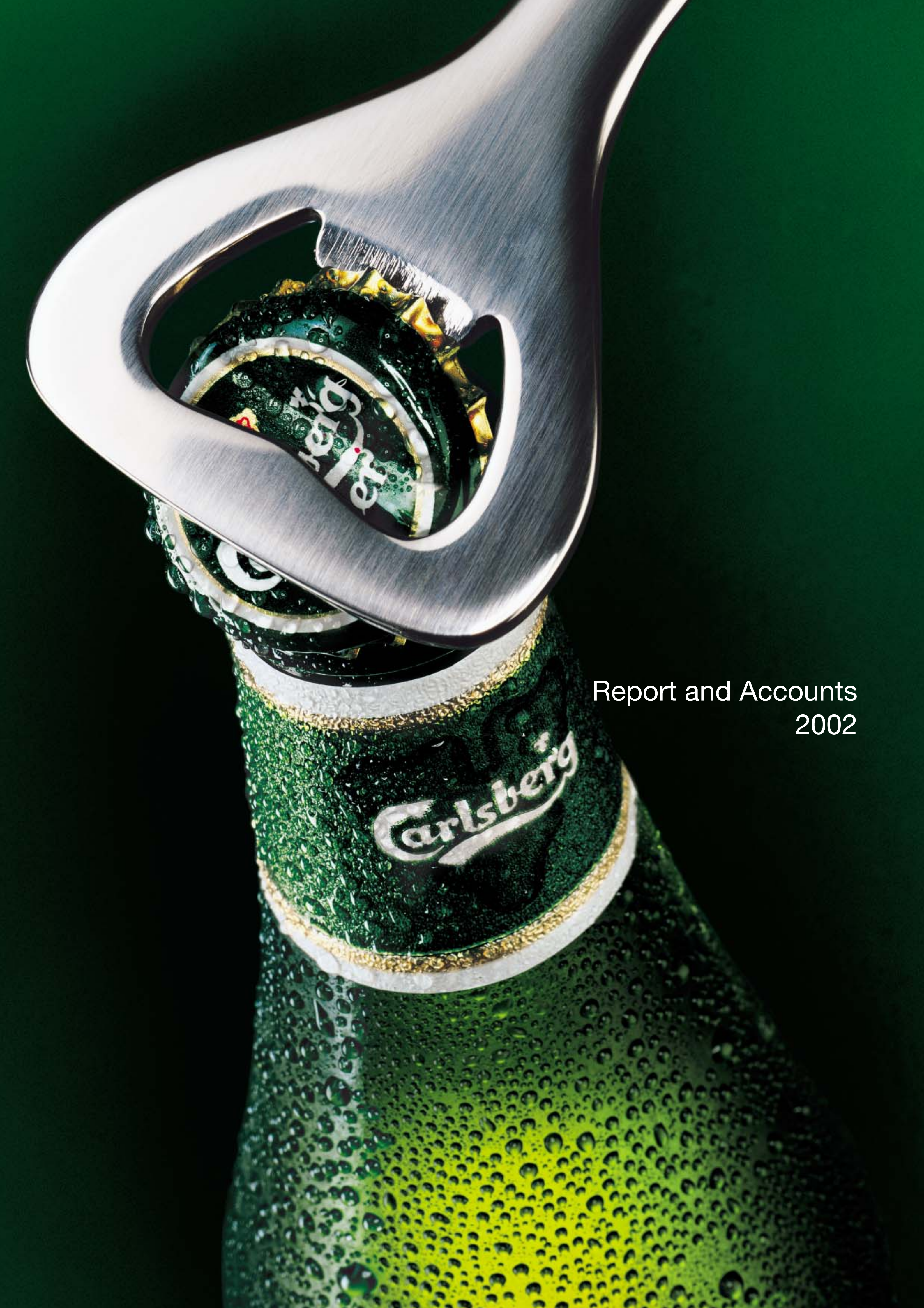

Report and Accounts 2002

The financial year 2002 was another busy year. Carlsberg Breweries achieved solid growth and increased profitability and the sale of Carlsberg beer increased by 6%.

A Brief Presentation

Apart from a 60% stake in Carlsberg Breweries, Carlsberg A/S, the Carlsberg Group, comprises the Carlsberg Research Center, Carlsberg Properties as well as the administration of the Carlsberg Bequest to the Memory of Brewer J. C. Jacobsen and the Tuborg Foundation.

Carlsberg Breweries
Carlsberg Breweries A/S is one of the world's major international brewing operations, and Carlsberg and Tuborg are two of the most widely sold beer brands on a global scale. Carlsberg Breweries was established in 2001 when Carlsberg's and Orkla's beer and soft drink activities were united.

Carlsberg Breweries comprises, among others, Carlsberg Bryggerierne (1847),Tuborgs Bryggerier (1873), Pripps (1828) and Ringnes (1877) – as well as a number of subsidiaries and associated companies, the majority of which are situated outside the Nordic region. Carlsberg Breweries has a total workforce of approximately 28,500 people, if all associated companies are included. It sells its products in about 150 markets.

The core business of Carlsberg Breweries is the production and sale of beer and soft drinks. More than 95% of beer sales are achieved outside Denmark. International brewing operations include the export of beer brewed in Denmark, as well as local brewing at 103 production sites in 49 countries. The Carlsberg and Tuborg beer brands are produced by 61 companies in 41 countries. Local production, according to the specifications of Carlsberg Breweries, is handled partly by breweries in which Carlsberg Breweries holds capital interests, and partly by breweries and partners with which agreements have been made for the production and sale of Carlsberg and Tuborg beer.

Carlsberg Research Center
Ever since Carlsberg's foundation, the Company has operated its own research departments. In 1875, the Carlsberg Laboratory was established. It is now integrated in the Carlsberg Research Center, which houses 80 laboratories equipped with state-of-the-art technology and a staff of about 130 people. When Carlsberg Breweries was established, the activities of the Carlsberg Research Center continued under Carlsberg A/S. In addition to extensive basic research, brewing related research is conducted into enzyme chemistry, protein chemistry, carbo-hydrate chemistry, plant breeding and genetics as well as the malting, brewing and fermentation processes. In addition, process and product development takes place at Carlsberg Breweries.

Carlsberg A/S
Carlsberg A/S is a company publicly quoted on the Copenhagen Stock Exchange with some 15,000 registered shareholders. The largest single shareholder by far is the Carlsberg Foundation, which is required by its charter to hold a minimum of 51% of the shares in Carlsberg A/S. Over the years, Carlsberg's employees have accepted offers to buy shares on favourable terms or have been granted shares in connection with Carlsberg's 150 years' anniversary in 1997.

The Carlsberg Foundation was established in 1876 by Carlsberg's founder, Brewer J.C. Jacobsen, and its income goes to support Danish natural and social sciences as well as the humanities. The Carlsberg Foundation also administers and maintains the Frederiksborg Museum of National History and the Carlsberg Laboratory.

The New Carlsberg Foundation, a separate department of the Carlsberg Foundation with its own board of directors, has the special task of acquiring works of art for Danish museums and institutions. It is also responsible for the administration and maintenance of the Ny Carlsberg Glyptotek, in collaboration with the Danish government and the City of Copenhagen.

The Tuborg Foundation is another department of the Carlsberg Foundation with its own board of directors. It operates in support of activities of benefit to society, as is also the case with the Carlsberg Bequest to the Memory of Brewer J.C. Jacobsen.

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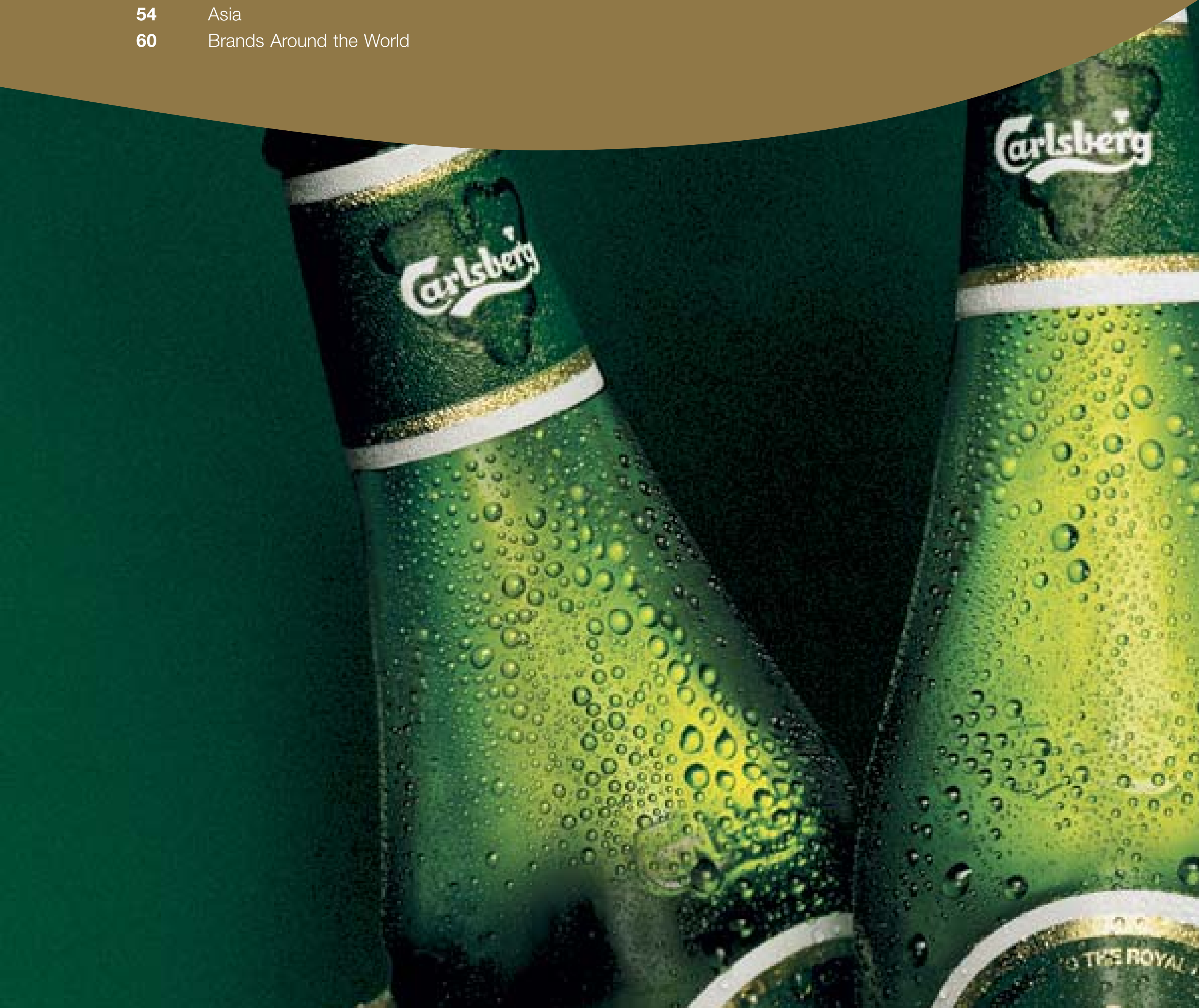
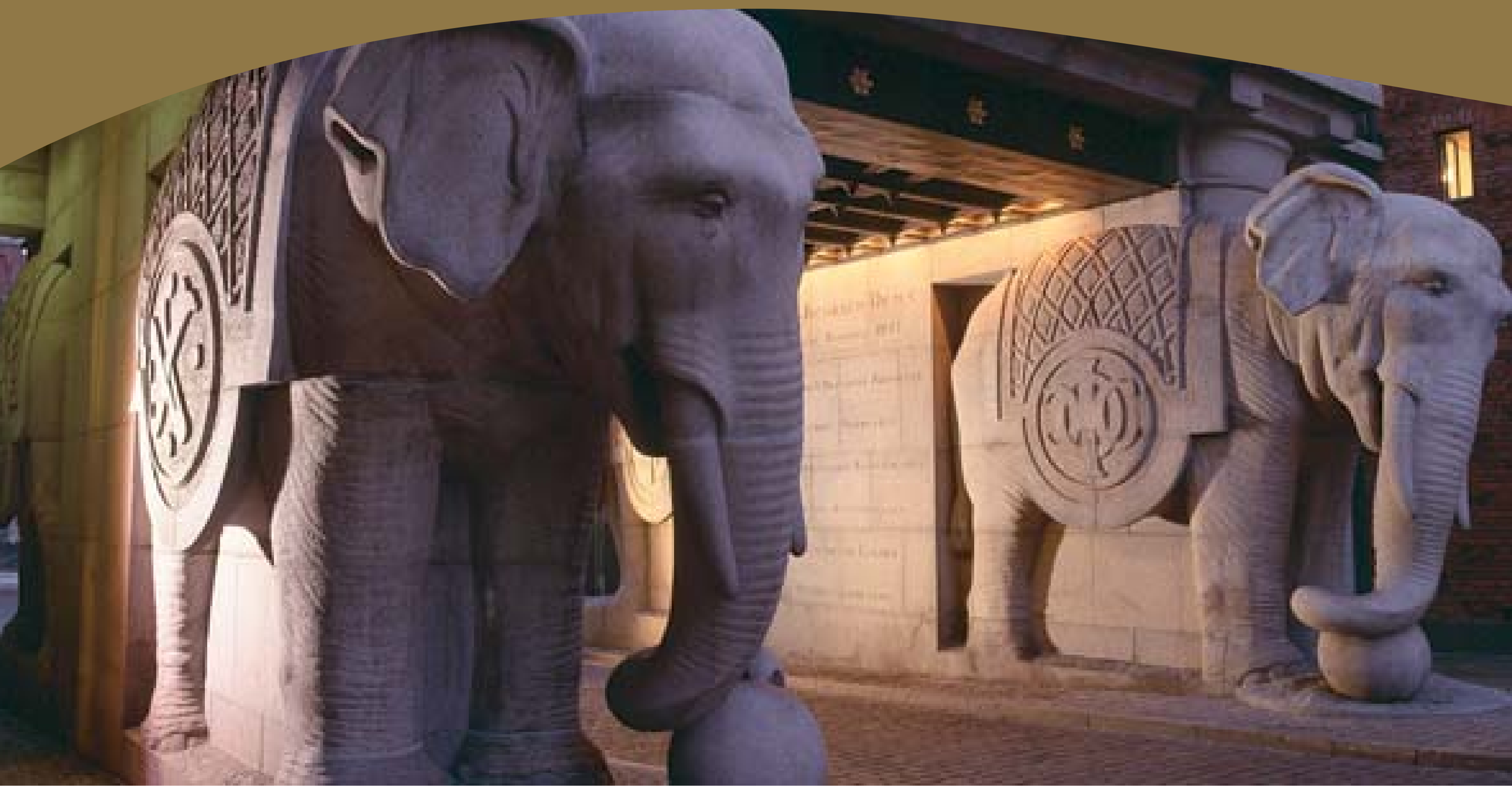


Letter to the Shareholders



The financial year 2002 was another busy year. Carlsberg Breweries achieved solid growth and increased profitability and the sale of Carlsberg beer increased by 6%.

Carlsberg A/S' share of profit for the year amounted to DKK 1bn, which is an increase of 10% when excluding one-off items. This is in line with expectations.

Earnings

Operating profit (EBITA) amounted to DKK 3.8bn, which corresponds to a rise of 15%. Profit before amortisation and write-down of goodwill increased by 8% to DKK 2.1bn.

In general, the upward trend in earnings is the result of growth in the operations in Carlsberg Breweries in western Europe and eastern Europe and good progress in results in Asia, among other things because of Hite (South Korea) and the profit guarantee in Carlsberg Thailand. The year was characterised by increased focus on the strengthening of the Carlsberg brand, and 2002 saw an increase in marketing spendings of more than DKK 0.4bn.

Carlsberg A/S' share of profit for the year per share amounted to DKK 20.5 against DKK 17.4 last year (exclusive of goodwill, own shares and one-off items), which corresponds to an increase of 18%.

Net revenue increased by 3% on last year. The increase is mainly attributable to organic growth in western and eastern Europe and the acquisition of companies in Turkey and Poland in July and August, which were included for the full financial year in 2002. The new structure in Asia with proportionate consolidation caused a reduction in revenue.

Net interest-bearing debt remained unchanged at about DKK 11bn. This is a natural consequence of the size of investments, acquisition of own shares and dividend paid, which are covered by cash flow from operating activities.

The Board of Directors proposes that a dividend of DKK 5.00 per share be paid similar to last year, which corresponds to 25% of the share capital. This comprises DKK 304m due to the fact that no dividend is paid on own shares. The proposed dividend corresponds to 30% of Carlsberg's share of profit for the year. It is proposed that the remaining amount of DKK 707m be appropriated to the reserves.

Carlsberg Breweries

Carlsberg Breweries is continuing its efforts to increase profitability, particularly in western Europe, and to expand the positions in the growth markets in eastern Europe and Asia.

The beer industry's strong local character and its local customers and consumers, form the basis for Carlsberg Breweries' decentralised business model, which is guided by centrally established principles regarding procedures and operations, and ambitious business goals.

The consolidation trend in the industry with the concentration of breweries in fewer and larger groups continues. Carlsberg aims to play an active part in this process to capture significant market shares.

Most national beer markets are currently characterised by demand for strong local brands and – particularly as regards the more mature markets – an increasing demand for international premium beer brands and specialties. In 2001, the Carlsberg brand was one of the fastest growing international premium brands and this development continued in 2002. The year also saw the launch of an extensive brand rejuvenation programme, which will continue in 2003. This programme is based on extensive consumer research carried out around the world, which resulted in the development of a sharper vision and positioning for the brand. The ambition with the new rejuvenation programme is to build on the brand's strength of being regarded as 'Probably the best beer in the world', but with the addition of a more cosmopolitan and social dimension to the world-famous brand.

A combination of the Carlsberg brand and regional and local brands constitutes a strong brand portfolio driven by consumer insights and knowledge of the local market situation combined with global influences and trends.

It remains a goal to gain market share in the growth markets in eastern Europe and Asia to compensate for the stagnating trend in the more traditional markets in western Europe. However, Carlsberg Breweries will still seek to expand its influence in that region as well.

The competition from other international brewery groups is intensifying in the growth markets. The joint ventures in eastern Europe, Baltic Beverages Holding (BBH), and in Asia, Carlsberg Asia, enjoy strong market positions and strengthen the growth prospects.

Western Europe was again characterised by stagnating markets in 2002, but in line with expectations Carlsberg Breweries increased its profitability in the region. Western Europe still holds potential for profitable growth and/or improvements in profitability and this is a key priority.

In eastern Europe, BBH achieved growth again this year. Investments in the companies in Poland and Croatia were increased and two new breweries were acquired in Bulgaria. The general development in the region was satisfactory although the results of Türk Tuborg, Turkey were highly unsatisfactory.

Carlsberg Asia is still in the set-up phase. In 2002, the company increased its stake in Hite, South Korea to 25%.

Quality

Carlsberg's approach to quality has always been anchored in J.C. Jacobsen's "Golden Words": „In working the brewery it should be a constant purpose, regardless of immediate gain, to develop the art of making beer to the greatest possible degree of perfection so that this brewery as well as its products may ever stand out as a model and, through their example, assist in keeping beer brewing in this country at a high and honourable level."

Quality is an essential prerequisite for

Carlsberg's success. Our products must be of supreme and outstanding quality worldwide and Carlsberg will never compromise on quality.

Social responsibility

Beer is a low-alcohol product brewed from natural raw materials, and if consumed in moderation by adults, beer is highly consistent with a healthy lifestyle. Misuse of beer may have negative consequences for the individual, particularly those under legal drinking age, as well as for society.

As the brewer of one of the world's leading beer brands, Carlsberg takes an active part in the political debate regarding alcohol. The company's position on alcohol is emphasised internally through information and training activities and externally through the co-operation with national brewers' associations and The European Brewers' Association, among other things through voluntary agreements on guidelines for the marketing of alcohol products.

Carlsberg works actively to reduce any negative impact on the environment and to optimise the use of natural resources, and Carlsberg Breweries' will systematically improve its environmental efforts through internationally recognised standards for environmental management.

Furthermore, a so-called "legal compliance" programme was implemented in 2002 to ensure that competition regulations are always observed. In 2002, the EU Commission concluded its investigation of Carlsberg in relation to an alleged concerted practice with a major competitor in 1993-96. The Commission did not find evidence proving the suspected infringement of the competition rules and, as expected, the case was closed.

Corporate Governance

Corporate Governance is currently an issue under discussion in Denmark. Carlsberg is following the debate closely and has studied the recommendations presented by the Danish Nørby Committee. The Company already complies with most of these recommendations. Carlsberg has been following the international debate on the topic for some time and will continue to do so in future.

New accounting policies

A new Danish Financial Statements Act was adopted with effect from 1 January 2002. This gave rise to a number of changes in the accounting policies of the Carlsberg Group. The most significant change for Carlsberg was the capitalisation and amortisation of Group goodwill and other intangible assets.

Other changes included capitalisation and depreciation of returnable packaging, capitalisation of indirect cost of sales and a specification in terms of time in relation to restructuring provisions, etc.

The change in accounting policies involved a substantial amount of work and in April 2002 Carlsberg informed the market of the effects of the policy changes on historic comparative figures. The financial statements in 2002 have been prepared in accordance with the new accounting policies. The changes were of a purely accounting technical nature and have had no impact on the company's cash-flow/financial reserves.

