



Carlsberg Breweries



Achievements in 2002

- EBITA growth of 21%
- EBITA margin improvement
- Carlsberg brand volume grows 6%
- ROCE up 0.6% to 10.3%
- “Cash Race” project resulting in DKK 750m working capital reduction in Western Europe
- Nordic market strongest contributor to margin improvement
- BBH strengthening market leader platform in slower growth market



Income Statement

Excl. one-off items

DKK million	2002 FY	2001 FY	Change
Net revenue	35,544	34,419	3%
Operating profit (EBITA)	3,585	2,971	21%
Financials, net	-1,085	-806	-35%
Corporation tax	<u>-697</u>	<u>-507</u>	-37%
Profit before goodwill	1,803	1,658	9%
Goodwill amortisation	<u>-386</u>	<u>-314</u>	-23%
Consolidated profit	1,417	1,344	5%
Minority interest	<u>-342</u>	<u>-410</u>	-17%
Carlsberg Breweries share of profit	1,075	934	15%



Sales and Margin Development

DKK million	2002 Q4	2001 Q4	Change %	2002 FY	2001 FY	Change %
Net sales	8,622	8,720	-1%	35,544	34,419	+3%
EBITA	463	320	+45%	3,585	2,971	+21%
EBITA margin	5.4%	3.7%	+1.7 %pts.	10.1%	8.6%	+1.4 %pts.

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- Top line growth in Western Europe and Eastern Europe
- Operational costs reduced in Western Europe
- Brand marketing increased by DKK 0.4bn

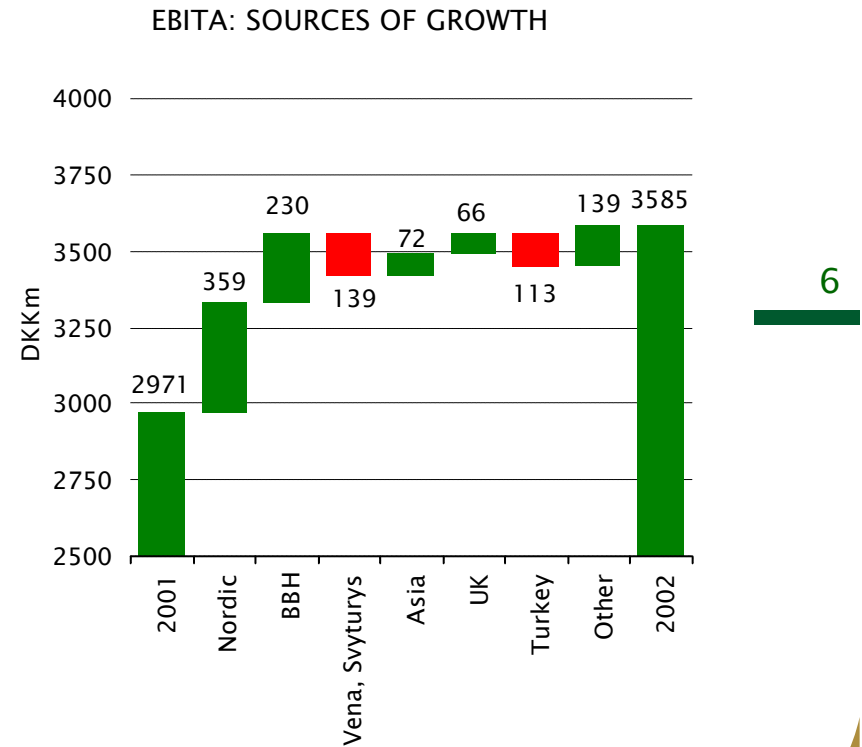


Balance Sheet

DKK million	2002	2001	Change %
Non current assets	29,059	29,741	-2%
Current assets	13,432	15,036	-11%
Total assets	42,491	44,777	-5%
Equity	13,577	14,839	-9%
Net interest bearing debt	13,070	13,128	0%
Capital employed	29,836	31,596	-6%

Value Drivers in 2002

- Main improvement comes out of Nordic area
- BBH continues growth
- De-consolidation of Vena and Svyturys
- UK very positive improvement
- Türk Tuborg operations disappointing



Cash Flow

- Cash Race Project contributing positively in Western Europe, but falling short of year-end target
- Capex reflecting expansion in BBH
- Free cash flow totals DKK 1 billion
- Going forward strong commitment on executing revised plans for working capital reduction and cash generation

