last year.

**Eastern Europe:**

DKK million	Q1 2001	Q1 2002	Changes in percent
Net revenue	915	1,593	+74
Operating profit	120	175	+46
Operating margin (%)	13.1	11.0	
Beer sales (million hl)	5.2	7.5	+43

**Net revenue** rose by 74% to just below DKK 1.6bn, which is primarily due to growth in Baltic Beverages Holding (BBH), but the addition of new companies in Turkey and Poland in the second half of 2001 has also been of importance to the increase in revenue.

**Operating profit** increased by 46% to DKK 175m. The reduction in the operating margin is attributable to the seasonally based low results in Poland and Turkey, whereas the operating margin in BBH shows a rising trend.

In **BBH** (50%), net revenue rose by 69% to DKK 949m. The organic growth and newly acquired companies resulted in a growth in beer volume of 43%. The volume increase shows that BBH continues to outperform the market. BBH's market share in Russia is 33.4%, which is 3.6%-points higher than for the same period last year. The market growth in Q1 was 22% in Russia and 13% in the Ukraine. In the Baltic States, the market increased by 19%, and BBH increased its market share to 46%.

In **Poland**, market conditions are showing signs of improvement and the brand portfolio has been strengthened. However, as expected, Carlsberg Okocim registered weak results for Q1.

In **Turkey**, Türk Tuborg achieved volume growth and gained market share. Increased costs were only partially covered by increased sales prices, which resulted in lower Q1 results than expected.

**Asia:**

DKK million	Q1 2001(*)	Q1 2002	Changes in percent
Net revenue	530	323	-39
Operating profit	91	137	+51
Operating margin (%)**	17.2	32.8	
Beer sales (million hl)	2.7	3.0	+10

\*The figures relate to Carlsberg's old structure in Asia.

\*\* For 2002 exclusive of the one-line consolidated brewery Hite, in South Korea.

**Net revenue** decreased by 39% to DKK 323m. This is a consequence of the new structure in Asia with pro rata consolidation (50%).

**Operating profit** rose from DKK 91m last year to DKK 137m. The two important markets Malaysia and Singapore showed good progress in earnings and the Thai

activities, which are still under establishment, are included with the profit guarantee agreed with the partner. When excluding the Hite brewery (share of operating profit of DKK 31m), the operating margin increased significantly due to the inclusion of the Thai activities where the operating margin is somewhat above that of the other business. As regards the figures relating to Carlsberg's old structure in Asia, the operating margin was at level with last year.

### **Other activities in the Carlsberg Group:**

#### **Properties**

During Q1, properties were sold with a total gain of about DKK 60m before tax, which is in line with expectations.

### **Repurchase of own shares**

On the basis of i.a. the significant surplus liquidity of Carlsberg A/S, a programme for repurchase of own shares will now be established. The repurchasing programme is expected to utilise up to DKK 1bn of the available funds.

### **Profit expectations**

The positive expectations to the outcome of the restructuring projects in Western Europe and the expected synergies from the integration of the companies in Sweden and Poland, respectively, as well as expectations of continued growth in Eastern Europe will contribute positively to the operating profit of the Carlsberg Group.

Carlsberg Breweries is expected to show an increase in revenue and a rise of approx. 20% in operating profit compared to 2001. On that background, the Carlsberg Group expects an increase in operating profit of about 15% on 2001 and a rise of about 10% in net revenue/earnings per share compared to last year, when adjusted for one-off items in 2001 (special items and the effects of the sale of the Thai shares, totalling DKK 261m).

### **Forward-looking statement**

The above sections in this financial statement reflect the management's expectations to future events and financial results as well as to fluctuations in the most significant markets and to developments in the international money, currency and interest markets. Statements about future prospects naturally always involve uncertainties and actual results may thus differ materially from those projected. Therefore, it is important to bear in mind that a number of comprehensive integration, rationalisation and restructuring projects have been launched in Western Europe in particular, and this contributes to the uncertainty as to projections regarding results. The synergies included in the profit expectations this year are substantial and, all things considered, the movements in the total income and expenses of the projects are deemed uncertain due to the comprehensive nature of the projects.

Carlsberg A/S

Carlsberg is a party to certain legal proceedings. In that connection, it should also be mentioned that the EU Commission has sent a Statement of Objections to Carlsberg, cf. the announcement to the Copenhagen Stock Exchange of 1 March 2002. Any rulings made on such legal proceedings or the continuation of such proceedings are not expected to have any substantial influence on the financial position of the Carlsberg Group.

## **Additional information**

This financial statement is available in Danish and English. In case of doubt, the Danish version shall apply.

Yours faithfully  
Carlsberg A/S

Appendix 1: Segment Information by Quarters  
Appendix 2: The Balance Sheet

Appendix 1 Segment Information by Quarters

DKK million	Western Europe	Eastern Europe	Asia	Not distrib- uted *	Bever- ages, total**	Other	Carlsberg Group, total
<b>Q1 2001:</b>							
Net revenue	5,232	915	530	292	6,969		6,969
<b>Operating profit</b>	<b>32</b>	<b>120</b>	<b>91</b>	<b>-122</b>	<b>121</b>	<b>23</b>	<b>144</b>
Special items, net					-		-
Financials, net					367	-115	252
Corporation tax					132	-73	59
<b>Profit before amortisation and write-down of goodwill</b>					<b>356</b>	<b>-19</b>	<b>337</b>
Goodwill amortisation and write-down					71	-2	69
Consolidated profit					285	-17	268
Minority interests					60		150
Carlsberg Breweries' share of profit					225		
Carlsberg A/S' share of profit							118
<b>Q1 2002:</b>							
Net revenue	5,638	1,593	323	18	7,572		7,572
<b>Operating profit</b>	<b>139</b>	<b>175</b>	<b>137</b>	<b>-97</b>	<b>354</b>	<b>85</b>	<b>439</b>
Special items, net					-		-
Financials, net					-259	39	-220
Corporation tax					30	35	65
<b>Profit before amortisation and write-down of goodwill</b>					<b>65</b>	<b>89</b>	<b>154</b>
Goodwill amortisation and write-down					95	-3	92
Consolidated profit					-30	92	62
Minority interests					75		33
Carlsberg Breweries' share of profit					-105		
Carlsberg A/S' share of profit							29

\* "Not distributed" includes corporate functions, other undertakings, elimination of inter-company trade in the three geographic segments, etc. of Carlsberg Breweries A/S.

\*\* Carlsberg Breweries A/S, total.



Appendix 2 The Balance Sheet

DKK million	Carlsberg Group			Carlsberg Breweries		
	31.03.02	31.12.01	Change %	31.03.02	31.12.01	Change %
Non-current assets	30,884	31,171	-1	29,224	29,741	-2
Current assets	15,628	16,284	-4	14,194	15,036	-6
Capital and reserves	17,820	19,158	-7	13,431	14,839	-9
Provisions	3,554	3,858	-8	3,395	3,660	-7
Non-current liabilities	11,782	12,124	-3	11,782	12,048	-2
Current liabilities	13,356	12,315	8	14,810	14,230	4
Balance sheet total	46,512	47,455	-2	43,418	44,777	-3
Net interest-bearing debt	11,984	10,918	10	14,563	13,660	7