Executive Board and key managers

In 2001, a new two-year share option programme was introduced for the Executive Board and other key managers in Carlsberg A/S and Carlsberg Breweries A/S. The programme will continue in 2003 and is intended to strengthen the alignment of interests between the management and the shareholders. A total of 101,500 options were granted to the Executive Board and key managers in Carlsberg A/S and Carlsberg Breweries in 2001 and in 2002 with an exercise price of 406 and 340, respectively. The total number of share options granted in 2003 is expected to be around 130,000.

Board of Directors and Executive Board/Management

Board of Directors

Poul Chr. Matthiessen, born 1933
Professor, D.Econ., The Carlsberg Foundation. (Chairman) *)
Member of the Board of Directors of Carlsberg Breweries A/S.
Chairman of the Board of Directors of 5 property companies affiliated to the Carlsberg Foundation. (2001)

Jens Bigum, born 1938
Managing Director, Arla Foods amba. (Deputy Chairman) *)
Chairman of the Board of Directors of Carlsberg Breweries A/S.
Member of the Board of Directors of Per Aarsleff A/S and companies affiliated to Arla Foods amba. (2001)

Hans Andersen, born 1955
Brewery worker, Carlsberg Danmark A/S.
Member of the Board of Directors of Carlsberg Breweries A/S
(Employee Board member 2002)

Torkild Andersen, born 1934
Professor, D.Ph.
Member of the Board of Directors of 5 property companies affiliated to the Carlsberg Foundation. (2002)

Henning Dyremose, born 1945
President, Chief Executive Officer, TDC A/S.
Chairman of the Board of Directors in a number of companies affiliated to TDC A/S. Deputy Chairman of the Board of Directors of Brødrene A. & O. Johansen A/S. Member of the Board of Directors of Carlsberg Breweries A/S. (2002)

Claes Gjermansen, born 1952
General Manager, Carlsberg Research Center.
(Employee Board member 2002)

Povl Krogsgaard-Larsen, born 1941
Professor, D.Sc., Ph.D., Dr.h.c.
Member of the Board of Directors of Acadia Pharmaceuticals A/S and Auriga A/S. (2000)

Axel Michelsen, born 1940
Professor, D.Ph. (2002)

Erik Dedenroth Olsen, born 1949
IT Consultant, Carlsberg Danmark A/S.
Member of the Board of Directors of Carlsberg Breweries A/S.
(Employee Board member 2002)

Bent Ole Petersen, born 1954
General Manager, Carlsberg Research Center.
(Employee Board member 2002)

Jens Otto Veile, born 1950
Treasurer, The Carlsberg Foundation.
Chairman of the Board of Directors of Kaj Andersen & Sønner A/S, Andersen Motors A/S, Kaj Andersen og Sønner Holding A/S, Bascon A/S, Dan-Ejendomme as, Dan-Ejendomme Holding as, Dan-Ejendomsinvestering as, Ernitec A/S, Suzuki Bilimport Danmark A/S, Tæppeland - Jensen Tæpper A/S og Tæppeland - Jensen Tæpper Holding A/S and Investeringsselskabet af 1. november 2001 A/S. (2002)

Per Øhrgaard, born 1944
Professor, dr.phil.
Member of the Board of Directors of Det fælles Udgiverselskab A/S (Politiken/Jyllands-Posten) and of 5 property companies affiliated to the Carlsberg Foundation The Carlsberg Foundation. (2000)

*) The chairmanship of the Board of Directors.
( ) The year of election to the Board of Directors of Carlsberg A/S.

Executive Board/Management

Jørn P. Jensen, born 1964
Chief Executive Officer.
Deputy Chairman of the Board of Directors of Royal Scandinavia A/S, Member of the Board of Directors of Coca-Cola Nordic Beverages a/s and Carlsberg Breweries A/S.

Klaus Bock *), born 1944
Executive Vice President for Research.
Chairman of the Board of Directors of Combio A/S. Deputy Chairman of the Board of Directors of Pharmexa A/S. Member of the Board of Directors of Alfred Jørgensens Laboratorium A/S.

Per Brøndum Andersen *), born 1954
Executive Vice President, CFO.
Chief Executive Officer of Coca-Cola Nordic Beverages a/s.

*) Not registered with the Danish Commerce and Companies Agency.

Other key employees and staff functions:

Orla Kristensen, Vice President	Property Department
Mikael Bo Larsen, IR Manager	Investor Relations
Hans Henrik Schmidt, Legal Counsel	Secretariat
Margrethe Skov, Public Affairs Director	Corporate Communications
Finn Terkelsen, Vice President	Trust Administration

The Carlsberg Group
Highlights, Key Figures and Ratios, Five-Year Summary

	1997/98	1998/99	2000 (12 months) [1]	2001	2002
BEER SALES					
- million hl[2]					
Sold in Denmark	4.2	4.0	3.8	3.9	3.9
Sold outside Denmark	31.1	33.0	36.0	63.1	74.7
Total sales	35.3	37.0	39.8	67.0	78.6
SOFT DRINK SALES					
- million hl					
Sold in Denmark	2.6	3.2	3.5	3.3	3.1
Sold outside Denmark	6.9	10.6	11.3	17.9	17.8
Total sales	9.5	13.8	14.8	21.2	20.9
TOTAL BEER AND SOFT DRINK SALES	**44.8**	**50.8**	**54.6**	**88.2**	**99.5**

HIGHLIGHTS - DKK million

	1997/98	1998/99	2000 (12 months) [1]	2001	2002
Income Statement					
Revenue	29,303	31,253	34,470	46,934	48,603
Excise duties	7,237	7,131	8,820	12,515	13,059
Net revenue	22,066	24,122	25,650	34,419	35,544
Operating profit	1,599	1,715	1,995	3,294	3,779
Special items, net	85	-93	363	32	-23
Financials, net	-8	-222	-264	-255	-884
Profit before tax	1,676	1,400	2,094	3,071	2,872
Profit before goodwill	1,153	905	1,547	2,454	2,149
Consolidated profit	1,092	764	-117	2,151	1,774
Carlsberg A/S' share of profit	956	852	34	1,194	1,011
Balance sheet					
Non-current assets	18,745	21,133	25,597	31,171	30,600
Current assets	15,513	12,254	14,571	16,284	15,923
Share capital	1,278	1,278	1,278	1,278	1,278
Capital and reserves	14,713	15,647	16,083	19,158	17,286
Non-current liabilities	5,004	5,646	6,034	12,124	10,724
Current liabilities	10,891	8,889	14,988	12,315	15,115
Balance sheet total	34,258	33,387	40,168	47,455	46,523
Net interest-bearing debt	1,693	4,282	10,309	10,918	10,923
Cash flow					
Cash flow from operating activites	2,357	1,821	2,305*	2,215	5,550
Cash flow from investing activities	-917	-1,459	-6,057*	-3,514	-3,946
Cash flow from financing activities	785	-1,409	3,541*	2,302	-1,107

	1997/98	1998/99	2000 (12 months)[1]	2001	2002
Investments					
Acquisition of property, plant and equipment, net	1,287	2,024	2,770*	3,551	2,991
Acquisition and divestment of undertakings, net	1,373	621	4,309*	1,996	1,131
Depreciation	1,305	1,354	2,153*	2,523	2,630
Key figures					
Operating margin[3]	7.2%	7.1%	7.8%	9.6%	10.6%
Return on investments[4]	6.2%	6.4%	6.5%	8.9%	9.4%
Return on capital and reserves[5]	7.4%	5.0%	-0.7%	12.2%	9.7%
Solvency ratio[6]	42.9%	46.9%	40.0%	40.4%	37.2%
Gearing[7]	11.5%	27.4%	64.1%	57.0%	63.2%
Stock market ratios					
Number of shares	63,906	63,906	63,906	63,906	63,906
Number of shares excl. own shares	63,706	63,706	63,706	63,706	60,862
Earnings per share[8]	15.0	13.3	0.5	18.7	16.6
Earnings per share before goodwill and own shares	15.6	14.7	14.0	21.4	20.2
Earnings per share before goodwill, own shares and one-off items				17.4	20.5
Cash flow per share[9]	36.9	28.5	40.4	34.7	89.1
Book value (DKK per share) excl. own shares				189.0	177.9
Year-end market quotation (B-shares)	400.0	257.0	468.0	347.8	311.3
Dividend per share	4.0	4.0	5.4	5.0	5.0
Payout ratio[10]	27%	30%	Na	27%	30%
Price/Earnings[11]	26.7	19.3	Na	18.6	18.8
Employees					
Number of employees[12]	20,589	21,906	23,641	27,368	28,466

* The figures cover 15 months
1) Unaudited comparative figures adapted for the calendar year 2000 and adjusted for the effects of the changes made in the basis of the financial statements
2) Sales of Carlsberg and Tuborg beer, including beer brewed under licence and other beer brands produced by breweries of the Carlsberg Group and associates
3) Operating profit expressed as a percentage of net revenue
4) Operating profit expressed as a percentage of average operating assets
5) Consolidated profit expressed as a percentage of average consolidated capital and reserves
6) Consolidated capital and reserves at year-end expressed as a percentage of total liabilities
7) Net interest-bearing debt expressed as a percentage of consolidated capital and reserves
8) Carlsberg A/S' share of profit for the year per DKK 20 share excl. own shares
9) Cash flow from operations divided on average number of shares excl. own shares
10) Dividend paid divided by Carlsberg A/S' share of profit
11) Market price per share divided by earnings per share before own shares (see note 8)
12) Including all employees in proportionally consolidated undertakings

Management Report for 2002

2002 in outline

- The results are in line with the expectations expressed in the Q3 Financial Statement.
- Net revenue rose by 3% to DKK 35.5bn.
- Operating profit (EBITA) amounted to DKK 3.8bn (+15%).
- Profit before amortisation and write-down of goodwill totalled DKK 2,149m. Adjusted for one-off items the profit amounted to DKK 2,172m (+8%).
- Carlsberg's share of the profit amounted to DKK 1,011m. Adjusted for one-off items, the share of profit amounted to DKK 1,025m (+10%).
- Results per share (before goodwill, own shares and one-off items) rose to DKK 20.50 (+18%).
- Cash flow from operating activities and free cash flow amounted to DKK 5.6bn and 1.6bn, respectively, which is considerably above last year.
- It is proposed that a dividend of DKK 5.00 per share be paid (unchanged compared to 2001).

Pro forma highlights for 2002 and 2001

Before one-off items:

DKK million	2001	2002	Changes in percent
Net revenue	34,419	35,544	+3
Operating profit	**3,294**	**3,779**	**+15**
Financials, net	-773	-884	-14
Corporation tax	-502	-723	-44
Profit before goodwill amortisation and write-down	**2,019**	**2,172**	**+8**
Goodwill amortisation and write-down	-303	-375	-24
Consolidated profit	1,716	1,797	+5
Carlsberg A/S' share of profit	**933**	**1,025**	**+10**

One-off items are non-recurring profit from the sale of shares in Thai breweries in 2001 as well as special items. Results including these items are shown in The Carlsberg Group – Highlights, Key Figures and Ratios, Five-Year Summary, page 6.

DKK million	31.12.2001	31.12.2002	Changes in percent
Capital and reserves	19,158	17,286	-10
Total assets	47,455	46,523	-2
Net interest-bearing debt	10,918	10,923	+0

Movements in consolidated capital and reserves:

Consolidated capital and reserves as at 31 December 2001	**19,158**
Consolidated profit	1,774
Dilution, Carlsberg Asia	-907
Dividend, Carlsberg A/S	-320
Dividend, minority interests	-324
Repurchase of own shares	-970
Currency translation adjustments, etc.	-1,125
Consolidated capital and reserves as at 31 December 2002	17,286
Minority interests as at 31 December 2002	6,450
Carlsberg A/S' share of capital and reserves as at 31 December 2002	10,836

Comments to the accounts for the past year

Accounting policies and basis of comparison
The accounting policies applied have been changed from those used in the annual accounts for 2001 and now follow the new Danish Financial Statements Act of 7 June 2001, as well as current Danish accounting standards. Comparative figures for previous accounting periods have been adjusted accordingly. The change of accounting policies is described in the announcement to the Copenhagen Stock Exchange of 16 April 2002.

With effect from 1 January 2002, the financial statement for Asia (Carlsberg Asia Pte Ltd.) is based on the agreed 50/50 joint venture structure with proportionate consolidation of Carlsberg Asia.

The translation method for the companies in Russia and the Ukraine (BBH) has been changed, as the general inflation rate in these countries over a three-year period has been significantly below 100%. The companies are now consolidated in accordance with the same financial principles applying to other undertakings in countries characterised by moderate inflation (current rate approach).

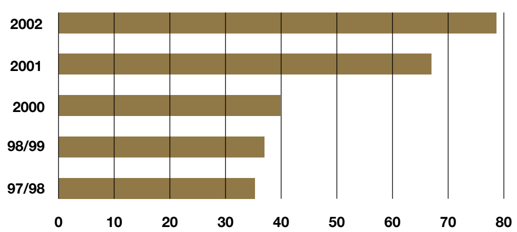
When comparing with the past financial year, allowances should be made for the changes in the Group structure due to acquisitions and divestments during the year. In January 2002, Carlsberg Breweries aquired another 8.4% of the shares in Hite Brewery Co., and now holds 25% of the shares. The company is consequently consolidated as an associate in 2002. In Poland, the reorganisation of Carlsberg's brewery group was completed, and in December 2002, Carlsberg Breweries increased its shareholding by approx. 10% to 71.5%. The increased shareholding will first show in the results for 2003. In May 2002, Carlsberg Breweries increased its shareholding in Panonska, Croatia, from 40% to 80%, and the company is now included as a subsidiary. In June and August 2002, respectively, Carlsberg Breweries acquired two breweries in Bulgaria - Shumensko Pivo and Pirinsko Pivo. These acquisitions have no profit impact in 2002, but are included in the balance sheet as at 31 December 2002.

Segment information
The main activity of the Group is the production and sale of beer and other beverages. These activities make up more than 90% of the Group's revenue. In accordance with the Group's management structure, the beverage activities are segmented according to the geographical regions where production takes place.

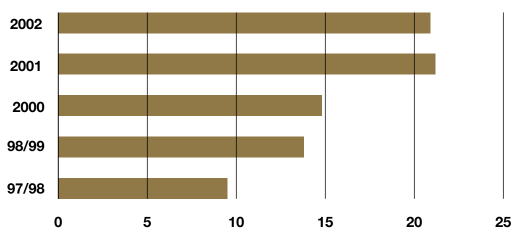
Volume
In the past year, total beer sales in the Carlsberg Group increased by 11.6m hl to 78.6m hl (+17%), of which +6% relate to the Carlsberg brand. Global beer consumption is still increasing, but with large regional differences. Soft drink sales amounted to 20.9m hl against 21.2m hl last year.

Net revenue
Net revenue (revenue less excise duties) amounted to DKK 35,544m against DKK 34,419m in the same period last year (+3%). The increase in revenue is primarily due to organic growth in western Europe and eastern Europe as well as the companies acquired in Turkey and Poland in July and August 2001. The new structure in Asia with proportionate consolidation reduced revenue.

TOTAL BEER SALES (million hl) 12 months



TOTAL SOFT DRINK SALES (million hl) 12 months



Operating profit (EBITA)
Operating profit totalled DKK 3,779m against DKK 3,294m last year (+15%). This is due to, among other things, a significant profit increase in Carlsberg Breweries in western Europe and eastern Europe, and good progress in the results in Asia due to Hite (South Korea) and the profit guarantee in Carlsberg Thailand. In 2002, Carlsberg Breweries increased marketing expenses by more than DKK 0.4bn. of which a substantial part was spent on marketing of the Carlsberg brand. Results from Carlsberg A/S' properties were in line with expectations and operating profit was positively affected by profit on sale of properties amounting to about DKK 120m (2001 approx. DKK 218m). Depreciation on property, plant and equipment, etc. is included in operating profit with DKK 2,630m against DKK 2,523m in 2001.

Special items, net
As in previous years, these items include one-off items. Special items amounted to a negative DKK 23m against a positive DKK 32m last year. The items include restructuring expenses as well as gains from the divestment of activities.

Financials, net
Financials amounted to a negative DKK 884m against a negative DKK 255m in 2001. If 2001 is adjusted for profit from the sale of minority shareholdings in the Thai breweries (net DKK 518m), net expenses have increased by well over DKK 100m. This rise mainly relates to rather substantial interest expenses in the subsidiary acquired in Turkey in 2001 as well as significant currency translation adjustments of foreign currency loans in Russia/Vena (DKK 140m) and currency translation adjustments etc. in Turkey (DKK 44m, total).

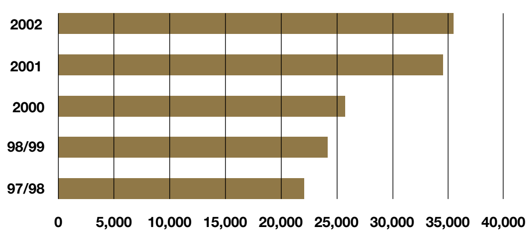
Corporation tax
The tax rate amounted to 25.2% against 20.1% last year. The lower tax rate in 2001 was mainly due to lower tax on the relatively substantial capital gains as well as the somewhat lower tax in Baltic Beverages Holding (BBH).

Profit before goodwill amortisation and write-down
Profit before goodwill amortisation and write-down amounted to DKK 2,172m against DKK 2,019m in 2001 (adjusted for one-off items), which is 8% above last year, primarily due to increased earnings in Carlsberg Breweries.

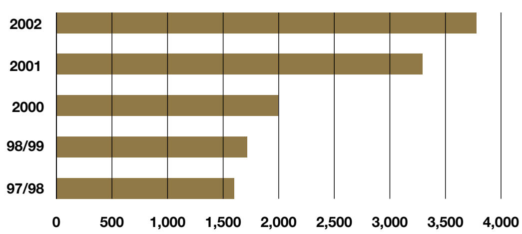
Carlsberg A/S' share of profit
Carlsberg A/S' share of profit amounted to DKK 1,025m against DKK 933m last year (adjusted for one-off items of DKK 261m in total), corresponding to an increase of 10%.

Consolidated goodwill
In accordance with the new accounting policies, goodwill has been capitalised and totalled DKK 5.2bn as at 31 December 2002, following amortisation of DKK 375m in 2002. Tests have been made on the goodwill for the companies whose results have not lived up to expectations (i.a. Türk Tuborg, Turkey). The tests, based on the most recent business plans, have shown that it is unnecessary to write down the capitalised goodwill amounts.

NET REVENUE (DKK million) 12 months



OPERATING PROFIT (DKK million) 12 months



Capital and reserves

Consolidated capital and reserves amounted to DKK 17,286m against DKK 19,158m last year. The Parent Company's share of capital and reserves totalled DKK 10,836m against DKK 12,041m last year.

Capital and reserves was positively influenced by the profit for the year, less dividend paid in 2002, and negatively affected by the repurchase of own shares, currency translation adjustments and dilution in connection with the establishment of Carlsberg Asia.

Retirement benefit obligations

At the end of 2002, analyses of any underfunded pension obligations were carried out. These relate mainly to the companies in the UK and in Switzerland. Total underfunding amounted to about DKK 1bn, which will cause additional revenue expenditure of around DKK 30-40m in the years ahead if circumstances remain unchanged.

Other provisions

Other provisions amounted to DKK 198m at the end of 2002. Provisions were applied during the period in accordance with plans. DKK 118m before tax (against DKK 172m last year) of the remaining provisions in the Parent Company, relating to Coca-Cola Nordic Beverages a/s (CCNB) and compensation received in connection with the Allied Domecq agreement (AD) in 1995/1996, were applied. No further provisions regarding CCNB and AD remain.

Investments

The year saw total investments in property, plant and equipment and acquisition of companies of DKK 4.1bn against DKK 5.5bn last year. The investments primarily relate to new production plants in western Europe and in BBH as well as the acquisition of shareholdings in breweries in Bulgaria, Poland, Russia and Asia.

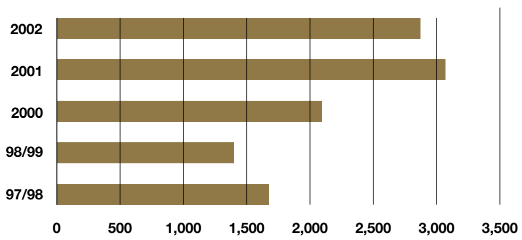
Securities, cash and cash equivalents, and net interest-bearing debt

Cash flow from operating activities totalled DKK 5.6bn compared to DKK 2.2bn last year, and free cash flow amounted to DKK 1.6bn against a negative DKK 1.3bn last year. The project launched by Carlsberg Breweries to reduce invested capital has contributed positively to the cash flow for 2002 and will continue to do so in 2003. The project has furthermore contributed to a rise of about 0.6 percentage-points to 10.3% in return on capital employed (ROCE) in Carlsberg Breweries.

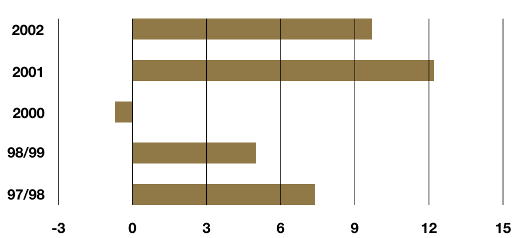
The net interest-bearing debt totalled DKK 10.9bn, which is unchanged compared with last year. This is a natural consequence of the size of investments as well as the repurchase of own shares and dividend paid, covered by the cash flow from operating activities.