DKK million	2002	2001
EBITA	3,585	2,971
Depreciation	2,606	2,497
Working capital	402	-1,193
Interest, tax & other	<u>-1,769</u>	<u>-1,976</u>
Operational cash flow	<u>4,824</u>	<u>2,299</u>
Capital expenditure	-3,550	-3,492
Other	<u>-227</u>	<u>-1,388</u>
Investment cash flow	<u>-3,777</u>	<u>-4,880</u>
Free cash flow	<u>1,047</u>	<u>-2,581</u>

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Growing Volume

HL million	2002 Q4	2001 Q4	Change %	2002 FY	2001 FY	Change %
Northern & Western Europe	6.6	6.5	3%	26.3	25.7	2%
Eastern Europe & Others	7.6	7.1	7%	37.5	32.1	17%
Asia	3.9	2.7	44%	14.7	9.2	60%
Beer Volumes Total	18.1	16.2	12%	78.6	67.0	16%
Soft drinks, water and others						
Volumes Total	4.6	4.9	-6%	20.9	21.2	-1%



Continued investments in the Carlsberg brand

- In total more than DKK 1bn invested annually in building the Carlsberg brand globally
 - Greater focus on image advertising / media
 - Greater investments in international sponsorships
- DKK 50m invested in rejuvenation programme in 2002-03
 - Consumer research
 - International brand positioning
 - International communication
 - New packaging and visibility programme



Image Advertising & Marketing Synergies

- Development of international image campaign in all media
- Increasing number of markets investing in image advertising
 - From 11 (2001) to 29 (2002)
- Leveraging synergies across markets
 - From 4 (2001) to 16 (2002) markets sharing advertising campaigns

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Carlsberg Brand Growth

	Growth 2002
Western Europe	+7%
Eastern Europe	+57%
Asia	-3%
ROW/Export	+3%
Total	+6%

- Strong organic growth in UK/Nordic
- Geographic growth in new markets – Eastern and Central Europe. Potential for further growth
- Good performance on export markets
- Asia: Good performance in Singapore, Hong Kong and Malaysia. Decrease in Thailand. Relaunch currently being rolled-out



Northern and Western Europe

DKK million	2002 Q4	2001 Q4	Change	2002 FY	2001 FY	Change
Net sales	6,869	6,911	-1%	26,997	26,064	4%
EBITA	391	138	183%	2,269	1,785	27%
EBITA margin	5.7%	2.0%	+3.7 %pts.	8.4%	6.8%	+1.6 %pts.
Beer volume (mill. HL)	6.6	6.5	3%	26.3	25.7	2%



Northern and Western Europe Nordic Area

- A strong year for the Nordic area
- Positive market share developments on key brands
- Sinebrychoff now market leader in beer, cider and soft drinks
- Strong results in Ringnes combined with increased investment in brands marketing
- Carlsberg Denmark satisfactory result in flat market
 - Increasing profit contribution from beer, but negative impact from illegal import
- Profit growth from Carlsberg Sweden
 - Main contribution from cost savings and synergies



Northern and Western Europe UK

- Strong consumer spending in Off Trade
- EBITA margin expansion through reduction in unit costs
- Strong cash flow through reduced capital employed
- Carlsberg brand improved 12.7% in a lager market estimated to have grown by 2.9%



Northern and Western Europe Southern Area

- Feldschlösschen performance in line with business plan, but weather and macro economics negatively affects beverage sector
- Hannen Brauerei operational performance shows improvement and modest positive results
- Unicer-Bebidas facing increased competition and not meeting expectations
- Italy in line with last year, but below expectations

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Eastern Europe

DKK million	2002 Q4	2001 Q4	Change	2002 FY	2001 FY	Change
Net sales	1,442	1,368	5%	7,475	5,842	28%
EBITA	146	165	-12%	1,274	1,204	6%
EBITA margin	10.1%	12.0%	-1.9 %pts.	17.0%	20.6%	-3.6 %pts.
Beer volume (mill. HL)	7.6	7.1	7%	37.5	32.1	17%

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Eastern Europe

- BBH strengthens market positions in its three regions
- Carlsberg Okocim (Poland) improved and strong performance in Carlsberg brand
- Acquisitions in Bulgaria and increased ownership in Croatia
- Türk Tuborg unsatisfactory



Eastern Europe Turkey

- Unsatisfactory performance by Türk Tuborg
 - EBITA USD -16m
 - Sluggish Turkish economy
 - Strong increase in TT market activities leading to market share expansion
 - Hyper inflation not compensated in pricing
- New management; plan for profitability has been established



Eastern Europe Baltic Beverages Holding (50%)

DKK million	2002 Q4	2001 Q4	Change	2002 FY	2001 FY	Change
Net sales	860	849	1%	4,598	3,638	26%
EBITA	195	204	-5%	1,231	1,001	23%
EBITA margin	22.6%	24.0%	-1.4 %pts.	26.8%	27.5%	-0.7 %pts.
Beer Volume (mill. HL)	5.6	5.2	7%	27.9	22.8	22%



Baltic Beverages Holding Foreign Exchange Impact

Exchange Rates	Average in Period			Close end of Period		
	2002	2001	Change	2002	2001	Change
EUR/RUB	29.70	26.15	-12%	33.54	27.14	-19%
EUR/USD	0.9458	0.8956	-5%	1.0504	0.8903	-15%

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- Impact on EBITA in 2002 vs. 2001 amounts to DKK 75m



Baltic Beverages Holding (50%)

- BBH gained 70% of growth in Russia (incl. Vena)
- BBH leading in innovation (packaging, beer mixes, non-alcoholic beer, wheat beer)
- Baltika reorganizing sales and distribution network – sales suffering in short term
- Pan-Baltic organization and market approach
- Focus on new markets
- Strong development in Ukraine
- Carlsberg Breweries' results negatively influenced by sales of Vena (50%) and Svyturys



Baltic Beverages Holding (BBH) Market Trends 2002

	Market vol. mhl	Market Growth	BBH Volume Growth	BBH Market Share	Litres Per Capita
Russia	69,5	9%	22%	33%	48
Ukraine	13,7	14%	27%	20%	28
Baltics	5,0	18%	20%	46%	67

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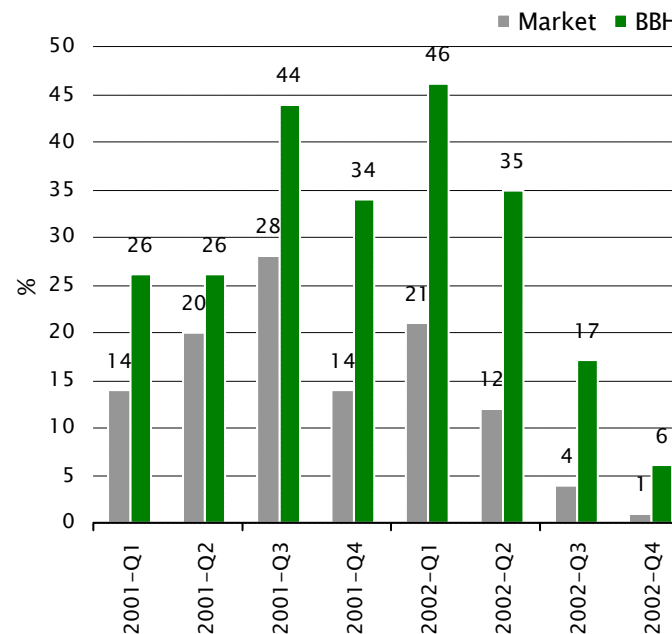
- Russia including Vena and Voronezh in 2002
- Baltics including Svyturys Utenos in 2002. Utenos and Kalnapilis in 2001

Russian Beer Market

Market Shares in Russia

Brewery	2002	2001
BBH	33%	28%
Sun Interbrew	12%	13%
Ochakova	8%	8%
Krasny Vostok	7%	7%
Bravo (Heineken)	4%	4%
Efes	3%	2%
Stepan Rasin	3%	3%
SAB Kaluga	2%	2%
Others	29%	33%
Total	100%	100%

Baltic Beverages Holding vs. Market Volume Growth



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Figures reported earlier have been slightly changed following update of statistics



Growth trends in Russian beer market

- Russian beer market growth in 2002 at 9%. Total market reached approx. 70m hl
- BBH Russian growth factor vs. market 2:1 and thus capturing majority of volume growth
- BBH key brands have strengthened their positions
- BBH investing to take more than 50% of volume growth in coming years
- Russian beer market expected to grow 8–9% in 2003, however, weak H1 expected due to stock effect in H1 2002