At 31 December 2002, securities and cash and cash equivalents, consisting of cash at bank and in hand and listed securities, amounted to DKK 4.0bn, based on market prices. To this may be added unutilised credit facilities amounting to about DKK 6.7bn.

PROFIT BEFORE TAX (DKK million) 12 months



RETURN ON CAPITAL AND RESERVES (%) 12 months



Development by regions

Western Europe

In western Europe, the total beer volume amounted to 26.3m hl, which is an increase of 2%. Operating profit for the region was DKK 484m (27%) above last year. This resulted in an increase in operating margin from 6.8% to 8.4%. The general development was satisfactory and particularly the Nordic countries and the UK showed improvement.

DKK million	2001	2002	Changes in %
Net revenue	26,064	26,997	+4
Operating profit	1,785	2,269	+27
Operating margin (%)	6.8	8.4	
Beer sales (million hl)	25.7	26.3	+2

Net revenue rose by 4% to DKK 27.0bn primarily due to developments in the Nordic countries, United Kingdom, Italy, and Portugal.

Operating profit was DKK 484m above last year (+27%), of which the four Nordic markets contributed with DKK 359m.

In Denmark, beer consumption was stable during the year, and Carlsberg Danmark maintained its market share. Because of the large differences in excise duties between Denmark and Germany, a significant part of total Danish beer consumption is still purchased south of the border. So far, the introduction of cans on the Danish market has been of minor significance as the market share is less than 5% for this type of packaging. The results of the Danish activities are up on last year, which is due to increased efficiency.

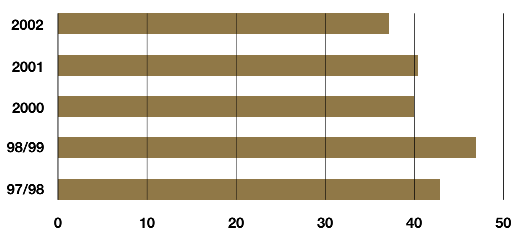
In Sweden, the integration of Pripps and Falcon into Carlsberg Sverige is proceeding according to plans, including the closing of the brewery in Gothenburg, which was completed in April. However, Carlsberg Sverige realised somewhat lower total results than expected, which is primarily due to less efficient production and distribution than planned. The company has by and large maintained its market share following the divestment of brands required by the authorities. The company's focus on profitable brands and the restructuring project has led to significant improvement in the results for the year which are still too low, however.

In Finland, Sinebrychoff achieved good progress in volume, especially on the Carlsberg and Karhu brands and the market position was strengthened. As a result, the company realised a substantial increase in results.

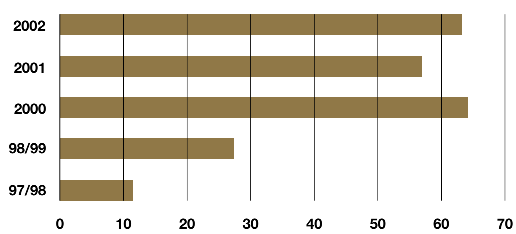
In Norway, operating profit was significantly up on last year, especially due to progress in volume and improved product mix. During the year, focus has been on the most profitable product groups, which among other things has led to an increase in the Carlsberg brand of 7% and a total increase in beer volume of 3%.

In the United Kingdom, Carlsberg-Tetley increased its market share and volume, particularly for the Carlsberg brand (+13%) and achieved better results than last year (DKK +66m). Progress in results was primarily driven by increases in volume, but a reduced cost level also affected results positively. The company has thus increased the operating margin by almost 1 percentage-point to 7.4%. The free cash flow was also improved considerably because of a reduction in working capital and divestment of non-current assets.

SOLVENCY RATIO (%)



GEARING (%)



In Switzerland, Feldschlösschen has implemented the restructuring plans, which resulted in the expected savings. Still, a weaker market trend than anticipated – among other things due to poor summer weather as well as a decline in sales following the introduction of a new organisation structure - has led to results somewhat short of expectations. The company achieved a modest rise in the profit margin to 5.4% and improved cash flow significantly.

In Portugal, results were slightly below those of last year i.a. due to poor summer weather. The acquired water company VMPS in Portugal is included in the accounts for 2002.

In Italy, results were at level with last year's despite poor summer weather, which led to a reduction in total consumption of well over 3%.

In Germany, Hannen showed good progress in results and achieved a positive result by adjusting the cost base to the regional strategy.

Eastern Europe

This region showed a growth in volume of 17% and total sales of 37.5m hl. Operating profit was 6% up on last year and amounted to DKK 1,274m. The high operating margins previously shown by the region dropped in 2002, which is mainly attributable to Turkey, where results are highly unsatisfactory.

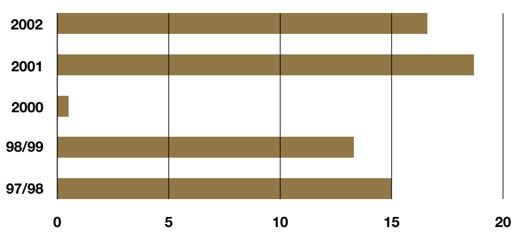
DKK million	2001	2002	Changes in %
Net revenue	5,842	7,475	+28
Operating profit	1,204	1,274	+6
Operating margin (%)	20.6	17.0	
Beer sales (million hl)	32.1	37.5	+17

Net revenue rose by 28% to DKK 7.5bn, primarily due to growth in Baltic Beverages Holding (BBH) and the addition of new companies in Turkey and Poland in the second half of 2001.

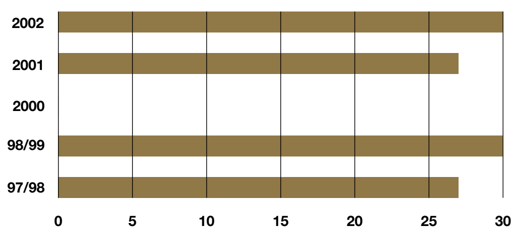
Operating profit increased by 6% to DKK 1,274m. The operating margin was 3.6 percentage-points lower than last year, but when adjusted for the effect of the exchange rate in BBH and the business in Turkey, the operating margin has remained at the high level achieved last year.

In BBH (50%), net revenue rose by 26% to DKK 4.6bn. However, measured in local currency the increase was higher as the exchange rate (USD/EUR) has had substantial negative effects on 2002. The organic growth and acquired undertakings resulted in a 22% increase in beer volume, particularly driven by growth in Russia and the Ukraine. The volume increase shows that BBH continues to outperform the market. BBH's market share in Russia was 33% (including Vena), which was 5 percentage-points higher than for the same period last year. Market growth this year in Russia was 9%, which was slightly less than previously expected, and 14% in the Ukraine. In the Baltic States, the market rose by 18%, and BBH increased its market share to 46%. The USD/EUR exchange rate development had a negative effect of approximately DKK 75m on operating profit, and on that basis the actual increase in operating profit was 30%. The inflation in Russia was approximately 15%. The Russian beer market is expected to grow by 8-9% in 2003 and BBH is expected to out-perform the market again. Market growth is expected to be modest/neutral in the first half of 2003 and thus larger than 8-9% in the second half. The reason for this is a build-up of stocks at external distributors during the first half of 2002.

EARNINGS PER SHARE (DKK 20) 12 months



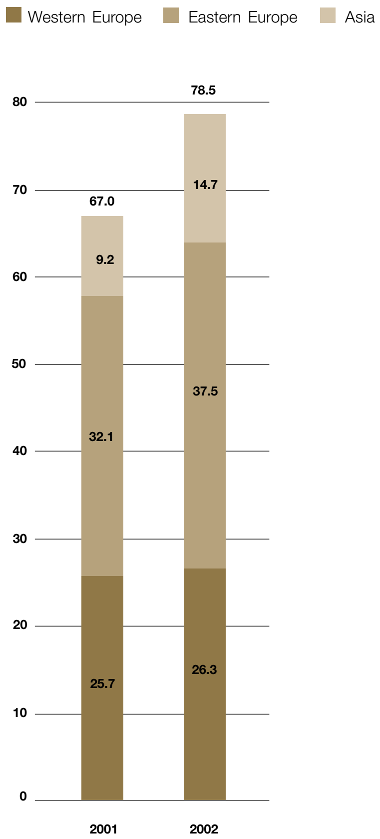
PAYOUT RATIO %



In Poland, market conditions are showing signs of improvement and the brand portfolio has been strengthened. The reorganisation of Carlsberg's brewery group has been implemented as planned, and the breweries Kasztelan and Bosman have been consolidated into Carlsberg Okocim with effect from the second quarter. The shareholding in Carlsberg Okocim thus amounts to 62%.
As expected, operating profit from activities in Poland was at break-even.

In Turkey, Türk Tuborg achieved volume growth and grew market share. Significant cost increases as well as increased sales and marketing activities were only partially covered by increased sales prices and volume progress. In addition, the exchange rate developments were extremely negative. Consequently, the company recorded very unsatisfactory results for 2002. Operating profit showed a negative DKK 123m while Carlsberg Breweries' share of the profit for the year was a total loss of DKK 270m. The effect of Türk Tuborg's results on the results of the Group is thus significant. The management of Türk Tuborg has been changed and a new Chief Executive Officer has been appointed. Various analyses have been carried out and a new business plan, which aims at improving profitability, has been worked out. In 2003, the company must realise results in line with 2001 and in the long term it must achieve margins corresponding to western European standards.

CARLSBERG BREWERIES SALES
MILLION HL BEER



Asia

Activities are concentrated on the agreed joint venture Carlsberg Asia, which is included in the financial statements with 50% in Carlsberg Breweries and 50% in Thai Chang Beverage Company. The transfer of activities/undertakings to Carlsberg Asia continued in 2002 and should be finalised during the first half of 2003.

The establishment of the new structure with proportionate consolidation of Carlsberg Asia has led to significant changes in the accounting figures from this region. Operating profit increased by DKK 64m to DKK 467m.

DKK million	2001*	2002	Changes in %
Net revenue	1,847	1,019	-45
Operating profit	403	467	+16
Operating margin (%)**	21.8	21.4	
Beer sales (million hl)	9.2	14.7	+60

* Figures relate to Carlsberg's old structure in Asia.

** For 2002 excluding the one-line consolidated brewery Hite (South Korea) as well as the effect of the profit guarantee for the companies in Thailand.

Net revenue decreased by 45% to DKK 1,019m which is a consequence of the new structure in Asia with the proportionate consolidation (50%) as Carlsberg Thailand is still under establishment, hence the low net revenue.

Operating profit rose by DKK 64m to DKK 467m. The two important markets Malaysia and Singapore both showed stable results. The Thai activities are included in operating profit with DKK 196m, of which 122m is the difference up to the profit guarantee agreed with the joint venture partner for the set-up phase. Furthermore, Hite (South Korea) is included with DKK 126m.

Repurchase of own shares

During the second half of 2002, Carlsberg has repurchased its own shares for a total of DKK 970m. The company's holding of own shares now amounts to 1,557,838 A-shares and 1,485,721 B-shares, corresponding to 4.8% of the entire share capital.

Profit expectations

- Generally, expectations involve uncertainties, cf. forward-looking statement below. In particular, attention should be drawn to the exchange rates and especially the USD/EUR and USD/RUB relation. Significant movements in exchange rates compared to the present will affect profit expectations.

- Operating profit is expected to increase by 5-10% in Carlsberg Breweries. In the rest of the Carlsberg Group the financial results will be considerably lower, which is particularly due to the reversal of provisions in 2002 relating to CCNB and the Allied Domecq agreement (a total of DKK 118m), which will not be included as from 2003. The growth in Carlsberg Breweries is expected to take place in western Europe and eastern Europe. Property gains in the Parent Company in 2003 are expected to be in line with 2002. Consequently, a general increase of 3-5% is expected for the entire Carlsberg Group.

- As regards financials, a minor reduction is expected in Carlsberg Breweries' financial expenses, whereas the rest of the Carlsberg Group will have less interest income due to a reduction in cash at bank and in hand (due to repurchase of own shares in 2002 of approx. DKK 1bn).

- Corporation tax is expected to increase from 25% of profit before tax in 2002 to about 29% in 2003, particularly due to increased taxes in eastern Europe.

- Carlsberg Breweries' share of profit for the year is expected to increase by approx. 15%.

- Minority interests will also increase due to Carlsberg Breweries' progress in results.

- Carlsberg A/S' share of profit for the year is expected to fall by approx. 10%. This is mainly due to:

  - Income in the Parent Company in 2002 of DKK 79m after tax (DKK 118m before tax) from reversal of provisions relating to CCNB and AD ceases.
  - Interest income in the Parent Company will be reduced due to repurchase of own shares in 2002.
  - In Carlsberg Breweries, results are expected to increase by approx. 15%. Of this amount, 60% go to Carlsberg A/S.
  - A small increase in goodwill amortisation is expected.

  The underlying development in the Carlsberg Group thus shows progress of not less than 5%. The underlying progress should be understood as progress less one-off items, goodwill amortisation and the effect in the Parent Company in 2002 of reversed provisions regarding CCNB/AD as well as repurchase of own shares in 2002.

- Cash flow from operating activities and free cash flow (excl. any acquisition of undertakings) in 2003 is expected to increase on 2002, as the most significant part of the above-mentioned accounting decrease in results in the Carlsberg Group (excl. Carlsberg Breweries) relates to items with no effect on the cash situation. This includes the fact that Carlsberg Breweries in 2003 aims at reducing working capital/invested capital by approximately DKK 1bn.

Forward-looking statement

The above sections in this Annual Report 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, stock, and interest markets. Statements about future prospects naturally always involve uncertainties and actual results may thus differ materially from those projected.

Incentive programmes

In 2002, 101,500 share options with an exercise price of DKK 333.91 (101,500 in 2001 with an exercise price of DKK 405.75) were granted to the Executive Board and a number of managers in Carlsberg A/S and Carlsberg Breweries A/S, a total of about 40 employees. In 2003, 130,000 options will be granted in accordance with the guidelines applied in previous years.

Annual General Meeting

The Annual General Meeting will be held on Monday, 17 March 2003 at 16.30 in Tivolis Koncertsal in Copenhagen, Denmark.

Decisions and proposals of the Board of Directors to the Annual General Meeting

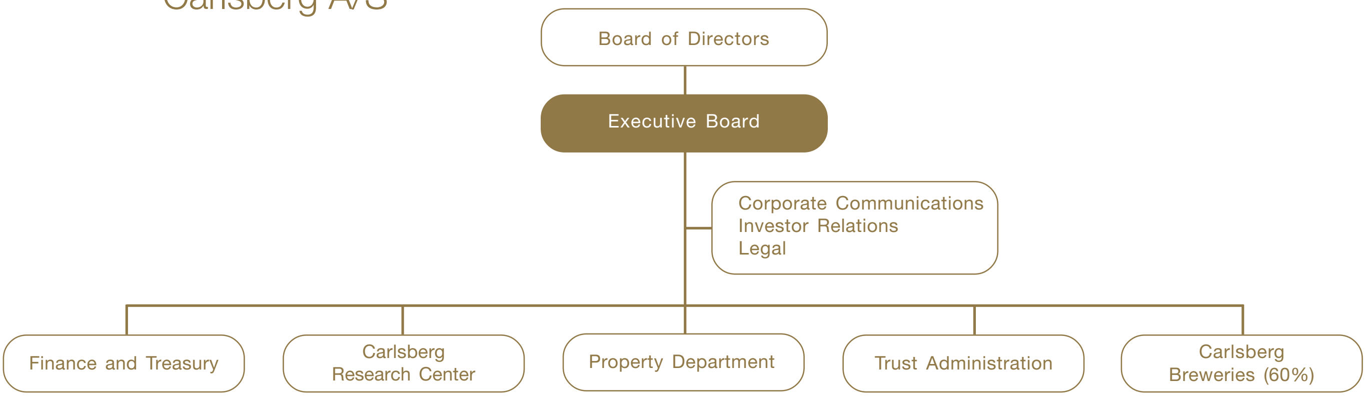
The Board of Directors proposes that a dividend of DKK 5.00 per share be paid, which corresponds to 25% of the share capital. DKK 304m has been appropriated for this purpose. It is proposed that the remaining amount of DKK 707m be appropriated to the reserves.

The printed annual report

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

Organisation and Group Companies

Carlsberg A/S



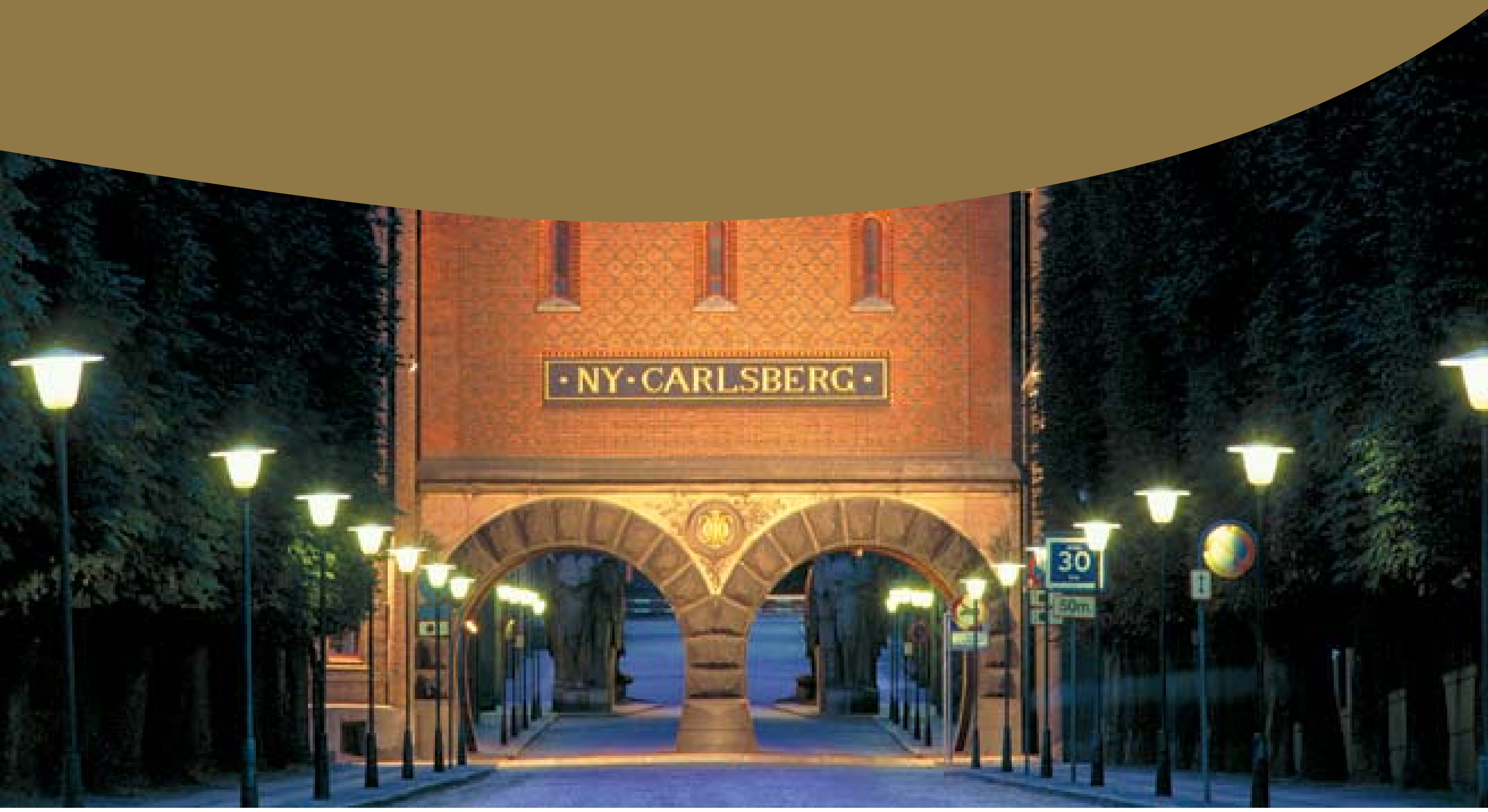
Group Companies

		Investment	Nominal capital ('000)	Currency
CARLSBERG A/S				
Share capital DKK 1,278,125,640				
Brewing companies				
Denmark				
Carlsberg Breweries A/S, Copenhagen	●	60%	500,000	DKK
Øvrige virksomheder				
Investeringsselskabet af 17. januar 1991 A/S, Copenhagen	●	100%	14,500	DKK
Ejendomsaktieselskabet af 4. marts 1982, Copenhagen	●	100%	9,500	DKK
Ejendomsaktieselskabet Tuborg Nord B, Copenhagen Ejendomsinteressentskabet Tuborg Nord B	●	100%	25,000	DKK
Ejendomsaktieselskabet Tuborg Nord C, Copenhagen	●	100%	10,000	DKK
Ejendomsaktieselskabet Tuborg Nord D, Copenhagen	●	100%	10,000	DKK
VersaMatrix A/S	●	100%	500	DKK
Royal Scandinavia Holding A/S, Frederiksberg	■	28%	100,801	DKK
Combio A/S, Copenhagen	■	33%	1,106	DKK
Coca-Cola Nordic Beverages a/s, Gentofte	■	51%	10,000	DKK

● Subsidiaries

■ Other associated undertaking

Corporate Governance in the Carlsberg Group



For a number of years, Carlsberg A/S' Board of Directors has been focusing on Corporate Governance. In December 2001, the Danish Nørby Committee published its report on Corporate Governance recommendations in Denmark. The committee's report was subject to discussion in the Board of Directors of Carlsberg A/S but did not give rise to any additional initiatives.

The Committee recommends, among other things, that companies whose shares are split into share classes with different voting rights in accordance with their articles of association should consider, whether this differentiation is expedient. On this basis, Carlsberg's Board of Directors has evaluated the expediency of maintaining the existing A and B share system and believes – in line with the majority of Danish companies – that the system should be maintained. The system is historic within Danish trade and industry and is believed to be appropriate and expedient for the long-term development of the company.

The basic framework of Corporate Governance in Carlsberg A/S includes, among other things, the Danish Companies Act, the Danish Financial Statements Act, the Danish Securities Trading Act, 'Rules Governing Securities Listing on the Copenhagen Stock Exchange A/S' etc. as well as the companies' articles of association as amended on 8 March 2001. In addition, a number of internal procedures are followed to ensure active, safe and profitable governance of the companies.

The General Meeting is the top decision-making authority in Carlsberg A/S. Registered shareholders are invited to the General Meeting in which all shareholders are entitled to participate and vote in person or by proxy. The Board of Directors is elected by the General Meeting and constitutes the company's top management. The Board of Directors consists of 12 members, 8 members elected by the shareholders and 4 members elected by the employees in accordance with the Danish Companies Act. The board members are elected individually. Each year, the three longest sitting board members shall retire at the General Meeting. Re-election may take place. The age limit is 70 years.

The Boards of Directors of Carlsberg A/S, Carlsberg Breweries A/S and the other Carlsberg Group companies ensure that the Executive Boards implement the goals and procedures established by the Boards of Directors.

The Executive Boards keep the Boards of Directors of the various companies up-to-date both through various meetings and written and oral reports. The reports include i.a. general international developments, business developments, the company's earnings capacity and the financial situation of the company/Group. The Boards meet at least 6 times a year, and at least once a year a day-long meeting is held between the Board of Directors and the Executive Board with issues such as company mission, goals and strategy on the agenda.

The Boards make decisions on a wide variety of issues, including acquisitions, large investments and divestments, raising of capital, long-term obligations and significant operational matters.

The Boards of Directors in the various companies evaluate the various risks arising from the Group's substantial commitments in international operations. The methods comprise assessment and formulation of policies on financial risks, including exchange rate and interest rate fluctuations in the financial markets, as well as insurance issues and environmental considerations.

Further, the Board also supervises the special risks inherent in the company mission in relation to the Group's marketing of alcoholic beverages.

The Boards of Directors appoint the Chief Executive Officer and other Executive Board members, and the Executive Board under the management of the CEO is responsible for the preparation and implementation of the strategic plans.

The CEO is not a member of the Board but participates in the board meetings together with other members of the Executive Board.

Carlsberg A/S' Board of Directors

At the General Meeting on 18 March 2002, Managing Director Jens Otto Veile was elected as new member of the Board of Directors replacing Managing Director Palle Marcus. Apart from this, the composition of the Board of Directors of Carlsberg A/S remained unchanged as regards the members elected by the shareholders.

At the General Meeting it was furthermore noted that employee representatives had been elected. General manager Bent Ole Petersen and general manager Claes Gjermansen had been elected company employee representatives and brewery worker Hans Andersen and IT consultant Erik Dedenroth Olsen had been elected Group employee representatives.

The Chairman of the Board of Directors, professor D. Ph Poul Chr. Matthiessen, and the Deputy Chairman of the Board of Directors, Managing Director Jens Bigum, constitute the Chairmanship, which, among other things, organises the board meetings in cooperation with the CEO.

The Carlsberg Foundation

Carlsberg A/S' largest shareholder is the Carlsberg Foundation (the "foundation"), which is required to own a minimum of 51% of Carlsberg A/S' share capital. At the end of the financial year 2002, the foundation held 55.6% (excl. of own shares). Due to the combination of A and B shares held by the foundation, it has 80.9% of the votes at the General Meeting.

The Executive Board of the foundation constitutes an important part of Carlsberg A/S' Board of Directors, and the Chairman of the Executive Board of the foundation holds the position as Chairman of Carlsberg A/S' Board of Directors.

According to the foundation's charter and statutes, the foundation has special obligations and rights in relation to Carlsberg A/S. Among other things, this means that Carlsberg A/S must bear costs related to the running of the Carlsberg Laboratory. Carlsberg A/S' Board of Directors thus approves the budget of the laboratory, which receives an annual grant of 9% of the foundation's disbursements of about DKK 100m.

The Carlsberg Laboratory is an independent unit within the Carlsberg Research Center.

In relation to the foundation, Carlsberg A/S is also subject to special obligations as regards the site and buildings owned in Valby, Denmark. The purpose of these obligations is to preserve historical buildings.

Carlsberg Breweries A/S

Carlsberg Breweries encompasses all beer and soft drink activities in the Carlsberg Group.

Carlsberg A/S is the majority owner of Carlsberg Breweries with a 60% ownership share.

Carlsberg Breweries started its actual activities on 1 January 2001 when the necessary government approvals had been obtained.

Carlsberg A/S has maintained its ownership of the Carlsberg brand, and Carlsberg Breweries has the right to use the brand in connection with beverages. The ownership right of the Tuborg brand and other beer and soft drink brands has been transferred to Carlsberg Breweries A/S.

The shareholders of Carlsberg Breweries have, among other things, agreed that a substantial share of the profit for the year will be paid as dividend.

The Board of Directors of Carlsberg Breweries consists of 8 members appointed by the shareholders, 5 appointed by Carlsberg A/S, 3 by Orkla ASA, and 4 employee representatives. The Chairman and the Deputy Chairman are appointed by Carlsberg A/S and Orkla ASA, respectively.

Investor Relations

A new Investor Relations Programme has been implemented with a view to prioritise and ensure a closer dialogue between Carlsberg A/S and the shareholders and between the company and the financial analysts.

A high and uniform level of information should generally ensure that the value creating activities of the Group are reflected in a fair Carlsberg share price.

Extensive coverage by analysts and high awareness among institutional investors in Denmark and abroad as well as inclusion in share indexes are important strategies in active IR fieldwork.

In order to strengthen the activities within this area, an IR manager has been appointed by Carlsberg A/S end-2002.

A number of international road shows and meetings with investors and analysts are being carried out and in connection with the publication of the financial statements, meetings are held with analysts, the press and investors. Telephone conferences also take place.

Carlsberg A/S does not hold analyst and investor meetings etc. during a four-week period prior to the publication of financial statements or other significant announcements.

Carlsberg A/S sends out the newsletter *Carlsberg News* to all registered shareholders in connection with the publication of the company's financial statements. Apart from the statements to the Copenhagen Stock Exchange, Carlsberg News contains information about the period's most significant events as well as updates on activities in Carlsberg Breweries and the Carlsberg Group in general.

Carlsberg's homepage, www.carlsberg.com, which is updated regularly both as regards topics and accessibility, contains a separate section on Investor Relations.

Incentive programme

In 2001, the Board of Directors of Carlsberg A/S decided to establish a share option programme for the Executive Board and a number of key managers within the Carlsberg Group. The programme was first established for 2001 and 2002 and has subsequently been extended to 2003.

Carlsberg A/S' obligations will be covered by its portfolio and purchase of own shares.

The programme entitles the Executive Boards and a number of key managers in Carlsberg A/S and Carlsberg Breweries A/S to purchase B-shares in Carlsberg A/S during a period from three to eight years after the option right has been granted.

The exercise price is determined as the average of the first five stock exchange business days following publication of the preliminary profit statement of Carlsberg A/S.

In 2001, the programme included 44 people and 101,500 options. In 2002, it comprised 40 persons and 101,500 options and in 2003 the programme will include 40 persons and approximately 130,000 options.

At the end of 2002, none of the options had been exercised.

The option programme will be supplemented with annual bonus schemes.

The incentive programme as a whole will thus ensure that in future a more substantial part of total compensation will depend on performance.

The purpose of the programme is to create an even greater alignment of the interests of the company's management and the shareholders, as the programme will have a favourable influence on both short- and long-term goals.

Shareholder Information

Shares

Carlsberg A/S' shares are listed on the Copenhagen Stock Exchange in class Carlsberg A and Carlsberg B. The shares trade in denominations of DKK 20, the A-shares with 20 votes per share and the B-shares with 2 votes per share.

There are 35.3m Carlsberg A-shares (nominal value DKK 705m) and 28.6m Carlsberg B-shares (nominal value DKK 573m), a total nominal value of DKK 1,278m.

The Carlsberg B-share is listed on the KFX index, and total turnover for the accounting period amounted to DKK 39.0m shares at a total value of approx. DKK 13.9bn. The previous year, turnover amounted to DKK 49.1m shares at a value of about DKK 18.8bn. In the financial year 2002, the highest quoted price for the Carlsberg B-share was DKK 440 and the lowest quoted price was DKK 286. Highest and lowest quoted prices in 2001 were DKK 490 and DKK 330, respectively.

At the end of 2002, Carlsberg's market value amounted to DKK 19.1bn against DKK 20.9bn the year before. The quoted price of the Carlsberg B-share at year-end was DKK 311.3 against DKK 347.8 at the end of 2001.

Shareholders

The Carlsberg Foundation holds 55.6% (excluding own shares) of the share capital and no other shareholder is recorded as holding a stake of more than 5%. Carlsberg has a total of about 16,000 registered shareholders. At the end of 2002, the registered shareholders represented a total share capital of DKK 1,061m, corresponding to 83% of the share capital. The distribution of shares between the various investor segments at the end of the financial year is set out below, and it is estimated that the majority of non-identified shareholders are foreign investors.

Shareholder Structure*)

%	2002	2001
The Carlsberg Foundation	55.55%	55.21%
Free Flow	44.45%	44.79%
Total	**100.00%**	**100.00%**
Free Flow shareholder structure:		
Denmark Total	**33.95%**	**31.26%**
Foreign		
North America	12.94%	16.97%
United Kingdom	12.74%	14.29%
Other	5.22%	2.90%
Unidentified shareholders	35.15%	34.58%
Foreign & unidentified Total	**66.05%**	**68.74%**
Free Flow Total	**100.00%**	**100.00%**

*) Excl. own shares

Investor Relations

Carlsberg aims at establishing open and direct communication with the share market and arranges meetings with existing and potential investors and financial analysts in Denmark and abroad on a current basis. Relevant investor information is available on www.carlsberg.com/investor, including Carlsberg's investor presentations, announcements to the Copenhagen Stock Exchange, financial statements as well as Carlsberg News.

Carlsberg A/S' IR manager is
Mikael Bo Larsen
Investor Relations
Valby Langgade 1,
DK-2500 Valby,
Denmark
Phone: +45 3327 1223
E-mail: investor.relations@carlsberg.com

Share references

Class of shares	Nominal value	Number	Share capital DKK	Voting right per share	ID code	Bloomberg	Reuters
A	20	35,257,090	705,141,800	20	DK001018167-6	CARLA DC	CARCa.CO
B	20	28,649,192	572,983,840	2	DK001018175-9	CARLB DC	CARCb.CO
		63,906,282	1,278,125,640				

Register of shareholders

Carlsberg's register of shareholders is managed by
Danske Bank A/S
Holmens Kanal 2-12
DK-1092 Copenhagen K
Denmark
Phone: +45 4339 2885

Shares can be registered in the name of the shareholder by contacting the depositary bank. Registered shareholders automatically receive financial statements, annual reports, Carlsberg News and invitations to Carlsberg's General Meetings.

Dividend

The Board of Directors proposes to the Annual General Meeting on 17 March 2003, that a dividend of DKK 5.00 per share be paid. Distribution of dividend occurs automatically through the Danish Securities Centre.

Key figures in relation to shares

	1997/98	1998/99	1999/00*)	2001	2002
Price of B-share at year-end	400.0	257.0	468.0	347.8	311.3
Cash flow per share	36.9	28.5	40.4	34.7	89.1
Earnings per share	15.0	13.3	0.5	18.7	16.6
Dividend per share, DKK	4.0	4.0	5.4	5.0	5.0
Market value, DKK bn, year-end	24.5	16.4	28.8	20.9	19.1
Price earnings ratio	26.7	19.3	Na	18.6	18.8
Pay-out ratio	27%	30%	Na	27%	30%

*) 12 months

Financial Calendar

17	March 2003	Annual General Meeting
8	May 2003	Financial Statement Q1: 2003
15	August 2003	Financial Statement Q2: 2003
7	November 2003	Financial Statement Q3: 2003

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 for up to DKK 1bn was established, cf. announcement to the Copenhagen Stock Exchange of 8 May 2002.

The repurchase has been carried out on an ongoing basis from 8 August to 2 December 2002. After this, the Carlsberg Group's portfolio of own shares consisted of 1,557,838 A-shares and 1,485,721 B-shares corresponding to 4.8% of the total share capital. Prior to the repurchase, the portfolio of own shares was below 2%.

The repurchase has been carried out in such a way that the Carlsberg Foundation still holds the same proportion of capital and votes as prior to the repurchase, when adjusting for Carlsberg A/S' portfolio of own shares.

Analysts

The institutions below report on the developments in Carlsberg on a current basis:

Denmark

Alfred Berg	Jesper Breitenstein
Carnegie	Julie Quist
Danske Securities	Peter Kondrup
Enskilda Securities	Hans Gregersen
Handelsbanken	Torben Sand
Jyske Analyser	Ulla Mouritsen
Nordea Securities	Stig Frederiksen
Spar Nord	Poul-Henrik Svendsen
Sydbank	Stig Nyman

United Kingdom

BNP Paribas	Nikolaas Faes
CAI Cheuvreux	Frans Hoyer
Cazenove	Sandy Soames, Matthew Webb
Credit Suisse First Boston	Michael Bleakley, Ian Schackleton, Sonya Ghobrial
Deutsche Bank	Nick Bevan, Eadie Greame
Dresdner Kleinwort Benson	Ralf Knabe, Robert Cumming
Goldman Sachs	Claire Ross
HSBC	Simon Hales
Lehman Brothers	John Wakely, Andrew Gowen
Merrill Lynch	Mark Blythman
Morgan Stanley	Alexandra Oldroyd, Russell Moore
West LB Panmure	Stuart Price

The Netherlands

F. van Lanschot Bankiers	Reginald Melchers
Fortis Bank	Nicole Van Putten
Ing Barings	Gerard Rijk
Kempen & Co. N.V.	Folkert Jan van der Veer
Rabo Securities	Anneke Groen

Norway

ABG Sundal Collier, NO	Torgeir Vaage

Notification of certain shareholdings

Pursuant to the Danish Securities Trading Act, Carlsberg A/S shall notify the Copenhagen Stock Exchange each quarter on company shareholdings held by insiders and their close relatives.

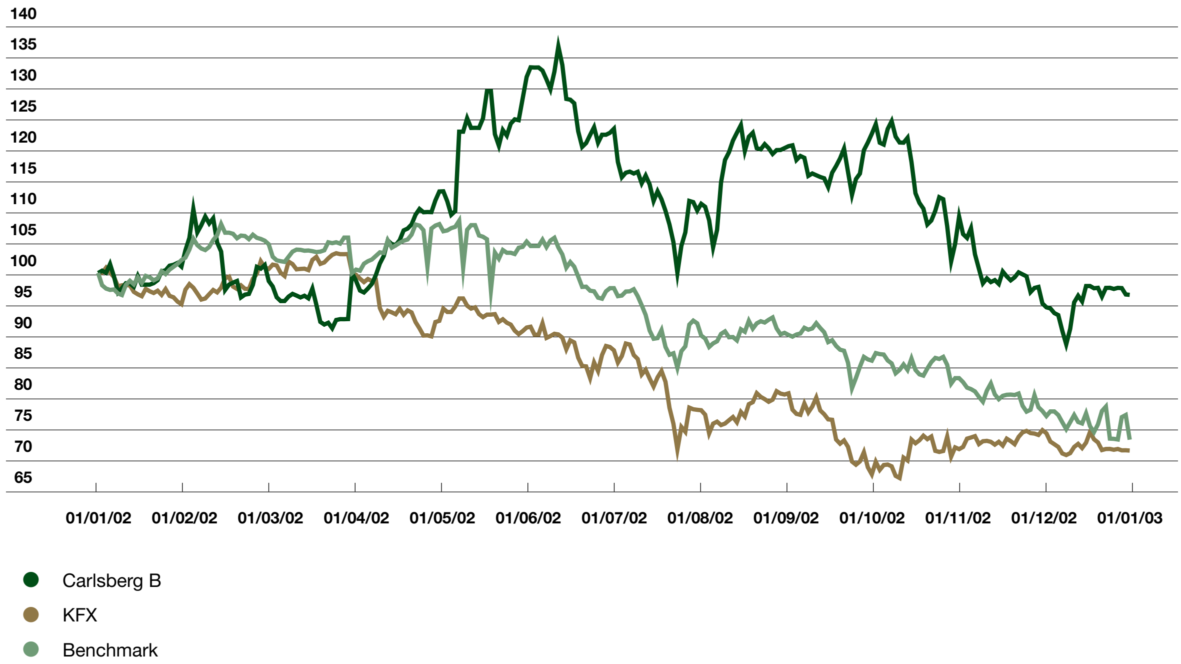
Insiders in Carlsberg A/S include members of the company's Board of Directors and the Executive Board as well as a number of the Group's employees with access to inside information. The insider register includes approximately 80 individuals as well as their spouses/cohabitants, and their children under the age of 18, etc.

According to the company's internal rules, the individuals in the insider register may only trade in Carlsberg A/S shares during a four-week period following the publication of the Preliminary Profit Statement, the Quarterly Financial Statements or any similar announcement regarding financial issues.

Carlsberg A/S reports net trading recorded during the four-week trading window.

TRENDS IN THE MARKET PRICES DURING THE PERIOD 1 JANUARY 2002 (=100) – 31 DECEMBER 2002

(DEVELOPMENT OF THE CARLSBERG B-SHARE COMPARED TO THE KFX-INDEX AND A PEER GROUP INDEX CONSISTING OF HEINEKEN, SCOTTISH & NEWCASTLE, SABMILLER AND INTERBREW)



IR quiet periods

In line with a number of other listed companies, Carlsberg A/S has introduced so-called IR quiet periods.

An IR quiet period is a four-week, closed period prior to the publication of quarterly financial statements, the preliminary profit statement or any other significant announcements. During such period, communication to investors, analysts and the media is subject to limitations. Consequently, Carlsberg A/S cannot answer questions or comment on specific events, information or assessments that may relate to the current financial reporting, but must limit information to clarification of issues that have already been disclosed and service announcements. If, during such quiet period, any new events arise that may have an effect on the share price, such events will of course be reported to the Copenhagen Stock Exchange and the public.

Carlsberg Breweries

Board of Directors

Jens Bigum, born 1938
(Chairman)
Managing Director, Arla Foods amba.
Deputy Chairman of the Board of Directors of Carlsberg A/S.
Member of the Board of Directors of Per Aarsleff A/S as well as companies affiliated to Arla Foods amba.

Finn Jebsen, born 1950
(Deputy Chairman)
President and Group Chief Executive, Orkla ASA.

Hans Andersen, born 1955
Brewery Worker, Carlsberg Danmark A/S.*)
Member of the Board of Directors of Carlsberg A/S.

Søren Bjerre-Nielsen, born 1952
Executive Vice President, Danisco A/S.
Member of the Board of Directors of VKR Holding A/S, VELUX A/S and Danmarks Nationalbank.

Eva Vilstrup Decker, born 1964
Customer Service Manager, Carlsberg Breweries A/S.*)

Henning Dyremose, born 1945
President, Chief Executive Officer, TDC A/S.
Chairman of the Board of Directors in a number of companies affiliated to TDC A/S. Deputy Chairman of the Board of Directors of Brødrene A. & O. Johansen A/S. Member of the Board of Directors of Carlsberg A/S.

Jens Magnus Eiken, born 1964
Brewmaster, Carlsberg Breweries A/S.*)

Roar Engeland, born 1960
Executive Vice President, Orkla ASA.

Jørn P. Jensen, born 1964
Chief Executive Officer, Carlsberg A/S.
Deputy Chairman of the Board of Directors of Royal Scandinavia A/S, Member of the Board of Directors of Coca-Cola Nordic Beverages A/S.

Poul Chr. Matthiessen, born 1933
Professor, D.Econ., The Carlsberg Foundation.
Chairman of the Board of Directors of Carlsberg A/S and 5 property companies affiliated to the Carlsberg Foundation.

Erik Dedenroth Olsen, born 1949
IT Consultant, Carlsberg Danmark A/S.*)
Member of the Board of Directors of Carlsberg A/S.

Dag J. Opedal, born 1959
Executive Vice President, Orkla ASA.

*) Employee Board members.

Executive Board

Nils S. Andersen, born 1958
President, Group Executive Officer. Danish citizen.

Member of the Board of Directors in a number of Carlsberg Breweries' subsidiaries and associated companies, including Chairman of Carlsberg Danmark A/S. Member of the Board of Directors of Danbrew Ltd. A/S, and Carlsberg Laboratorium. Deputy Chairman of the Executive Committee of the Danish Brewers' Association.

Education: MSc (econ). University of Aarhus.
Career: 1982-83: De Danske Sukkerfabrikker; 1983-90: Carlsberg A/S, sales and marketing positions, including Deputy General Manager, Tuborg International and Group Vice President; 1990-92: Union Cervecera (Spain), Managing Director; 1992-97: Hannen Brauerei (Germany), Managing Director; 1997-99: Hero Group (Switzerland), CEO for the Drinks Division; 1999-2001: Carlsberg A/S, Group Managing Director; 2001: Carlsberg Breweries A/S, President & CEO.