Asia

DKK million	2002 Q4	2001* Q4	Change	2002 FY	2001* FY	Change
Net sales	222	357	-38%	1,019	1,847	-45%
EBITA	70	111	-37%	467	403	18%
EBITA margin excl. Hite and profit guarantee	8.6%	31.1%	-22.5 %pts.	21,4%	21.8%	-0.4 %pts.
Beer Volume (mill. HL)	3.9	2.7	44%	14.7	9.2	60%

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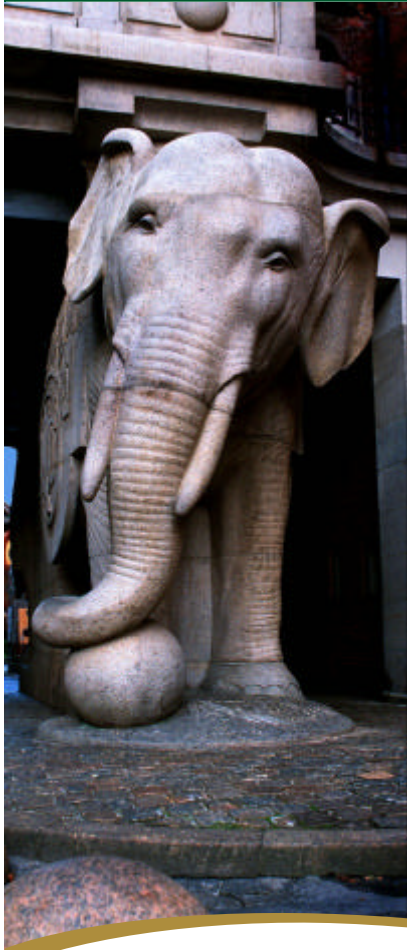
* 2001 figures represents old set-up in Asia



Asia

- Thailand operation weaker than expected
 - Distribution and sales is operational
 - Carlsberg sales expected to increase in 2003
- Thailand profit guarantee contributes with DKK 122m