Paul Bergqvist, born 1946
Executive Vice President, Deputy CEO. Swedish citizen.

Member of the Board of Directors in a number of Carlsberg Breweries' subsidiaries and associated companies, including Chairman of the Board of Directors of Danish Malting Group A/S and Danbrew Ltd. A/S. Member of the Board of Directors of Amber Venture Partners AB and City-Mail Sweden AB, Sweden.

Education: Linköping Högskola, Sweden.
Career: 1968-78: Sales and marketing positions in 3M, B-T Material Handling and Husqvarna; 1978-92: PLM Sweden, executive positions including Executive Vice President and Managing Director; 1992-95: Pripps (Sweden), President & CEO; 1995-2001: Pripps Ringnes (Sweden/Norway), President & CEO; 2001: Executive Vice President, Deputy CEO.

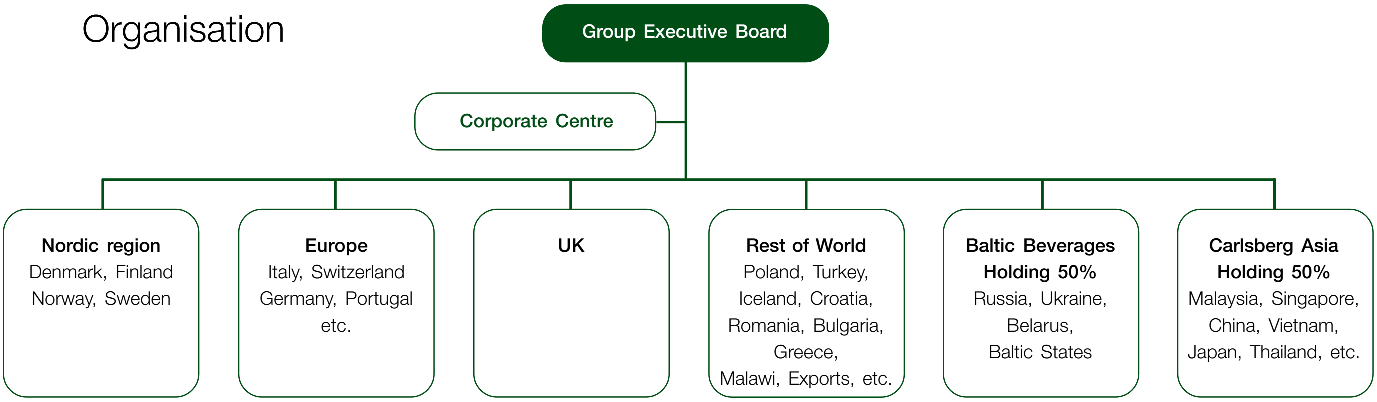
Bjørn Erik Næss, born 1954
Executive Vice President, CFO. Norwegian citizen.

Member of the Board of Directors in a number of Carlsberg Breweries subsidiaries and associated companies, including Carlsberg Danmark A/S. Member of the Board of Directors of Det Berlingske Officin A/S.

Education: Business economics graduate, Norges Handelshøyskole, Bergen, Norway.
Career: 1979-85: Elkem A/S, financial positions; 1986-87: Norge Redskap, A.S., Managing Director; 1987-2001, Orkla ASA group (Norway), 1995-2001; executive positions including CFO of Orkla ASA, 2001: Carlsberg Breweries A/S, Excecutive Vice President & CFO.

The Group Executive Board of Carlsberg Breweries: Nils S Andersen, Paul Bergqvist (right) and Bjørn Erik Næss.

Organisation



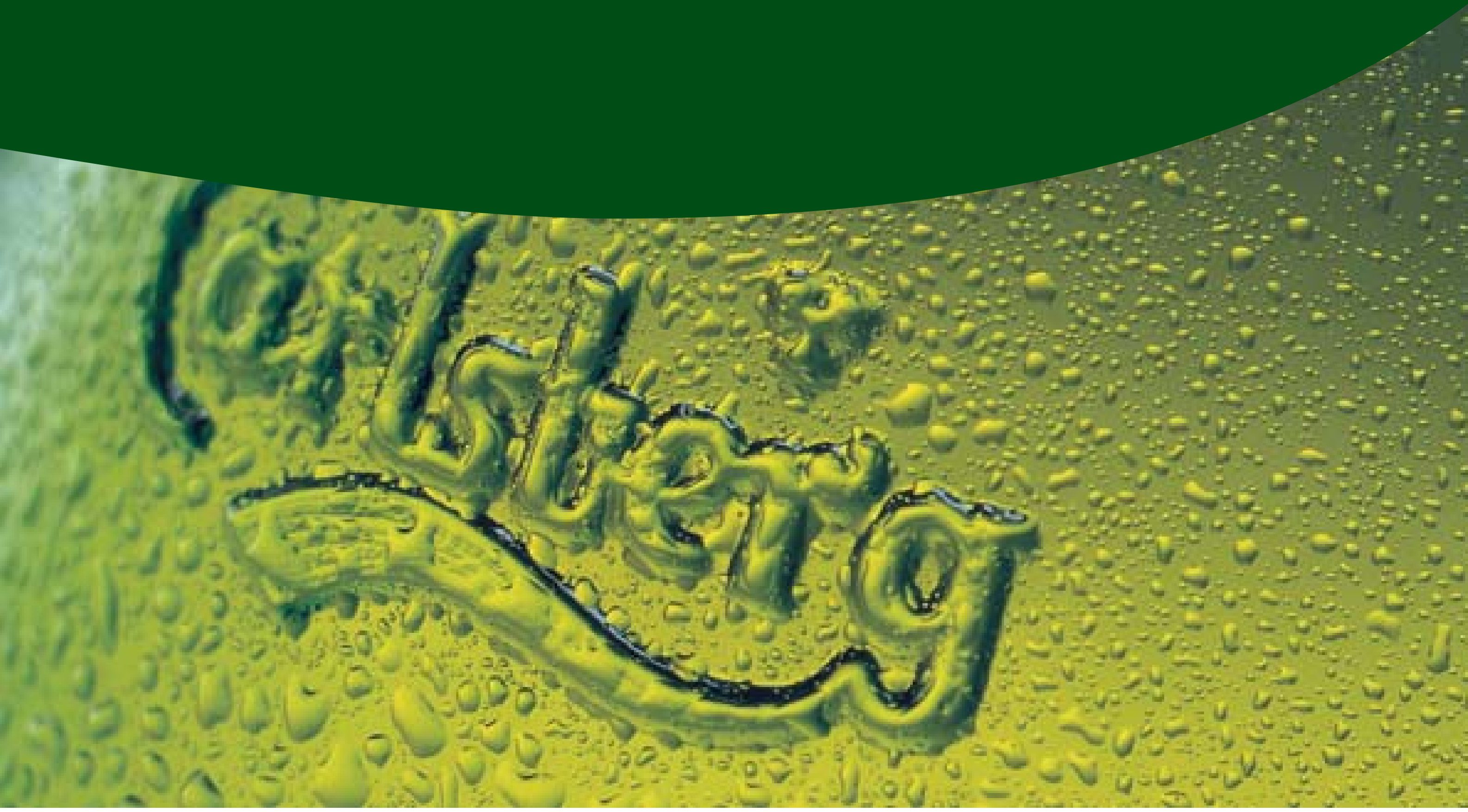
Regional Managers

Nordic region:	Lars Påhlson, Senior Vice President
Europe:	Lars Fellman, Senior Vice President
UK:	Colin Povey, Chief Executive
Rest of World:	Bjørn Wiggen, Senior Vice President
Baltic Beverages Holding:	Christian Ramm-Schmidt, President and CEO
Carlsberg Asia:	Jørgen Bornhøft, Chief Executive

Corporate Centre

Marketing:	Alex Myers, Vice President
Supply Chain:	Kasper Madsen, Vice President
IT:	Torben Melskens, Vice President
HR:	Vibeke Frank, Vice President
Corporate Affairs:	Henrik Fastholm, Corporate Affairs Manager
Group Accounting:	Jan Thieme Rasmussen, Vice President
Controlling:	Morten Leth, Chief Controller
Treasury:	Jørgen Andersen, Vice President
Mergers & Acquisitions:	Geir Nesheim, Vice President
Legal:	Ulrik Andersen, Vice President
Corporate Communications:	Tomas Jørgensen, Corporate Communications Manager
Export, Licence & Duty Free:	Søren Holm Jensen, Vice President
Danbrew Ltd.:	Jens Due, Managing Director

2002: Top and Bottom Line Growth



The formation of Carlsberg Breweries A/S by Carlsberg A/S and Orkla ASA in February 2001 created a strong company, well equipped to succeed in the highly competitive global beer industry.

The framework

The basis of Carlsberg Breweries is, in particular, a solid market platform and the Carlsberg brand, which is sold worldwide in about 150 markets. The company has achieved solid growth, high profitability, and built a trim, skilled company by combining the strengths and taking the best from both organisations.

Carlsberg Breweries is one of the largest brewing groups in the world, and is constantly focused on increasing sales both of its international Carlsberg brand and the many market-leading national beer brands. This brand portfolio enables Carlsberg Breweries to supply its customers and consumers with an attractive range of beers. In order to boost the competitiveness of the brand portfolio and achieve the best possible synergies in the value chain, the beer portfolio is supplemented with other alcoholic beverages as well as mineral waters and soft drinks in relevant markets.

In western Europe today, Carlsberg Breweries is the leading supplier of beer in the four Nordic countries, in Switzerland and Portugal, and Carlsberg Breweries' joint ventures in eastern Europe and Asia are market leaders in Russia, the three Baltic States and Malaysia. In addition, Carlsberg Breweries holds strong positions in a large number of markets within its geographic key markets in western and eastern Europe as well as Asia. Carlsberg Breweries seeks continuously to strengthen and expand its market positions through operational organic growth and improved efficiency, and through acquisitions.

The global beer market

The global beer market continues to show a modest increase. Consumption in 2002 is estimated to have increased by a little more than 2% to around 1.4 bn hl. The global growth trend was primarily driven by a number of markets in eastern Europe and Asia, whereas the markets in western Europe and North America show continued stagnation. Furthermore, most national beer markets are currently characterised by demand for strong local brands and – particularly as regards the more mature markets – an increasing demand for international premium beer brands and specialties. In addition, the beer industry is experiencing significant consolidation, resulting in fewer but stronger suppliers.

Carlsberg Breweries' total sales in 2002 increased by 17% to approx. 78m hl with organic growth accounting for 9%. This increase, which should be compared to a global growth rate of about 2%, is to a very large extent attributable to Carlsberg Breweries' combination of positions in the eastern European and Asian growth markets and to strengthened market shares in mature western European beer markets.

Business model

The beer industry's strong local character and its local customers and consumers form the basis for Carlsberg Breweries' decentralised business model, which is guided by centrally established principles regarding procedures and operations, and ambitious business goals. Particular emphasis is placed on substantial expansion, systematisation and exploitation of Carlsberg Breweries' general competencies within optimisation of strategic sourcing, value chains, product innovation, marketing, sales and administration. Based on a regional structure, work on customer and supplier relations, and business development is carried out on a pan-regional basis and with a high level of involvement from Carlsberg Breweries' top management as regards the most material operational and structural transactions.

The Executive Board seeks to be closely involved in the operations of Carlsberg Breweries' associated undertakings, particularly in the strategically important Baltic Beverages Holding and Carlsberg Asia through frequent participation in board meetings, executive committees, shareholder meetings, and continuous dialogue with the management and exchange of experience about operational issues and expatriation of managers.

Business activities in 2002

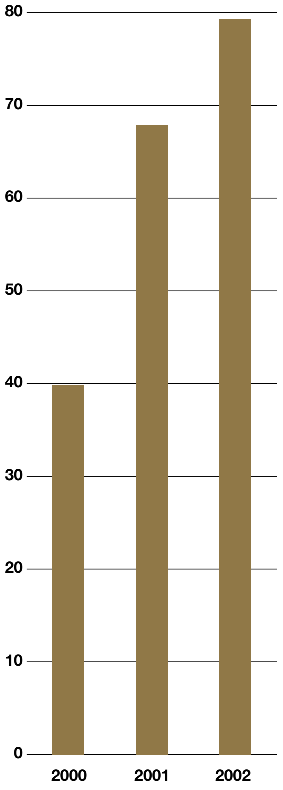
For Carlsberg Breweries, 2002 was characterised by particular focus on establishing the foundation for continued growth of the Carlsberg brand and on improved operational and capital efficiency in all controlled companies. This included reorganisation and efficiency improvements within operations and business models in Sweden, Poland, Switzerland, Bulgaria, Croatia and Turkey. Carlsberg Breweries has expanded its geographical platform by acquiring shares in the Croatian brewery Panonska Pivovara, Bulgarian Shumensko and Pirinsko breweries, Korean Hite, Lao Brewery in Laos and through start-up of construction of new breweries in Samara and Habarovsk (Russia) as well as in Kiev (Ukraine). Furthermore, non-core activities have been sold, including the water service business Rent a Cooler and various properties.

At corporate level, Carlsberg Breweries continuously works to secure a high level of product quality, production efficiency and improvement, as well as to develop new products and packaging. In addition, 2002 was characterised by focus on improving the group's reporting/management structure, processes and systems, establishing crisis management measures, HR development, capital utilisation and improving sourcing efficiency and standards on a group-wide basis, including standardisation of business concepts and IT solutions.

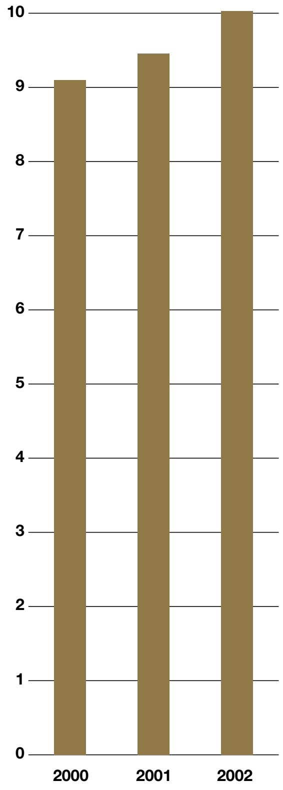
Marketing

Developing a portfolio of powerful brands is becoming increasingly important within the beer business. A combination of strong local brands together with Carlsberg as the global premium brand provides the backbone of the Carlsberg Breweries' brand strategy.

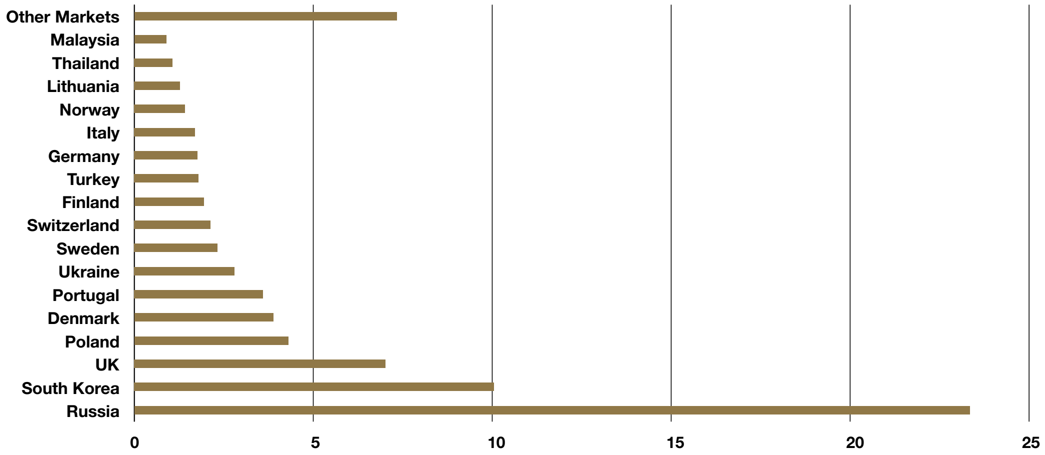
CARLSBERG BREWERIES' SALES
MILLION HL BEER



CARLSBERG BRAND SALES
MILLION HL BEER



CARLSBERG BREWERIES' SALES 2002, MILLION HL BEER



"Drink with a World of Friends" is a global print campaign used in connection with television commercials.

Beer brand portfolio

The Carlsberg brand is the global premium brand within the portfolio. The brand's role is to stimulate profitable growth worldwide from a solid consumer and distribution base. After a very successful 2001, the Carlsberg brand continued to achieve general growth in 2002 in the so-called established markets, especially in western Europe, but also in new eastern European growth markets. The Carlsberg brand will continue to be the 'crown jewel' in the Carlsberg Breweries' portfolio, driving growth in the premium segment for the brewery.

The Tuborg brand has strengthened its position in several regions worldwide and has shown significant growth in 2002, especially in the Nordic and eastern European regions. Markets such as Denmark, Sweden, Turkey, Russia and Romania noted strong brand performance. Tuborg will continue to be a key brand in the portfolio as a strong regional brand with the flexibility to adapt to local market situations. Tuborg is the strong local brand in its home market Denmark.

Strong local brands serve as a cornerstone in the beer portfolio and create the basis for well-functioning local business systems in close contact with local consumer preferences. Carlsberg Breweries' companies hold strong local brand positions in more than 20 markets. Examples range from Baltika in Russia, Okocim in Poland, Pripps and Falcon in Sweden, Ringnes in Norway, Tetley's in the UK, Super Bock in Portugal, and Cardinal and Feldschlösschen in Switzerland.

Together, global, regional and local brands build a strong brand portfolio driven by consumer insights and knowledge of the local market situation combined with global influences and trends.

The Carlsberg brand

The Carlsberg brand was one of the world's fastest growing international premium brands in 2001. This growth trend continued in 2002. The brand growth came from existing key markets such as the UK, Sweden, Norway, Finland, and Singapore, but also from new launch initiatives in Poland, Italy, Romania, Turkey, Switzerland and the Baltic markets. The aim is for the brand to achieve faster growth than the global premium beer segment, both organically and through new geographical expansion in regions such as eastern Europe and Asia.

An extensive brand rejuvenation programme began in 2002 and will continue in 2003. This pro-

Carlsberg celebrated its 10-year cooperation with Liverpool FC by entering a new 3-year contract.

gramme is based on extensive consumer research carried out around the world, which resulted in the development of a sharper vision and positioning for the brand. The ambition with the new rejuvenation programme is to build on the brand's strength of being regarded as 'Probably the best beer in the world', but with the addition of a more cosmopolitan and social dimension to the world-famous brand. This will be reflected in the way it is communicated and visualised in the future.

Traditional theme advertising formed the basis for the brand's communication strategy in 2002. New developments to the 'Probably the best beer in the world' campaign were successfully added in markets such as the UK and Ireland, and several markets used the new communication material developed for international use.

The world of sports has been an integral part of the brand and its connection to consumers.

In 2002, Carlsberg secured the brand's continued active participation in the world of international football by assuming sponsorship of the European Football Championships for EURO 2004 and 2008. The sponsorships of Liverpool and the English national team were also renewed, and the brand continued its ongoing sponsorship of

The Carlsberg brand enjoys a high level of awareness worldwide.

Awareness in key markets
(Source: ACNielsen Research):

Belgium	93%
Denmark	98%
Croatia	56%
Finland	81%
Germany	50%
Ireland	100%
Italy	33%
Norway	94%
Poland	35%
Spain	82%
Sweden	98%
Portugal	98%
UK	90%
Israel	95%
China	80%
Hong Kong	99%
Malaysia	100%
Singapore	100%
Thailand	99%
Vietnam	91%

The Carlsberg brand is involved in prestigious sponsorships, for instance the World Championships in St. Moritz and the Carlsberg Malaysian Open.

the UEFA Super Cup. Football fans around the world will be able to 'drink with a world of friends' in the years to come.

The Carlsberg brand has also been active in establishing its leading position as the premium beer in the world of skiing. The brand's involvement in skiing has led to high visibility in prestigious ski resorts and sponsorship of international events. The World Championships in St. Moritz and St. Anton offered considerable advertising coverage and exposure and once again established the brand as 'Probably the best after ski in the world'.

In keeping with the strategy of involving the brand in prestigious sports, Carlsberg has made great efforts to expand its involvement in the Golf scene in Asia by developing its sponsorship of the Carlsberg Malaysian Open, Singapore Masters and Hong Kong Open.

Brand identity, visibility, and packaging development are increasingly becoming important elements in the brand experience. The Carlsberg logo is a strong icon worldwide that has been established and continuously built on over the years. A new design programme for secondary packaging and visibility material building on the strength of that icon has been developed and is currently being rolled out worldwide as a part of the overall rejuvenation programme for the brand.

When implementing Carlsberg Breweries' marketing strategy, respect for national and international legislation and provisions is a key priority. Acting responsibly in the consumption of our products is a focus area and concern both towards our consumers and our business at large. Responsible consumption of our products is a focus area and this applies both to our consumers and our business in general which is clearly reflected in Carlsberg Breweries' internal guidelines and Code of Marketing Practice.

Non-beer portfolio

As a supplement to the beer business, several of the group subsidiaries have a broad portfolio of non-beer brands within categories such as soft drinks, various water products, sports/energy drinks, cider and other alcoholic beverages.