- Associated income from Hite DKK 126m
- Steady performance in Malaysia and Singapore
 - Malaysian market witnessed aggressive price discounting
- China strategy model to be reviewed

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Expectations for the Future

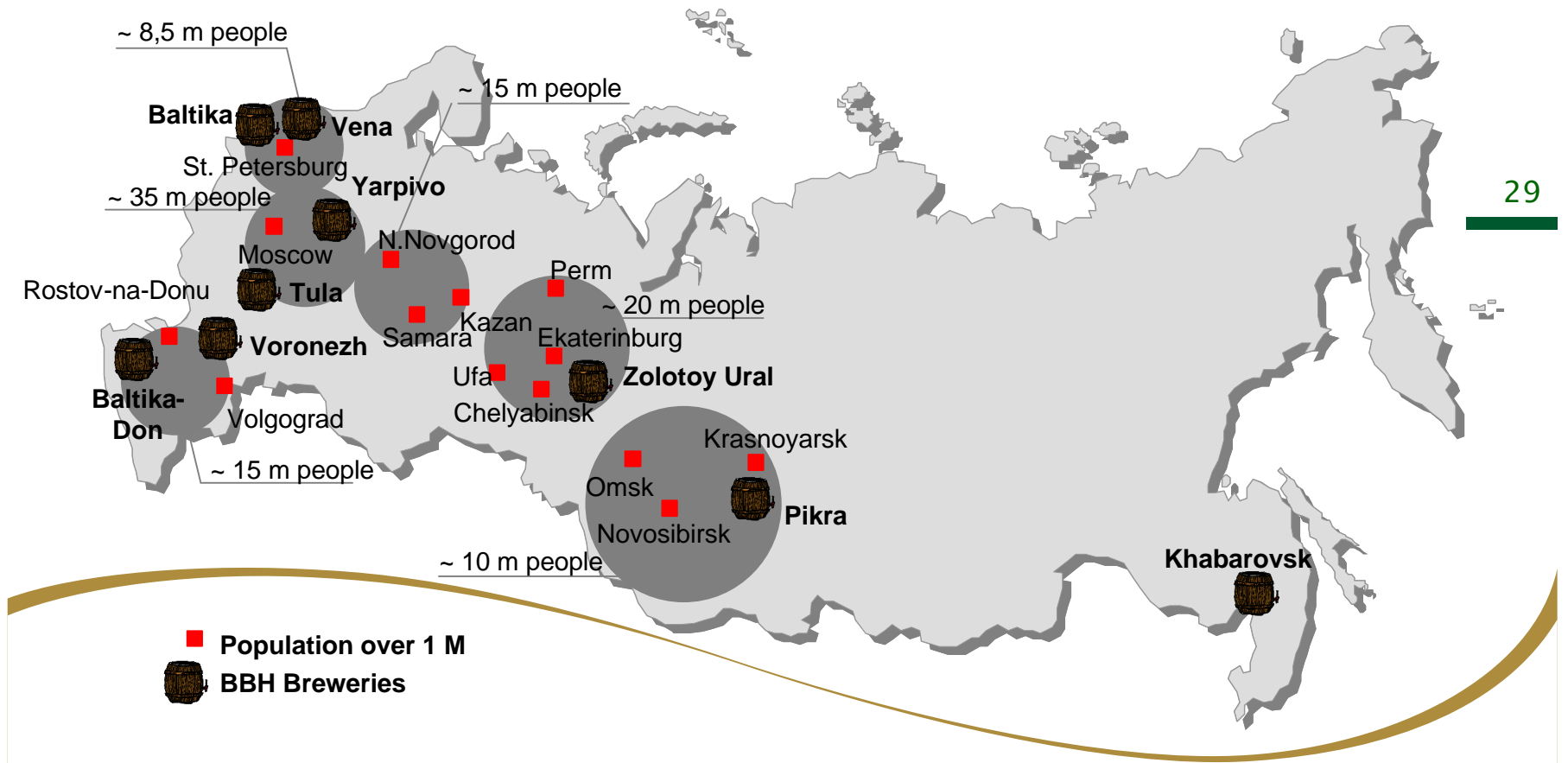
- Improving operational performance
 - Sweden, Poland, Switzerland, Italy and Turkey
- Build on premium brands – especially in mature markets
 - Investing in global brand growth
- New product development
- Costs reduction
- Strong focus on cash flow and reduction of capital employed