The soft drink portfolio generally consists of licence production of leading international brands like Coca-Cola, Pepsi and Schweppes, and strong national group-owned brands (both carbonated and non-carbonated) such as Solo in Norway, Tuborg Squash in Denmark and Zingo in

Sweden. The group is particularly strong in the mineral water category with several market leaders, such as Ramlösa in Sweden, Carlsberg Kurvand in Denmark, Farris and Imsdal in Norway, Passugger in Switzerland and Pedras Salgadas in Portugal. In addition, products are continuously launched locally or regionally within new product categories, examples in recent years are Battery (energy drink), X-Cider and Teezer (cider products) and Cube (lemon/lime alcohol product).

Social responsibility

Carlsberg Breweries has many contacts to consumers, customers, employees and other stakeholders and is thus very conscious of its responsibility to operate based on sound business ethics. Consequently, the company has expanded its principles for Corporate Social Responsibility in 2002, with particular emphasis on environment, alcohol consumption and responsible management. Carlsberg Breweries works at introducing the principles in majority owned subsidiaries as well as in its other group companies, including associated undertakings.

Responsible management

At the end of 2002, Carlsberg Breweries introduced a Code of Responsible Management. Implementation of the Code and compliance audit in subsidiaries will be based partly on ongoing information to local management and relevant employees and partly on regular audits in the companies combined with an evaluation of possible areas of improvement. As an example, competition compliance training sessions were launched in the group in the spring of 2002.

International standards for responsible business conduct are, to a certain extent, conditional on cultural and macroeconomic factors. As a consequence, Carlsberg Breweries wishes to ensure implementation of the Code of Responsible Management, primarily through dialogue and continuous follow-up with business associates.

Beer and society

Beer is a low-alcohol product brewed from natural raw materials, and if consumed in moderation by adults, beer is highly consistent with a healthy lifestyle. Misuse of beer may have negative consequences for the individual, particularly for young people, as well as for society. Carlsberg Breweries was among the first European breweries to formulate principles emphasising the importance of responsible consumption of beer products, and the company supports activities that combat misuse and promotes self-regulation.

To ensure that the principles are followed effectively throughout the newly-enlarged group, Carlsberg Breweries' principles have been further elaborated in 2002. In that connection, a detailed Code of Marketing Practice for the company's beer has been prepared as well as a code of practice regarding consumption of beer at the premises of Carlsberg Breweries. The implementation of the codes, information campaigns to the employees and subsequent follow-up will be secured on an ongoing basis through a number of centralised and decentralised initiatives.

Through its membership of national brewers' associations and its participation in CBMC – The Brewers of Europe - Carlsberg Breweries plays an active role in securing a constructive dialogue with national and international authorities. Through these organisations and others, Carlsberg Breweries also supports targeted activities to promote a healthy beer culture and reduce misuse.

Environment

Carlsberg Breweries makes consistent efforts to reduce its impact on the environment and to optimise the consumption of natural resources. In 2002, it was decided that Carlsberg Breweries' environmental activities shall undergo improvement through internationally recognised standards for environmental management, including ISO 14001, which must be implemented in 37 production sites by the end of 2004.

The subsidiaries must prepare and set up goals and plans for local environmental activities on an ongoing basis.

In general, Carlsberg Breweries will promote environmental investments and prioritise co-operation with partners and suppliers who can demonstrate that their activities are environmentally responsible.

Environmental reporting

In keeping with its environmental policy, Carlsberg Breweries continued its efforts in 2002 to operate in an efficient, economic and environmentally responsible manner. Systems were developed to gather economic, operational and environmental

Extract from Carlsberg Breweries' Code of Responsible Management

Business ethics

- Carlsberg Breweries does not permit bribes with the objective of winning business or other advantages in relations with actual or potential business partners and government representatives.
- Applicable local competition law shall be complied with and employees shall not conduct illegal industrial espionage.
- Financial transactions shall be handled in a true and fair manner supported by accurate documentation in reasonable detail within the proper time period.

Labour Standards

Carlsberg Breweries will actively implement the core areas in the United Nation's Universal Declaration on Human Rights, including:

- Equal opportunities.
- Regular reviews of proper work health and safety conditions.
- Freedom of association.
- Elimination of child labour and forced labour.
- Fair employment terms, particularly as regards: remuneration, working hours and employee development in accordance with industry standards.

data. Furthermore, since the publication of its Environmental Report for 1998-2000, Carlsberg Breweries has expanded its environmental activities to include own production of non-beer beverages, malting facilities and own transport of finished products.

Malting, brewing and bottling of beer and soft drinks require use of vegetable raw materials, water, energy and packaging. Carlsberg Breweries' environmental impact is therefore most significant within these areas and during the past year focus has been on registration and reporting of environmental key figures from the companies within these areas.

Companies included in the environmental reporting are obliged to make continuous efforts to improve environmental conditions. The most important environmental efforts are carried out within the areas subject to substantial environmental impact, among other things through the reduction of resource consumption (primarily water, electricity, and heat energy) and reduction of discharge (primarily CO^2 and wastewater).

The reporting is characterised by a relative increase in production of soft drinks in recent years (14% of total production in 2000, 24% in 2001 and 28% in 2002), which requires less energy consumption per unit produced. If the proportionate production of beer and soft drinks had been maintained, the consumption and discharge figures for 2002 would have been almost at level with 2001. Furthermore, environmental reporting for the end of the period includes newly acquired production sites where consumption and discharge affect the environment more significantly than is the case in production sites owned by Carlsberg Breweries for a longer period of time.

Environmental management

Several production units have achieved ISO 14001 environmental certification and the plan is that all production units controlled by Carlsberg Breweries should be ready for environmental certification by the end of 2004.

No major environmental accidents or accidents at work occurred in 2002. As part of the increased activities within certification, Carlsberg Breweries will continue its efforts to implement preventive measures within the environment and health and safety.

Apart from the usual planned environmental investments and the traditional process and mainte-

Extract from Consumer Beer Awareness Principles

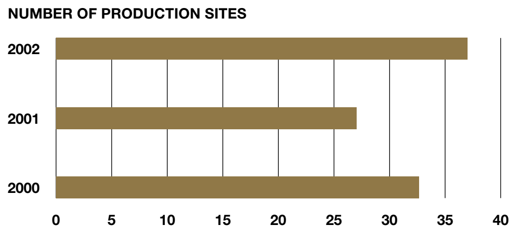
- Carlsberg Breweries believes that the advantages and enjoyment of our products by adults through moderate consumption outweigh any possible negative aspects of our products.
- Carlsberg Breweries recognises that misuse of beer may create problems and we support actions that combat misuse, in particular within drink-driving and underage drinking.
- Carlsberg Breweries requires that its subsidiaries introduce an alcohol code of conduct.
- Carlsberg Breweries' marketing activities, advertising and sponsorships are conducted under our Code of Marketing Practice, which prescribes that our marketing activities are targeted at adults, that our sales and marketing activities shall comply with national and international legal boundaries, and that compliance audit processes are in place.
- Carlsberg Breweries is committed to informing consumers about responsible beer consumption and supports campaigns and other activities that discourage misuse of alcohol.

nance investments, Carlsberg Breweries does not anticipate any significant environmental costs in the year ahead.

In 2002, Carlsberg Breweries has focused its central environmental efforts on ensuring methodical streamlining of environmental management and reporting and on expanding knowledge of and training in environmental activities.

Furthermore, optimisation of local environmental activities are still carried out in the individual production sites, for example a considerable optimisation of waste sorting in the UK breweries in 2001 and 2002. This has resulted in substantial economic and environmental advantages. For instance, packaging material and paper are sold to recycling plants instead of being discarded.

Production



Number of production sites participating in Carlsberg Breweries' environmental reporting

Production reported for 2002 (37 production sites)

Maltings	245,000 tons
Beer	28,891,000 hl
Soft drink production	11,117,000 hl
Beer and soft drink production	40,008,000 hl

Extract from Carlsberg Breweries' Environmental Policies

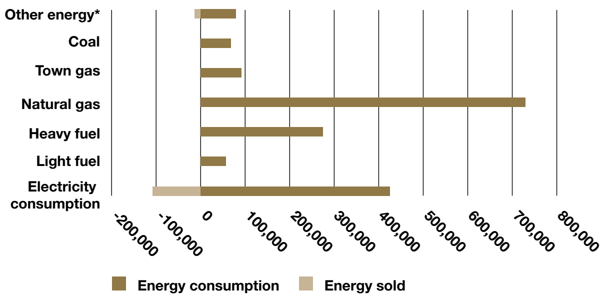
- We will continuously minimise adverse effects on the environment and optimise the use of natural resources.
- We will protect and improve the environment in majority-owned subsidiaries. We will ensure that these subsidiaries, as a minimum, comply with all applicable local environmental legislation and regulations.
- We will systematically and continuously measure and improve our performance through an international, recognised environmental management system, which will be supported by training and awareness programmes for relevant employees and by annual review of environmental targets.
- We will prioritise environmentally driven investments higher than other technical investments.
- We will implement Carlsberg Breweries' environmental strategy in joint ventures and in associated undertakings whenever possible.
- We will encourage partners and suppliers to operate in an environmentally acceptable way.
- We are dedicated to an open and unbiased dialogue about environmental issues with our stakeholders.

Energy consumption

Reported consumption of energy and water 2002 (37 production sites)

Electricity	425,000 MWh
Heat	1,300,000 MWh
Energy sold (electricity and heat)	122,000 MWh
Net consumption of energy	1,603,000 MWh
Water consumption	18,113,000 m3

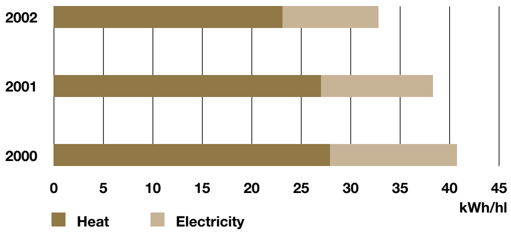
DISTRIBUTION OF ENERGY CONSUMPTION 2002 (37 PRODUCTION SITES)



Reported energy consumption and sale of energy (MWh) per type of energy.
*Other energy is primarily district heating.

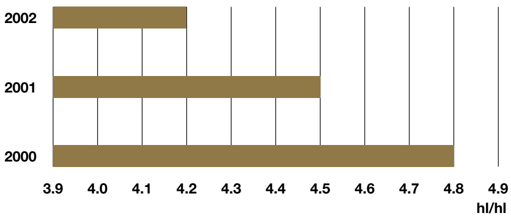
Key consumption figures

BEER AND SOFT DRINKS – ENERGY CONSUMPTION 2000-2002



Reported energy consumption (KWh) per produced hl beer/soft drink.

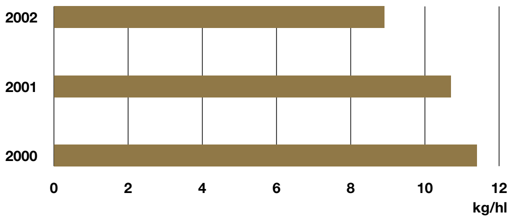
BEER AND SOFT DRINKS – WATER CONSUMPTION 2000-2002



Reported water consumption (hl) per produced hl beer/soft drink.

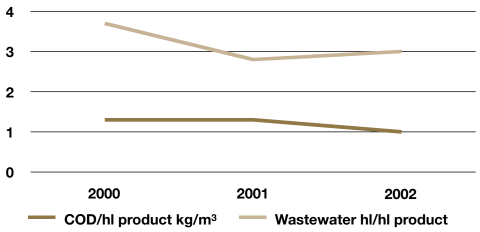
Key figures for emission

BEER AND SOFT DRINKS – CO_2 emission



The CO_2 emission calculated from reported use of fossile fuel (kg) per produced hl beer/soft drink.

BEER AND SOFT DRINKS – COD AND WASTEWATER

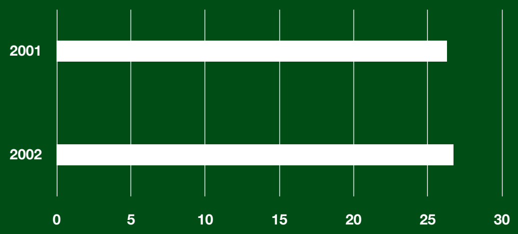


The calculated COD (chemical oxygen demand, kg/m3) as well as reported wastewater per produced hl beer/soft drink.

Western Europe

In western Europe, the total beer volume amounted to 26.3m hl, which is an increase of 2%. Operating profit for the region was DKK 484m (27%) above last year. This resulted in an increase in operating margin from 6.8% to 8.4%. The general development was satisfactory and particularly the Nordic countries and the UK showed improvement.

BEER SALES (MILLION HL)



DKK million	2001	2002	Changes in percent
Net revenue	26,064	26,997	+4
Operating profit	1,785	2,269	+27
Operating margin (%)	6.8	8.4	
Beer sales (million hl)	25.7	26.3	+2

The Nordic Region

The strong home base

DENMARK - Carlsberg Danmark A/S

Positive financial development due to continued cost reductions.

The total Danish domestic beer consumption declined, but at a lower rate than in previous years. It is estimated that Danish beer consumption has remained relatively stable in recent years if the substantial cross-border sales between Germany and Denmark is included.

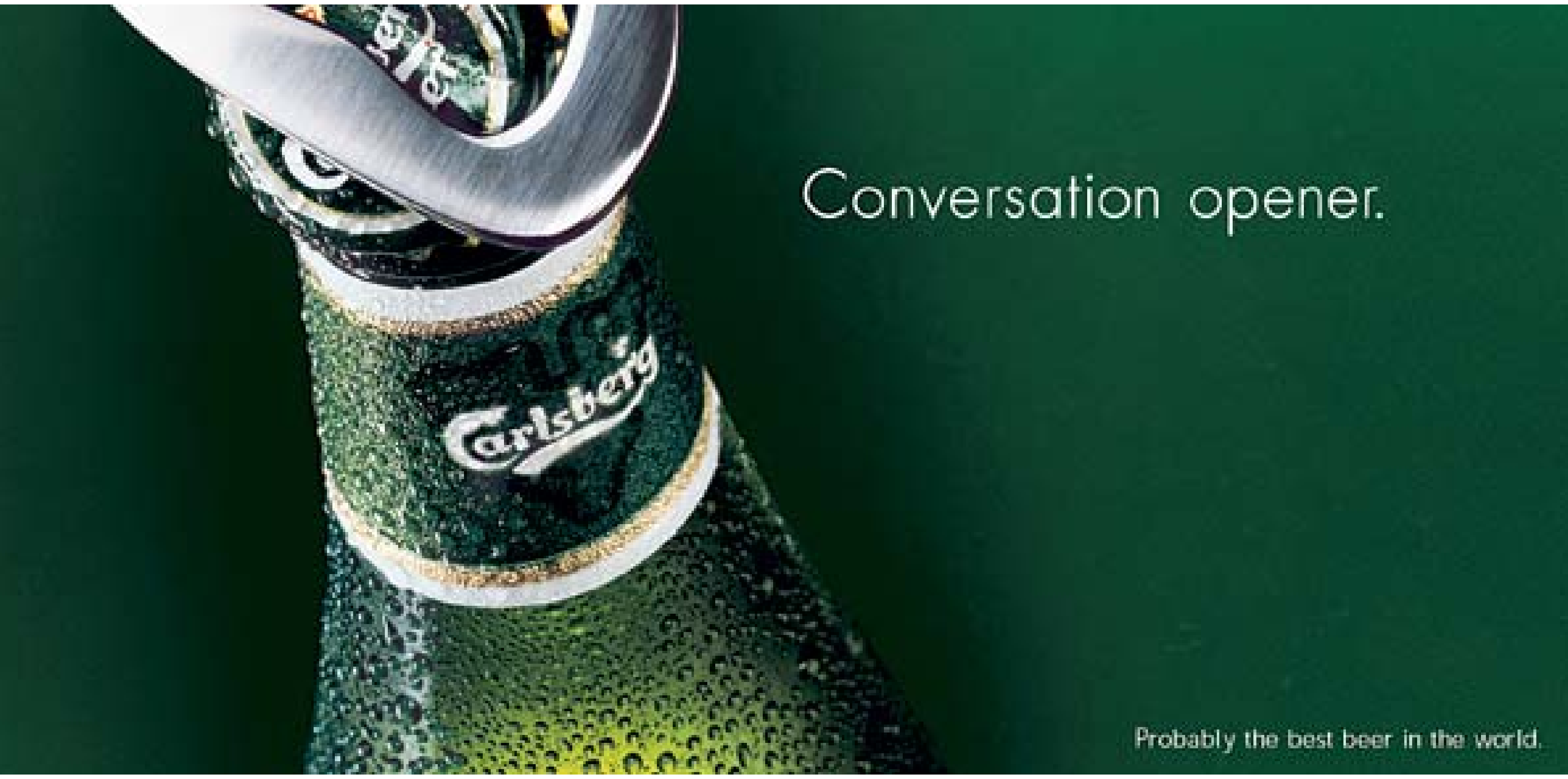
Total Carlsberg Danmark beer sales declined slightly compared to 2001 and this resulted in an unchanged market share. The market share for the company's branded beer increased, mainly driven by good performance of the Tuborg brand. Carlsberg Danmark now has approximately 68% of the duty-paid domestic market, and branded beers continue to gain market share from discount beers and private labels. In the beer category, the launch of cans in October was the most significant initiative. Furthermore, Carlsberg Danmark has entered other alcohol segments with the launch of Xider and the agreement to distribute Smirnoff Ice.

The Danish soft drink market suffered from increasing illegal parallel imports and border trade due to the exceptionally high Danish taxes on soft drinks. However, in the generally slightly declining duty-paid carbonated soft drink segment, Carlsberg Danmark managed to increase its market share to 49%. In addition, the Carlsberg Danmark's sales of water products increased in terms of absolute volume and market share.

A focused brand building effort has lead to a strengthening of the Carlsberg and Tuborg brands. The effects of the integration of logistics and administrative functions within different areas of Carlsberg Danmark combined with continued focus on cost control and reduction have lead to an improved cost structure. An upgrade to SAP version R3 was implemented with effect from 1 October 2002 after a long project preparation phase.

The combination of market share gains in the beer and non-alcoholic beverages segments and improved cost efficiency resulted in improved financial results.

In Greenland, Carlsberg and Tuborg are bottled at the production facility Nuuk Imeq, in which Carlsberg Breweries holds a 24% stake. Carlsberg and Tuborg are the leading beer brands



One of the motifs of a global print campaign with a total of 7 motifs.

in the market and achieved a slight increase in market share in 2002.

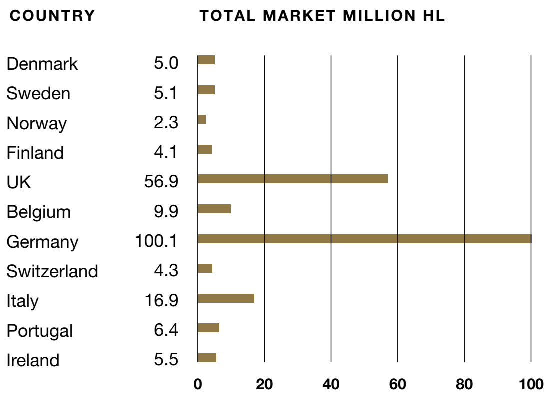
SWEDEN – Carlsberg Holding Sverige AB

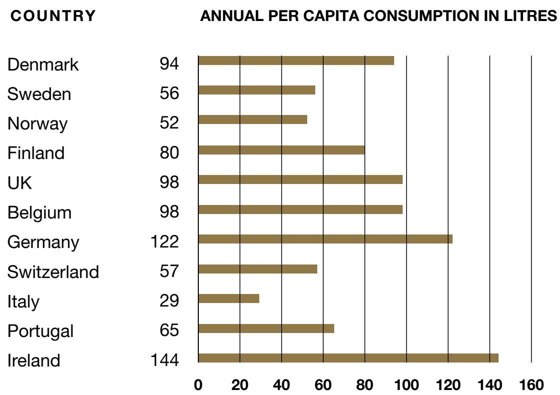
Forceful financial turn-around as a result of major restructuring and efficiency programme

The Swedish beer market continues to show a stagnating trend and is affected by private beer imports from neighbouring countries. Carlsberg Sverige is a clear market leader within both beer and water with a 48% and 50% share of sales, respectively.

The Carlsberg brand experienced strong growth in 2002, and in terms of value it is now the largest beer brand in the retail segment above 3.5% ABV. The Tuborg and Falcon brands also recorded a positive development and the negative market share trend for Pripps was reduced.

On the soft drink market, Carlsberg Sverige holds the number two position with around 22% market share. It has been a focus area during





2002 to improve profitability on soft drinks. The launch of Pepsi Twist had a positive impact on the soft drink portfolio, and in the non-carbonated beverage segment Festis strengthened its market leadership. In the cider and flavoured alcoholic beverages segments, the launch of two new products, Xider and Cube, generated rapid sales growth.

The consolidation of the company continued during 2002, and several significant structural changes were made. The Gothenburg brewery was closed in May, and a broad-ranging cost-cutting plan was launched during the autumn. This resulted in an improvement in earnings compared to 2001, and there is substantial potential for further earnings improvement.

NORWAY – RINGNES a.s.

Improved financial results in stable market.

The Norwegian beer market remained stable in 2002 compared to the previous year. The soft drink market experienced modest growth while the mineral water segment showed a slightly higher growth trend.