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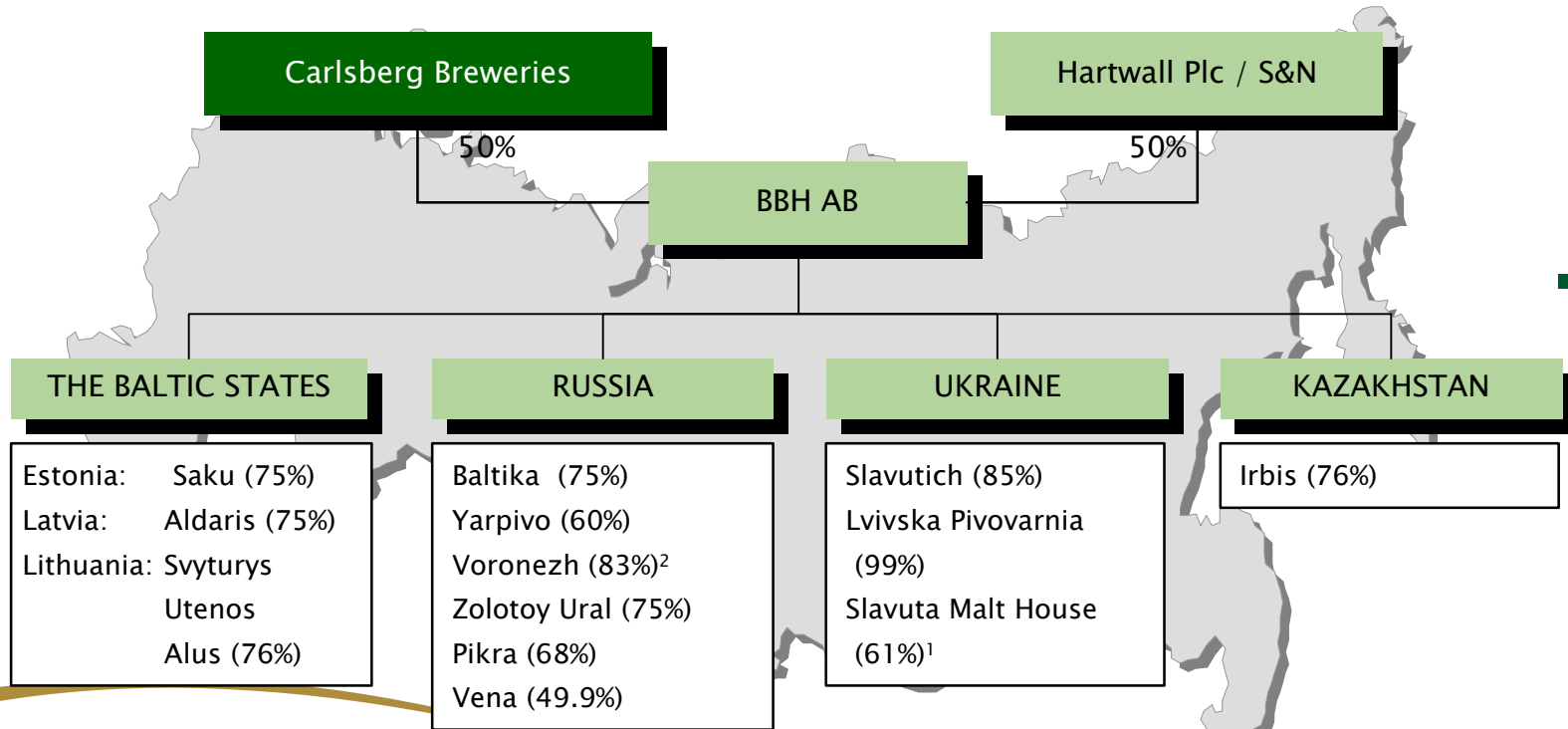
Future

Supplementary Information

Baltic Beverages Holding Coverage of main population centres in Russia

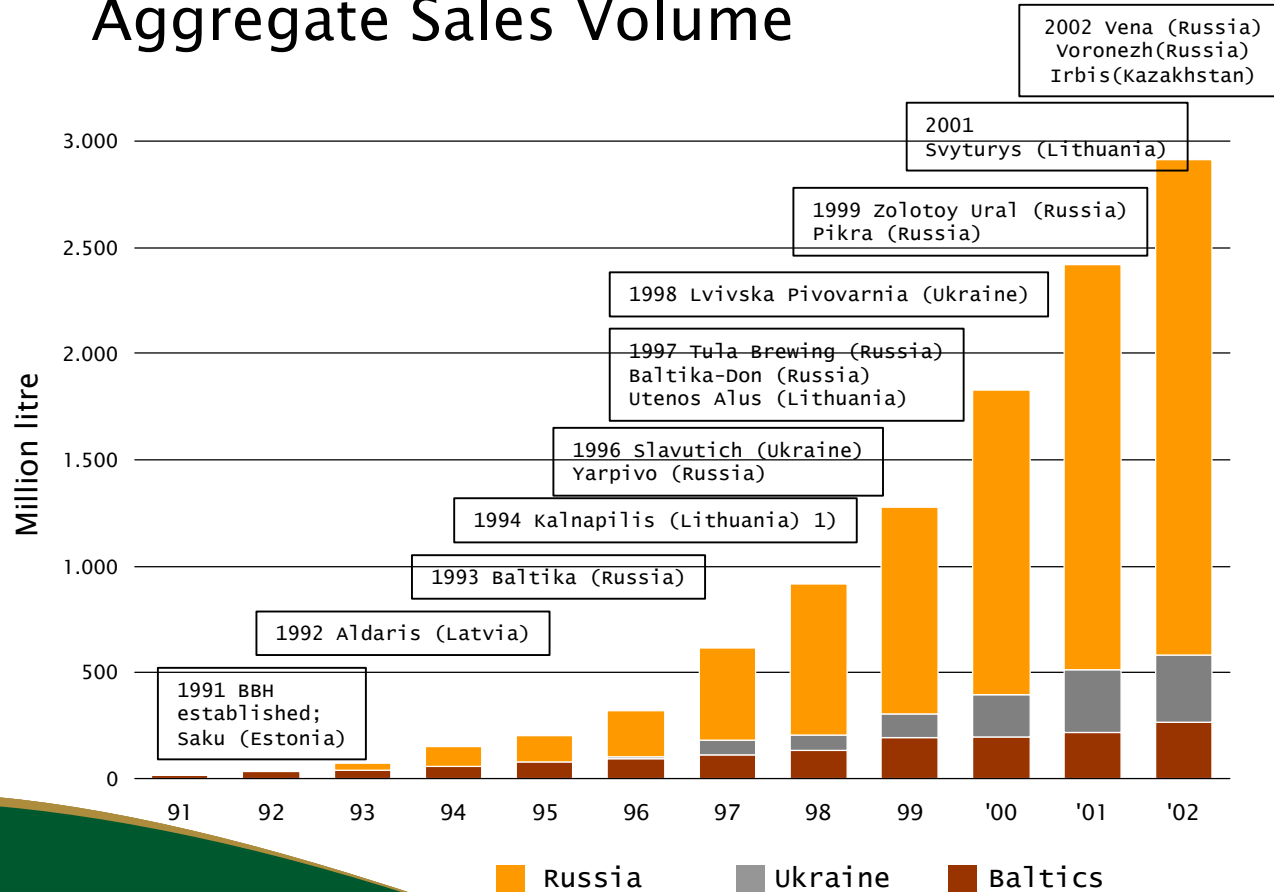


Baltic Beverages Holding Ownership Structure



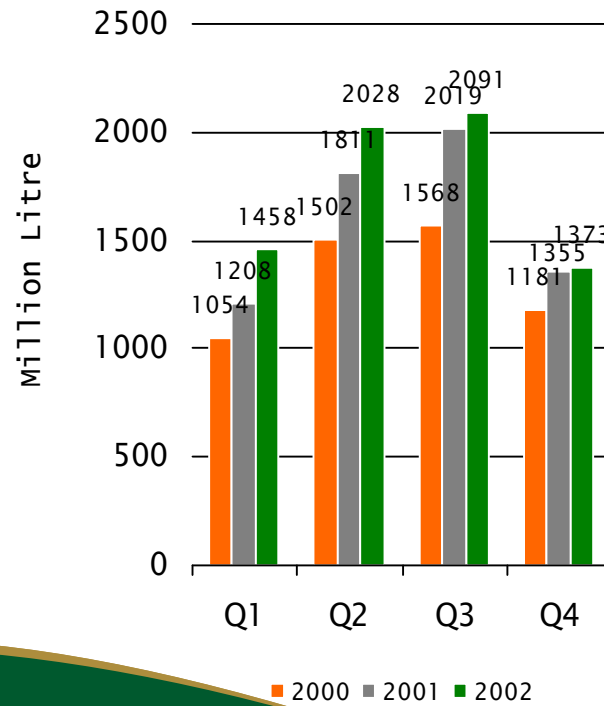
1 Slavuta is the only malthouse owned directly by BBH, the seven others are owned by the breweries
 2 Baltic Beverages Holding AB (BBH) has decided to sell its shareholding of Voronezh to its subsidiary Yarpivo with effect 1H-03