In 2002, Ringnes consolidated its position as Norway's leading brewery by increasing its market share in the beer segment to above 59%. The Ringnes brand has grown and accounts for more than 32% of Norwegian beer sales. Within soft drinks, Ringnes holds a number two position and achieved modest market share growth to 27%. In the mineral water segment, Ringnes recorded a slightly reduced market share of 68%, which must be attributed to the temporary recall of the Imsdal brand.

Ringnes' ambition is to be the number one supplier within all the most important areas for its customers. Consequently, Ringnes has concentrated on increasing resources and focusing on the right pack/brand/mix for all products as well as on evaluating all key business processes. Ringnes' strategy has been supported by a balanced scorecard strategic tool. The tool comprises four strategic areas: consumers, employees, innovations as well as internal processes and sound financial control systems. The financial results for 2002 were substantially above previous years - mainly driven by an improved sales mix.

In August 2002, four bottles of Ringnes' Imsdal still water were contaminated with white spirit. Ringnes decided to recall more than one million bottles of Imsdal from the market, although it was clear that the contamination had occurred after the bottles had left Ringnes. The case was given great attention in the media, and both consumers and customers were sympathetic to Ringnes' handling of the incident. Imsdal was re-launched five weeks later with an even more secure cap and the product is now regaining lost market share.

In Norway, Tuborg is brewed and marketed by Hansa Borg Bryggerier and it remains the second largest international beer brand. Sales showed progress compared to the previous year.

Group Companies Western Europe

Carlsberg Danmark A/S, Copenhagen, Denmark 5 subsidiaries	100%
Pripps Ringnes AB, Stockholm, Sweden 2 subsidiaries	100%
Oy Sinebrychoff, Helsinki, Finland	100%
Carlsberg Holding Sverige Ab, Stockholm, Sweden 2 subsidiaries	100%
Ringnes a.s, Oslo, Norge – owned by Pripps Ringnes AB 1 subsidiary	100%
Carlsberg-Tetley PLC, Northampton, UK 1 subsidiary	100%
Carlsberg Italia S.p.A., Varese, Italy 37 subsidiaries	100%
Unicer-Bebidas de Portugal, SGPS, SA, Porto, Portugal 33 subsidiaries	44%
Hannen Brauerei GmbH, Mönchengladbach, Germany 5 subsidiaries	100%
Feldschlösschen Getränke Holding AG, Rheinfelden, Switzerland 3 subsidiaries	100%
Carlsberg France S.A., Paris, France	100%
International Breweries B.V., Bussum, The Netherlands	16%

FINLAND - Oy Sinebrychoff Ab

Improved results through sales growth and improved productivity

A long hot summer was a major contributor to a 3% increase in the Finnish beverage market. In addition, Sinebrychoff was able to grow market share as total sales volumes rose by 6%. Sinebrychoff was market leader in beers, soft drinks, ciders and energy drinks. The Karhu brand gained market leadership in the beer segment. The marginal increase in net sales prices was smaller than the increase in production cost factors.

Improved productivity and increased volumes lead to good financial results. Investments were focused on improved efficiency in packaging operations with the new multi-packing line at the Pori brewery and a tray packing line in Kerava. During the year, all sales offices including draught beer services within the capital region were transferred to the brewery's own premises at Kerava.

The result was improved operational efficiency and cost savings. At the same time the merging and reorganisation of the soft drink sales organisation from Coca-Cola and the alcohol sales organisation was completed. Focus on personnel development and efforts to improve the working atmosphere had positive results that were reflected in a recent employee survey.

Western Europe

Results improved in an overall flat market

UNITED KINGDOM – Carlsberg-Tetley Plc.

Efficiency gains and increased market share improved performance

Despite a slight upturn in early summer, boosted by the football World Cup, total UK beer sales were broadly flat during the year. The market was again characterised by continued consolidation among retailers and price deflation in the take-home sector, which kept pressure on margins intense. On the supply side, the competition authorities confirmed the retention of a split between the major players and forced market share changes amongst Carlsberg-Tetley's competitors. Market trends continued to move in favour of the take-home sector, lager and premium products, whilst strong national and international brands continued to grow market share at the expense of regional and local products.

Against this background, Carlsberg-Tetley grew its market share and increased its core brand sales. The brewery successfully relaunched Carlsberg and Carlsberg Export at the start of the year, and these brands saw combined growth in 2002 of more than 13%. On the strength of this development, the company agreed to release its 'XXXX' licence from 2003. Including Tetley's, core brand volumes increased to 77% of total sales. Performance was particularly strong in the take-home sector where Carlsberg-Tetley remained the fastest growing brewer.

Operationally, the company carried out a number of important capital projects, but in other areas reduced its asset base, generating significant free cash flow and improving its return on capital employed. The financial results for the year showed good progress against 2001.

GERMANY – Hannen Brauerei GmbH

Improved results through intensive streamlining of organisation, costs and processes

The German beer market - Europe's largest market - showed signs of stabilisation and beer prices increased for the first time in several years. On-premise consumption in 2002 seemed to suffer from limited household spending. The German beer industry is still characterised by a fragmented structure with more than 800 microbreweries, 400 larger breweries and an estimated 5,000 brands of mainly regional importance.The expected consolidation finally seems to be gaining momentum after several acquisitions of German breweries by international brewery groups. The German market is characterised by a number of speciality beers, but the lager segment holds close to 70% of the market.

Tuborg Pilsner has maintained its position as Germany's leading international brand. The Carlsberg brand, which is less significant in terms of volume, is being positioned in trend-setting outlets within the core territory of Hannen Brauerei. Further, Hannen Brauerei is well represented in the Altbier segment with its two brands Hannen and Gatzweiler with strongholds in Mönchengladbach (number two) and Düsseldorf (number three), respectively.

Hannen Brauerei's sales of branded products were below initial expectations, but due to better pricing as well as increased production efficiency and cost reductions, the company's financial performance improved significantly in 2002.

SWITZERLAND – Feldschlösschen Getränkegruppe

Adverse market situation and restructuring repercussions lead to weak results, but shaped to regain position

The Swiss beer market again showed an overall slightly declining trend in 2002, despite growth in

Carlsberg has developed a new draught beer column underlining Carlsberg's position as one of the world's great premium beer brands.

the premium segment and the less expensive private label and import segments. The traditional Swiss beer brands, where Feldschlösschen has a strong portfolio, suffered most, especially in the on-trade sector.

The Carlsberg brand was launched in mid-2001 and has now built a distribution platform in the off-trade sector and gained a foothold in the highly competitive market. The Feldschlösschen and Cardinal brands remain the leading beer brands as number one and two in the market. Both brands are supported by sports and music sponsorships.

Feldschlösschen saw further reorganisation and consolidation in 2002 following the radical changes to the business systems implemented in 2001. Bad summer weather in 2002 and a negative economic situation in Switzerland impacted revenue, and financial performance was weakened but still surpassed expectations at the acquisition of the company in 2000. During 2002, Feldschlösschen has streamlined logistics and production functions further by reducing the number of logistics centres and by integrating Rheinfelden north into the Rheinfelden south brewery. Furthermore, the decision to focus on the core beer business and on own mineral water lead to the sale of the Sinalco soft drink brand, and the discontinuation of the substantial wine distribution business, which over time will facilitate further reductions in operational expenses. During the year, Feldschlösschen has improved its customer service level considerably and the brewery is now shaped to regain market position in what is expected to become a highly competitive and further declining beer market.

ITALY – Carlsberg Italia SpA.

Strengthened on-premise position

After several years of steady volume increase the Italian beer market - recording the lowest per capita consumption in western Europe - suffered a 3% volume decrease due to an unfavourable summer season combined with economic stagnation and a general downturn in consumer expenditure following the introduction of the Euro and a decline in foreign tourism.

Carlsberg Italia maintained its market share in branded products, whereas the total market share declined somewhat due to a decrease in private label sales. The expansion of Carlsberg Italia's beverage wholesale division in the on-premise sector resulted in improved sales in that sector. The Carlsberg brand performed well, particularly in the 33cl bottle. Tuborg, historically the main company brand, suffered a decrease in line with the general market. The national brands, Splügen, Bock, and specialities were also affected by reduced beer consumption whereas the Poretti brand showed progress.

The company's wholesale division has established an ambitious integration programme in order to obtain economies of scale and improve financial performance.

PORTUGAL – Unicer Bebidas de Portugal, S.G.P.S., S.A.

Sustained growth for broad beverage portfolio

In 2002, the macroeconomic indicators for Portugal showed a distressed economy with falling industrial production, decreasing private consumption and increasing unemployment. Competition in the mature Portuguese beer market intensified among other things due to new market entrants.

However, the Unicer Group managed to maintain its position as leader in the beer category, although its total beer sales experienced a slight decline.

The Carlsberg brand is a clear leader in the premium beer segment. In 2002, Unicer launched Tuborg Premium Beer, which contributed positively to sustained brand performance.

In 2002, Unicer accomplished the full business integration of the water company VMPS, which was acquired in 2001. The combined operation has maintained leadership in the segment with a 21% share of the mineral water market.

Operationally, Unicer is committed to high quality standards, which is recognised by consumers through loyalty and preference. However, financial results did not meet the level achieved in 2001 despite focus on cost awareness.

Carlsberg flagship logo. Basic element used internationally in Point-of-Sales advertising material.

IRELAND

Intensified efforts to strengthen the Carlsberg brand

The Irish beer market saw a decline in per capita consumption in 2002. The decline was most prominent in the stout market, whereas the decreasing trend for lager is less substantial.

The Carlsberg brand holds a strong position in the lager segment as the brand maintained its market share and its position as the third largest lager brand despite sharpened competition and the generally declining beer market. Carlsberg is brewed under licence by Ireland's largest brewery, Guinness UDV Ireland Limited, which has significantly increased its level of activities and resources in the past year with a view to strengthening the Carlsberg brand further.

BELGIUM – Carlsberg Importers S.A.

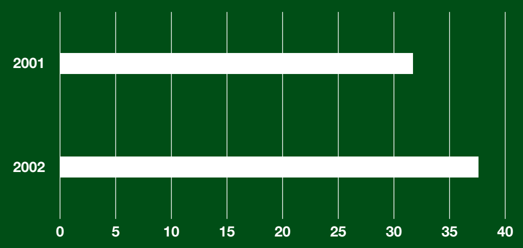
Carlsberg brand premium segment leader

The Belgian beer market was stable in 2002 due to increasing sales in the take-home sector and a slightly declining trend in the on-trade. The Carlsberg brand enjoyed continued progress in 2002 and strengthened its position as premium segment leader. In Belgium, the Carlsberg and Tuborg brands are marketed and distributed by Carlsberg Importers, in which Carlsberg Breweries holds a 10% stake.

Eastern Europe

This region showed a growth in volume of 17% and total sales of 37.5m hl. Operating profit was 6% up on last year and amounted to DKK 1,274m. The high operating margins previously shown by the region dropped in 2002, which is mainly attributable to Turkey, where results are highly unsatisfactory.

BEER SALES (MILLION HL)



DKK million	2001	2002	Changes in percent
Net revenue	5,842	7,475	+28
Operating profit	1,204	1,274	+6
Operating margin (%)	20.6	17.0	
Beer sales (million hl)	32.1	37.5	+17

Eastern Europe

A base for further growth

POLAND – Carlsberg Okocim S.A.

A consolidated strong player

The Polish beer market, which is among the 10 largest beer markets in the world in terms of volume, increased by 8% in 2002, and Carlsberg Okocim maintained its market share. Carlsberg Okocim's portfolio consists of Okocim as a national premium brand, Carlsberg as an international premium brand, and Volt as a low-price brand. Karmi is the market leader in the non-alcoholic beer segment. Kasztelan, Bosman and Piast are strong regional brands in Poland.

The Carlsberg brand was relaunched successfully in 2002 with strong growth in the market and it became one of the leading brands in the international beer segment.

After the acquisition of the Bosman, Kasztelan and Piast breweries in 2001, a restructuring of the entire Polish operation was executed in 2002. A new strategic vision was successfully developed and implemented. The separate business units were consolidated into one organisation under the name of Carlsberg Okocim, which has established itself as a solid number three player in the Polish beer market. The restructuring initiatives resulted in significant cost reductions within all areas of the operation through economies of scale, centralisation of administrative functions and optimisation of the value chain.

Despite complex consolidation and strong competition, Carlsberg Okocim delivered increased sales, maintained its market share and improved the financial performance significantly.

TURKEY – Türk Tuborg Bira ve Malt Sanayii S.A.

Increased market share but unsatisfactory financial results

The Turkish beer market remained fairly stable in 2002 at one of the lowest per capita consumptions in Europe.

Türk Tuborg is one of two leading breweries in Turkey and has increased its market share significantly in 2002, driven by substantial investments in sales, marketing and product quality improvements. The position of the company brands has been strengthened. The market share increase was driven by the Tuborg brand, and the launch of

Tuborg Pilsner has improved the brand image in the young consumer segment. The Carlsberg brand enjoys good awareness in the market, but volumes are still low, as the international premium segment in Turkey is quite small due to the economic conditions in the country.

The brewery in Izmir has improved its quality levels during 2002. Higher productivity and investments in a new bottling line have increased capacity.

The weak development of private consumption, inflation and a strongly competitive environment as well as increased costs had a negative impact on the company's results. In addition, the hyper-inflation and overall high Turkish interest rates have worsened the financial position of the company.

Restructuring plans for the company are now in place and a revised capital structure is being considered.

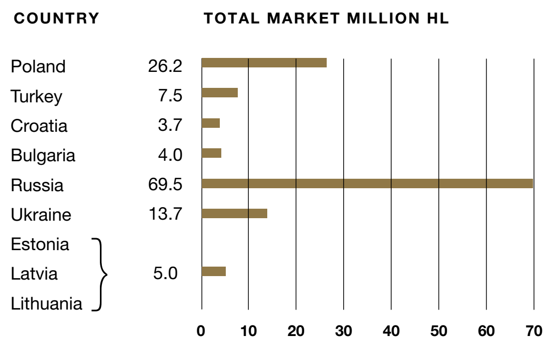
CROATIA – Panonska Pivovara d.o.o.

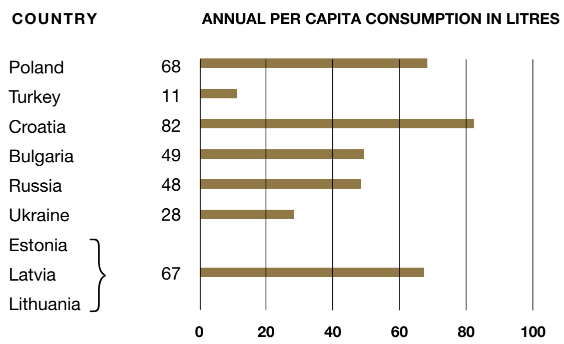
Reshaped to generate improved performance

The Croatian beer market, which is characterised by intensifying competition, was negatively affected by a 67% increase in beer taxes in 2002. Furthermore, a summer with unfavourable weather caused a total decline of 4% in the market, compared with the previous year.

Carlsberg Breweries increased its shareholding in Panonska Pivovara, the third biggest Croatian brewery from 40% to 80% in May 2002. The brewery was also influenced by the decline in the market and saw a slight fall in market share. However, the main brand Tuborg which is well positioned in the premium segment, outperformed the market due to strong campaigns and improved packaging.

The financial performance was better than 2001, but is not yeat at a satisfactory level. Sales improving activities and cost efficiency measures were implemented in order to secure improved future performance.





Newly developed international 'secondary' packaging using Carlsberg's sponsorships as a sales promotion element.

BULGARIA – Shumensko Pivo/Pirinsko Pivo

New platform for growth

The Bulgarian beer market recorded growth in previous years, but 2002 saw a minor market decline. The beer market is characterised by a large standard price product segment, a few local, rather high-priced quality brands and a small premium segment.

Carlsberg Breweries entered the Bulgarian market in mid-2002 by acquiring two Bulgarian breweries - both with strong positions in their respective local areas. The first acquisition was Shumensko Pivo, which is close to the tourist areas on the Black Sea coast. This was followed by the acquisition of Pirinsko Pivo, which is closer to the capital Sofia.

Following completion of the transactions, an integration of the two breweries is being prepared in order to strengthen the competitive position and efficiency further. A cornerstone in this process is the solid brand portfolio consisting of the Shumensko brand, which is a traditional quality brand, and the Pirinsko brand, which is positioned in the standard price segment. To supplement these local brands, the introduction of the Carlsberg and Tuborg brands is being explored.

Group Companies Eastern Europe, etc.

BBH - Baltic Beverages Holding AB, Stockholm, Sweden 17 subsidiaries, owned by Pripps Ringnes AB	50%
Carlsberg Okocim S.A., Warsaw, Poland 4 subsidiaries	71%
Panonska Pivovara d.o.o., Koprivnica, Croatia	80%
Israel Beer Breweries Ltd., Ashkelon, Israel	20%
Piast S.A., Wroclaw, Poland 5 subsidiaries	98%
Türk Tuborg A.S., Izmir, Turkey 1 subsidiary	82%
OAO Vena, St. Petersburg, Russia	50%
Carlsberg Malawi Brewery Limited, Blantyre, Malawi 1 subsidiary	49%
Carlsberg Agency Inc., New York, USA 1 subsidiary	100%
Shumensko Pivo AD, Shumen, Bulgaria	59%
Pirinsko Pivo AD, Blagoevgrad, Bulgaria	67%
Nuuk Imeq A/S, Nuuk, Greenland	24%

RUSSIA, UKRAINE, THE BALTIC STATES – Baltic Beverages Holding AB

Continued strong expansion

Carlsberg Breweries' activities in the former Soviet Union are handled by Baltic Beverages Holding AB (BBH), which is owned 50% by Carlsberg Breweries and 50% by Hartwall (Scottish & Newcastle). BBH was founded in 1991 and has developed into a substantial player within its geographical market. The company's objective is to become market leader in each of the individual markets in which it is represented.

BBH's basic principle is to achieve majority ownership in existing breweries, maintain local management and carry out significant quality improvements to produce and supply strong local and regional products within the broad quality segment. BBH assists the local breweries with, among other things, marketing, sale and logistics.

Today, BBH operates 15 breweries, of which four are situated in the Baltic States, two in the Ukraine, eight in Russia and one in Kazakstan. In addition, four new breweries are being constructed: two in Russia, one in the Ukraine and one in Kazakstan. BBH also holds ownership stakes in five malting operations. BBH employs about 13,000 people.

In 2002, beer consumption within BBH's market area again showed considerable development, growing by 9% in Russia, 14% in the Ukraine and 18% in the Baltic States. However, the trend in Russia was strongest during the first half of 2002, whereas a marked slow-down was registered in the second half.

BBH's market share grew in all markets and, in 2002, BBH's market share in Russia totalled 33% (2001: 28%), in the Ukraine 20% (2001: 18%) and in the Baltic States 46% (2001: 45%). In Kazakhstan, BBH has a substantial share of the premium segment, but so far the total market share is not satisfactory, primarily due to capacity limitations. BBH's total volume growth amounted to 17% and the total sales volume was about 28m hl.

To ensure sufficient production capacity and strengthen BBH's position in important Russian areas, BBH acquired the brewery in Voronez and invested in four new breweries - Samara, Habarovsk, Kiev and Alma-Ata. Completion of the brewery in Samara is expected at the beginning of 2003 (capacity 1.5m hl), while the Habarovsk brewery (capacity 1.0m hl) will start in April 2003 and the Kiev brewery (capacity 1.2m hl) and the Alma-Ata brewery (capacity 0.8m hl) are both expected to be completed by the summer of 2004. Following these investments, BBH has strong logistics coverage in Russia and the Ukraine. BBH's most recent geographic expansion was made in Kazakhstan at the end of 2002.

Development of the brand portfolio is very important to BBH. In 2002, it achieved market leadership in Russia within the fast-growing premium segment with the products marketed by Baltika and Vena. Successful brands included Tuborg beer, which has enjoyed a strong position in Russia for a number of years, and Carlsberg, which was launched by Baltika in the autumn of 2002. At the beginning of 2002, Tuborg was launched by BBH in the Ukraine and Carlsberg was introduced in Latvia and Estonia during the summer.

2002 was also characterised by internal consolidation in BBH. This was achieved through, among other things, the merger of BBH's breweries in Tula and Rostov with Baltika and improved sourcing and benchmarking efficiency as well as the implementation of a pan-Baltic strategy for BBH's four breweries in the Baltic States.

As a regional brand, the Tuborg brand holds a strong position in a number of western and eastern European markets.

Other European markets

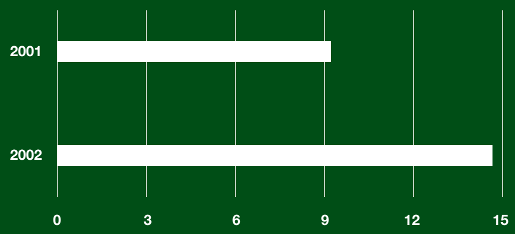
Licence agreements for the Carlsberg brand apply in Spain, France, Greece, Cyprus, Iceland, The Canary Islands and Malta, and for the Tuborg brand in Hungary and Iceland.

In Romania, the Carlsberg and Tuborg brands are produced under licence by United Romanian Breweries, which is partly owned by Carlsberg Breweries. Both brands achieved good progress in volume in 2002. Similarly, both the Carlsberg and Tuborg brands are produced under licence in Israel by Israel Beer Breweries Ltd., in which Carlsberg Breweries holds a stake.

Asia

The establishment of the new structure with proportionate consolidation of Carlsberg Asia has led to significant changes in the accounting figures from this region. Operating profit increased by DKK 64m to DKK 467m.