Baltic Beverages Holding Aggregate Sales Volume

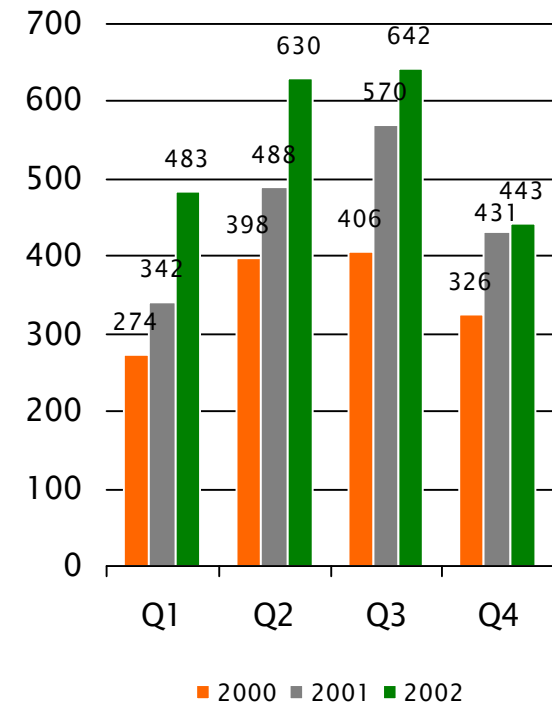


Beer Volume Development

Russian Market



BBH Russia

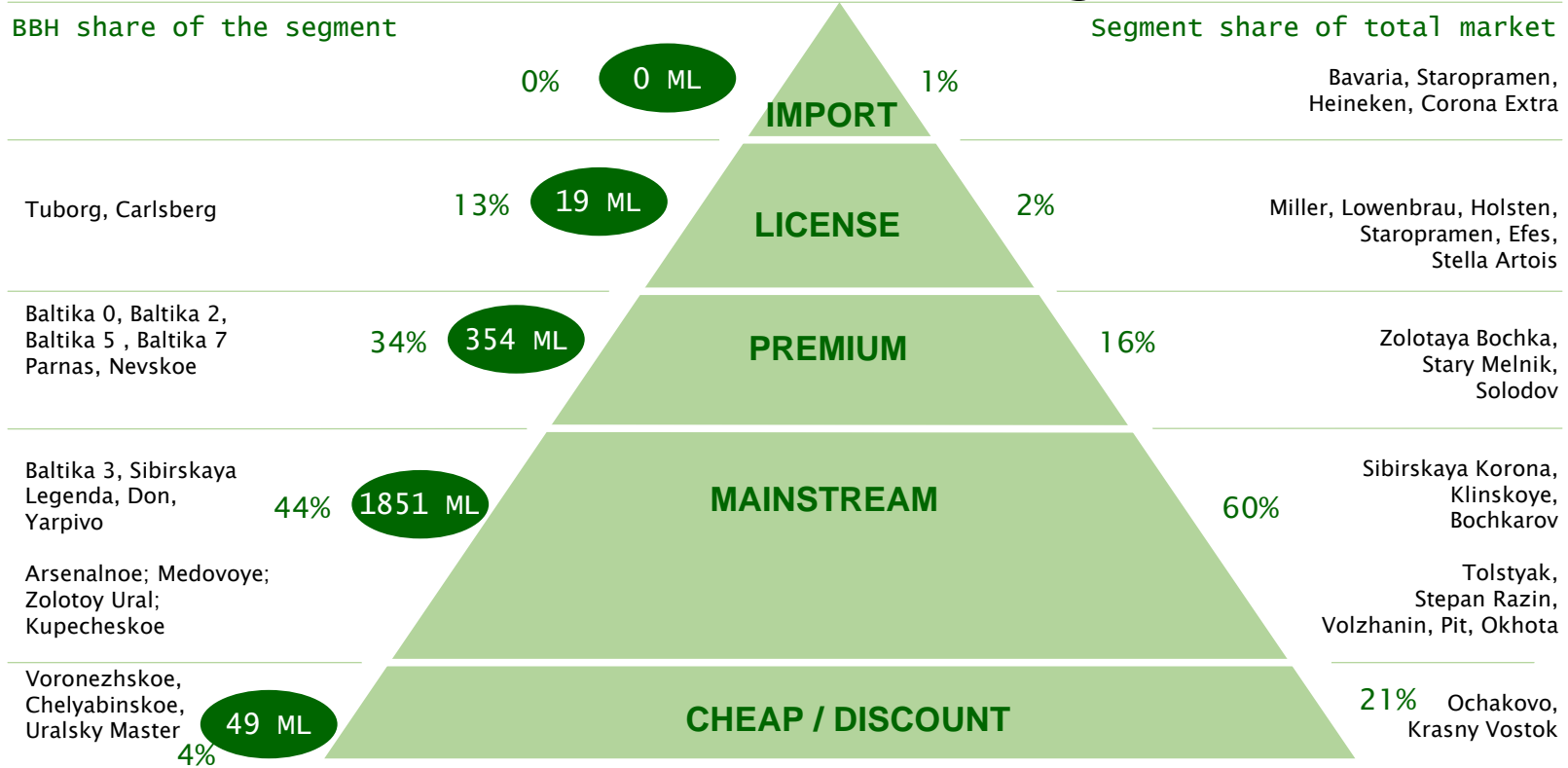


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Russian Beer Market Segmentation

BBH share of the segment

Segment share of total market



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33%: BBH total market share

Total market size: 6950 ML



Pension Liabilities

- Uncovered pension liabilities of approx. DKK 1 bn, which mainly relate to companies in the UK and Switzerland
- Deficit should be recognised in P&L statement during lifetime of the pension scheme
 - IAS option only to recognise losses/gains in excess of 10% of the pension obligation
- UK uncovered pension liability impacting P&L with DKKm 30–40 per year
- Swiss uncovered pension liability have no impact on P&L