BEER SALES (MILLION HL)



DKK million	2001*	2002	Changes in percent
Net revenue	1,847	1,019	-45
Operating profit	403	467	+16
Operating margin (%)**	21.8	21.4	
Beer sales (million hl)	9.2	14.7	+60

* Figures relate to Carlsberg's old structure in Asia.
** For 2002 excluding the one-line consolidated brewery Hite (South Korea) as well as the effect of the profit guarantee for the companies in Thailand.

ASIA – Carlsberg Asia Pte Ltd.

Completing the Asian foundation for further growth

Carlsberg Breweries' activities in Asia are centred on the agreed joint venture Carlsberg Asia Pte Ltd. (CAL). Ownership is equally split between Carlsberg Breweries and the Thailand-based Chang Beverage Company. The transfer of activities from Carlsberg Breweries to Carlsberg Asia continued in 2002 and is expected to be completed at the beginning of 2003. Carlsberg Asia will then be the holding company of interests in China, Hong Kong, Laos, Malaysia, Nepal, Singapore, South Korea, Sri Lanka, Thailand and Vietnam. Carlsberg Asia is also responsible for exports to markets in Asia as well as the relationships with licence partners in Japan, Indonesia and the Philippines.

A wide portfolio of brands is sold and marketed across the Asian region by these operations, ranging from brands with a strong local presence to Carlsberg, the international premium brand.

In 2002, the management structure was reorganised to improve operational efficiency and decision making. Further, the market platform was expanded through acquisition of shares in Hite, South Korea and in Lao Brewery, Laos.

CHINA – Carlsberg Brewery Guangdong Ltd.

Carlsberg brand position maintained

The size of the Chinese beer market continued to increase and the world's largest beer market remains important in an Asian perspective. Despite increased consolidation, the market remains highly fragmented and local brands continue to play a dominant role. The foreign premium beer segment constitutes less than 1% of the total beer market, and there is fierce price competition across segments.

Despite intense competition, the Carlsberg brand's overall position was maintained based on strong growth within certain key areas, whereas the local brand, Dragon 8, remains under strong pressure from local low-price brands in the southern part of China.

In January 2003, Carlsberg Asia acquired through its subsidiary Carlsberg Brewery Hong Kong Ltd. the entire share capital of the Chinese brewery Kunming Huashi Brewery Company Ltd. The acquisition is subject to the approval of Chinese authorities.

HONG KONG – Carlsberg Brewery Hong Kong Limited

Maintained share in growing market

Although the Hong Kong economy improved compared with 2001, growth in 2002 was very modest and below the 1999 and 2000 level. The total beer market grew by about 4%, driven mainly by low-priced brands. However, the Carlsberg brand maintained its overall market share and its position in the premium segment was strengthened.

Amongst the other brands in the Carlsberg Brewery Hong Kong portfolio, the lower priced Skol increased volume significantly while sales of other brands were at a slightly lower level than in 2001.

SOUTH KOREA – Hite Brewery Co. Ltd.

Increased ownership in market leader

The South Korean beer market increased by 3% in 2002 and per capita consumption reached a level of approximately 40 litres. Carlsberg Asia's partner in South Korea, Hite Brewery Co. Ltd., is a clear market leader with a market share of close to 56%.

The sales development of the Carlsberg brand was unsatisfactory, and efforts to re-establish the brand in the premium segment are planned for 2003. Carlsberg Asia increased its shareholding in Hite to 25% in 2002.

SINGAPORE – Carlsberg Marketing (Singapore) Pte Ltd.

Solidified position

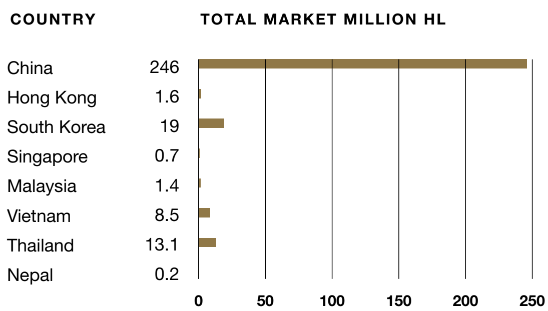
Despite a slow-down in Singapore's economy and a 1% decrease in the total beer market, Carlsberg Singapore increased its market share in 2002. The growth was driven by considerable marketing activity investments and active use of both local and regional advertising and sponsorship activities.

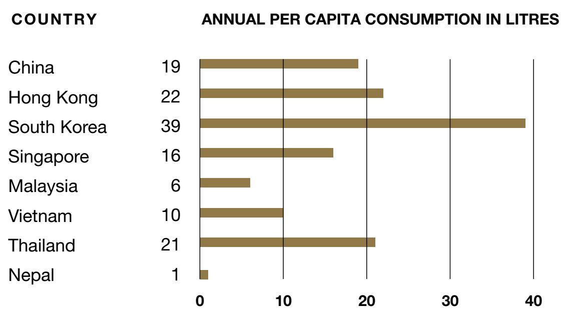
MALAYSIA - Carlsberg Brewery Malaysia Berhad

Increased sales

Carlsberg Malaysia increased its total sales compared with 2001, despite intense price competition and aggressive sales and marketing efforts from its main competitor. Danish Royal Stout continued to gain market share within the stout segment. Beer Chang, brewed under licence by the Carlsberg Asia joint venture partner, was launched in mid-2002.

The financial performance of Carlsberg Malaysia remained satisfactory, despite increased spending on market cultivation and sales activities. The Malaysian beer market continued to be disturbed by smuggled products and pirate copying, and it will require government intervention and enforcement to limit such activities.





VIETNAM - Hue Brewery Ltd./South-East Asia Brewery Ltd.

Strong footholds

The Vietnamese beer market continued to grow in 2002 and with a relatively low per capita consumption, the market still has considerable growth potential.

Both of Carlsberg Asia's breweries in Vietnam – South-East Asia Brewery in Hanoi and Hue Brewery in Hue – increased volumes and earnings compared to 2001. Both breweries hold strong positions with local brands in their respective markets whereas Carlsberg, which is sold nationwide, is positioned in the premium segment.

Group Companies Asia

Carlsberg Asia Pte Ltd, Singapore	50%

THAILAND – Carlsberg Brewery Thailand Ltd.

Disappointing branded sales

The Thai beer market and per capita consumption both grew compared with 2001. The Carlsberg brand, which is positioned in the premium segment, did not generate the expected volume in 2002. The sales and marketing set-up for the Thai activities were restructured during 2002 to push for a positive sales development in 2003, particularly for the Carlsberg brand.

NEPAL - Gorkha Brewery Pvt. Ltd.

Market leader in growing market

The negative trend in the Nepalese beer market experienced in 2001 was reversed markedly and Gorkha Brewery succeeded in strengthening its market share - reaching about 66%. Gorkha Brewery sells Tuborg in the standard segment and Carlsberg in the premium segment. The brewery has recently launched Tuborg Royal Danish Strong Beer, which is intended to capture the strong beer segment.

Other Asian markets

Carlsberg Asia has license partnerships for the Carlsberg brand in a number of Asian countries, including Sri Lanka, Japan and Indonesia.

The Americas, Africa And Exports

Solid platforms for further growth

The Americas

Stagnating licence sales

Beer consumption in Canada showed a stagnating trend in 2002 and the annual per capita consumption remained at 65 litres. The sales of Carlsberg, which is brewed and distributed in Canada through a licence agreement with The Labatt Brewing Company Limited, declined in 2002.

In the USA, total sales increased slightly and imported beer continued to show strong growth. The sales of the Carlsberg brand are at a relatively low level. Sale and distribution of Carlsberg in the

USA is handled in cooperation with Labatt USA L.L.C., which imports products from Labatt in Canada.

In Brazil, where Carlsberg is produced under licence and distributed by AMBEV, sales experienced a setback.

Caribbean

New basis for Carlsberg brand growth

In the Caribbean, Carlsberg Breweries entered into a licence agreement with Carib Brewery Ltd., which covers Trinidad & Tobago and various other countries in the Caribbean area. Carib Brewery is part of the ANSA McAl group, which is one of the leading enterprises in the area. Carib Brewery is market leader within beer in Trinidad & Tobago, primarily driven by strong local brands. Carlsberg was introduced in Trinidad & Tobago during the second half of 2002 and the sales performance so far is satisfactory.

Africa

MALAWI – Carlsberg Malawi Brewery Ltd.

Continued market leadership

Carlsberg Malawi Brewery, in which Carlsberg owns a 49% stake, is a solid market player generating reasonable financial results despite unfavourable general market developments in the country.

Exports

Continued growth for Carlsberg and Tuborg brands

Carlsberg Breweries' export business, which covers about 60 markets and the Duty Free/Travel Retail sectors, continued the solid growth trend in 2002 from previous years. Carlsberg exports to Africa, The Gulf States and Australia, and Tuborg exports to Canada and Africa showed a particularly positive trend. In 2002, Carlsberg was launched in Puerto Rico and in Algeria. The export portfolio also comprises Tetley's Ale and Ramlösa mineral water. Both products are sold in more than 20 countries and showed good growth in 2002.

1 Liverpool FC celebrates their UEFA Cup final victory. 2 The Carlsberg TV commercial ‘Football Agent’ underlines Carlsberg's involvement in football sponsorships. 3 In March 2002, a new design programme strengthening the profile of Carlsberg and Carlsberg Export was introduced. 4 Carlsberg Export is positioned as a high profile premium brand.

United Kingdom – Achieving Carlsberg Growth in a Competitive Market

The United Kingdom's alcoholic drinks market (GBP 29bn) remains complex and highly competitive with grocery and pub retail outlets continuing to consolidate.

The beer market (GBP 15bn) is considered not only one of the most competitive market areas within the UK, but one of the most challenging beer markets in the world. Over a period of ten years, the total UK beer market has declined by 9% to 56m hl with 17% growth in the lager sector offset by a 36% decline in ales and stouts.

More competition combined with increasing expectations from both consumers and customers demand powerful differentiated brands.

Carlsberg was first brewed in the UK in 1974. Its strong brand equity was built on the foundations of solid product quality, and over the years it has been developed through the consistent advertising message 'Probably the best lager in the world' and sponsorship exploitation of the England National football teams, Liverpool Football Club and UEFA championships.

CARLSBERG AND CARLSBERG EXPORT

In 2002, Carlsberg-Tetley focused the majority of its resources and priorities on the rejuvenation of Carlsberg and a more premium repositioning of Carlsberg Export. The intention was to create clearer differentiation between the two brands while remaining contemporary to consumers.

The relaunch was supported with an extensive programme incorporating a redesign, new advertising, sponsorship, promotions and distribution. A substantial amount was spent on the programme.

The differentiation was reflected in the new packaging, can and bottle designs and font identities, which resulted in a more confident look for Carlsberg and a stylish high-quality premium look for Carlsberg Export.

Improving product delivery by using a unique Vortex tap dispensing system further reinforced the competitive differentiation.

LEVERAGING SPONSORSHIPS

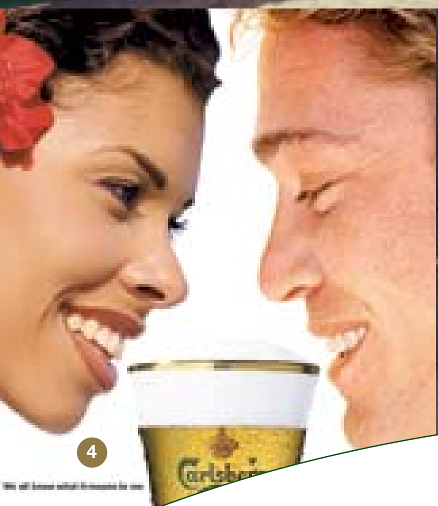
A new Carlsberg TV football commercial under the 'If only everything in life was as good as a Carlsberg' theme enhanced the brand's 'Official Beer of England' sponsorship in the World Cup 2002. Football-themed promotions ran in both the on- and off-premise sectors, leveraging Carlsberg's unique sponsorship properties.

The launch of Carlsberg Export was supported with a new TV commercial under the 'Danes hate to see it leave' theme. The Danish supermodel Helena Christensen also featured in an extensive poster, public relations and promotional campaign to reinforce the brand's stylish premium positioning.

RESULTS 2002

Success is measured by two years of double digit Carlsberg brand growth in the United Kingdom, strongly out-performing the total market. During the World Cup in June, sales in grocers increased significantly, making it the number two lager brand. This is reflected in positive figures in consumer research showing increases in brand awareness and brand preference.

The successful repositioning and differentiation of the Carlsberg and Carlsberg Export brands ensure a strong platform for solid future growth of market share.



1 In Poland, the international Carlsberg skiing sponsorships are used in advertising. 2 Commercials ('I love you baby') underlining Carlsberg's worldwide presence are used to target the Polish consumers of premium brands. 3 Carlsberg is visible in Romania. Picture shows beach volley event near the Black Sea. 4 Motifs from Carlsberg's international advertising campaigns are used in Romania. 5 From the introduction of Carlsberg in Romania.

Eastern and Central Europe – Carlsberg Brand Growth in New Markets

2002 was an exciting year for Carlsberg in eastern and central Europe. Strong local brewery positions form the foundation for the Carlsberg brand's future growth in the region. In the summer of 2002, Carlsberg was launched in Estonia and Latvia, completing the Baltic trio that began in Lithuania in 2000. Carlsberg was introduced to the Russian market in late 2002 and was re-launched in Poland during the summer of 2002 with great success. The Carlsberg brand experiences a continued positive trend in Romania and Turkey, where the brand was launched in 2001.

CARLSBERG RE-LAUNCH IN POLAND – MISSION: IT'S POSSIBLE!

Carlsberg has been in the Polish market for a number of years. However, with a super-premium positioning and few marketing activities sales were limited. The relaunch strategy was designed to revitalise the brand and make it more accessible to the consumers in the redefined target group in the premium segment.

The packaging presentation was improved and the packaging mix was expanded with formats that are well known to Polish consumers. A 50cl non-returnable bottle was introduced in both specially-designed cartons and new upgraded multipacks. The price strategy was revised to compete in the premium segment.

The marketing and sales strategy was a vital part of the brand's success in 2002. One of the essential relaunch elements was to communicate the brand's values, and the 'I love you baby' advertising campaign was a resounding success. Distribution of the brand was increased with focus on greater visibility and availability.

Results 2002

Carlsberg brand sales increased substantially in 2002 and Carlsberg Okocim sold more Carlsberg in one year than it had done in the four previous years together.

CARLSBERG SUCCESS STORY IN ROMANIA

Since 1999, the Romanian beer market has seen a constant growth pattern within the local premium and licensed premium segment. In the light of a favourable market situation and increasing consumer interest in international quality beer brands, Carlsberg was launched in Romania during the spring of 2002.

The launch strategy for Carlsberg entailed increased distribution and a more attractive pricing for the consumers. A 50cl bottle was introduced (the most popular size in Romania) along with a 33cl bottle and draught installations. Carlsberg's positioning is premium and appeals to the target group. During the first year of the launch all premium locations in the main cities were covered.

Carlsberg activities were kicked off with a spectacular launch event, followed by focused marketing activities in order to establish Carlsberg brand awareness: image campaigns, off-premise activities, and summer activities, supported by international and local task forces.

Results 2002

Within a relatively short period, the Carlsberg brand has established itself as a leading premium brand. Brand awareness has grown significantly and the sales development has exceeded expectations in the past two years. United Romanian Breweries has been successful in developing an overall premium strategy for the company and for the Carlsberg and Tuborg brands in particular.

1 Innovations form an important element of Baltika's brand strategy. Picture shows Baltika Gold. 2 Ringnes is the leading brand in Norway. The lack of media advertising opportunities makes packaging development crucial. The Swing bottle is used in the on-premise sector. 3 The Karhu brand, which is Finland's leading beer brand, has a unique and eye-catching packaging design.

National Brands that Mean a Lot to Us and Our Consumers

BALTIKA – RUSSIA'S LEADING BEER

Baltika is the leading Russian beer brand and the Baltika brewery's core brand. The brand was introduced in 1992 and has since shown an impressive development in the dynamic Russian beer market with annual double-digit growth for the past five years. In 2002, the sales volume increased by 14%, reinforcing the brand's leadership position in Russia and making it one of the largest beer brands in Europe. Baltika is in fact the only truly nationwide brand in Russia. It is brewed at three locations and two more will be in operation during 2003.

Baltika is positioned as a popular high-quality beer, promoted under the slogan 'The famous Beer of Russia'. It is the most recognised Russian beer brand with a consumer awareness level above 70%. The brand's values emphasise patriotism, modernity and stability, and earned Baltika the 'Product of the Year Award' in 2002. Sponsorship activities are focused on music and cultural events, and Baltika sponsors major national sports such as ice hockey and volleyball.

Innovation has been a key part of the Baltika brand strategy and recently the brand has been very successful with its premium Baltika Gold and non-alcoholic variants, which quickly achieved market leadership positions in their segments.

RINGNES – NORWAY: CREATOR OF GOOD MOODS

Ringnes is the no. 1 beer brand in Norway and has held its leading position since 1990. Since joining Carlsberg Breweries in 2001, the brand has strengthened its market share position in 2002.

The brand has a very strong heritage in Norway and builds on the proud tradition of the Ringnes brewery, which was established in 1877. The brewery now has a total market share of about 59% within the beer category and the Ringnes brand has a central position in the broad brand portfolio.

Ringnes is positioned as 'the atmosphere-maker' and is promoted under the tagline 'a creator of good moods'. Ringnes' main sponsorship areas are music festivals, stand-up and student activities.

Ringnes has been active within packaging innovation and its most recent launch was in February 2002 when Ringnes Swing - a uniquely-shaped new bottle – was introduced in the HORECA channel. This new bottle received a lot of media attention and won various design prizes.

KARHU – FINLAND: ORIGINAL STRENGTH

Karhu, which means bear in Finnish, is Finland's biggest and strongest beer brand.

The brand was originally introduced in 1920 by the brewery Porin Ollutta and was only regionally available until Porin merged with Sinebrychoff in 1992. Since then an extensive brand development programme has been undertaken and the brand has been re-launched nationwide with significant success. Over the past two years, the brand has increased its market share significantly and it took the no. 1 brand position in Finland in 2001.

Within the Sinebrychoff brand portfolio, Karhu stands for robust, masculine beer. Recent changes reflect the brand's strong position: the Karhu label design has been upgraded, the alcohol level has been increased to fit the brand image and new packaging has been introduced. The brand communication has supported the strongest beer position, emphasising its core brand values: strength, authority, and independence.

1 Tetley's is the second largest ale brand in the UK. It is supported by advertising campaigns and rugby sponsorships. 2 Super Bock is market leader in Portugal and highly visible in Lisbon. 3 Feldschlösschen has sponsorships within e.g. cycling and ice hockey. 4 Cans were introduced in Denmark at the end of 2002. A huge can was placed in front of the former Tuborg brewery. 5 Special bottle for Green Tuborg used in the on-premise sector.

TETLEY'S – UK: SMOOTHLY DOES IT!

Tetley's is the no. 2 brand in the UK ale market. Ale accounts for 35% of UK beer sales and Tetley's is currently the only brand in both long- and short-term volume growth, outperforming the market for the past three years.

Tetley's has been brewed in Leeds since 1822 and to this day traditional brewing methods, including dry hopping of cask ales and fermenting in Yorkshire Square fermenting vessels, are still used.

The Tetley's brand family now includes seven different products. The brand plays a central role in the brewery's brand portfolio alongside Carlsberg and Carlsberg Export.

Tetley's is positioned as 'The ruggedly smooth ale for all occasions'. The brand is supported by extensive brand communication and sponsorship of rugby as the official beer of the England rugby team, the national stadium at Twickenham and title sponsor of the Tetley's Rugby Super League. Innovation has been a key factor in the brand's rejuvenation strategy and launches such as Smooth Flow and Extra Cold draught have boosted the brand's positive development.

SUPER BOCK – PORTUGAL: AUTHENTIC TASTE

Super Bock is the leading beer in Portugal and is the biggest drink brand in Portugal, discounting dairy brands. Super Bock gained its leading position in 1992 and has managed to maintain its leadership since then.

The Super Bock brand was first launched in 1927 and celebrated its 75th anniversary this year. In 1977, Super Bock won the gold medal in Monde Sélection de La Qualité, and it has since then won 19 consecutive gold medals. Super Bock is a high-quality beer with a refreshing flavour. Its claim as the 'Authentic Taste' reflects the genuine pleasure of a Super Bock drinking experience. Sponsorship activities are centred on music and several popular regional events.

Super Bock accounts for 75% of Unicer's total beer sales, and it is the backbone of the Unicer company.

FELDSCHLÖSSCHEN – SWITZERLAND: MARKET LEADER FOR MORE THAN 100 YEARS!

Feldschlösschen is the leading brand in Switzerland. It has been brewed at the brewery in Rheinfelden near Basel since 1876 and has been the leading Swiss beer brand for more than 100 years.

Feldschlösschen has for decades epitomised the essence of German-Swiss brewing competence and is today recognised by more than 99% of Swiss consumers. The brand communication platform, 'Das Leben macht durstig' (life gives thirst) campaign has been supported by strong sponsorships within cycling (Tour de Swiss) and a national ice hockey tournament.

Feldschlösschen is the core brand in the brewery's beer portfolio, generating more than half of the total beer volume.

TUBORG – DENMARK: A STRONG NATIONAL BRAND WENT INTERNATIONAL

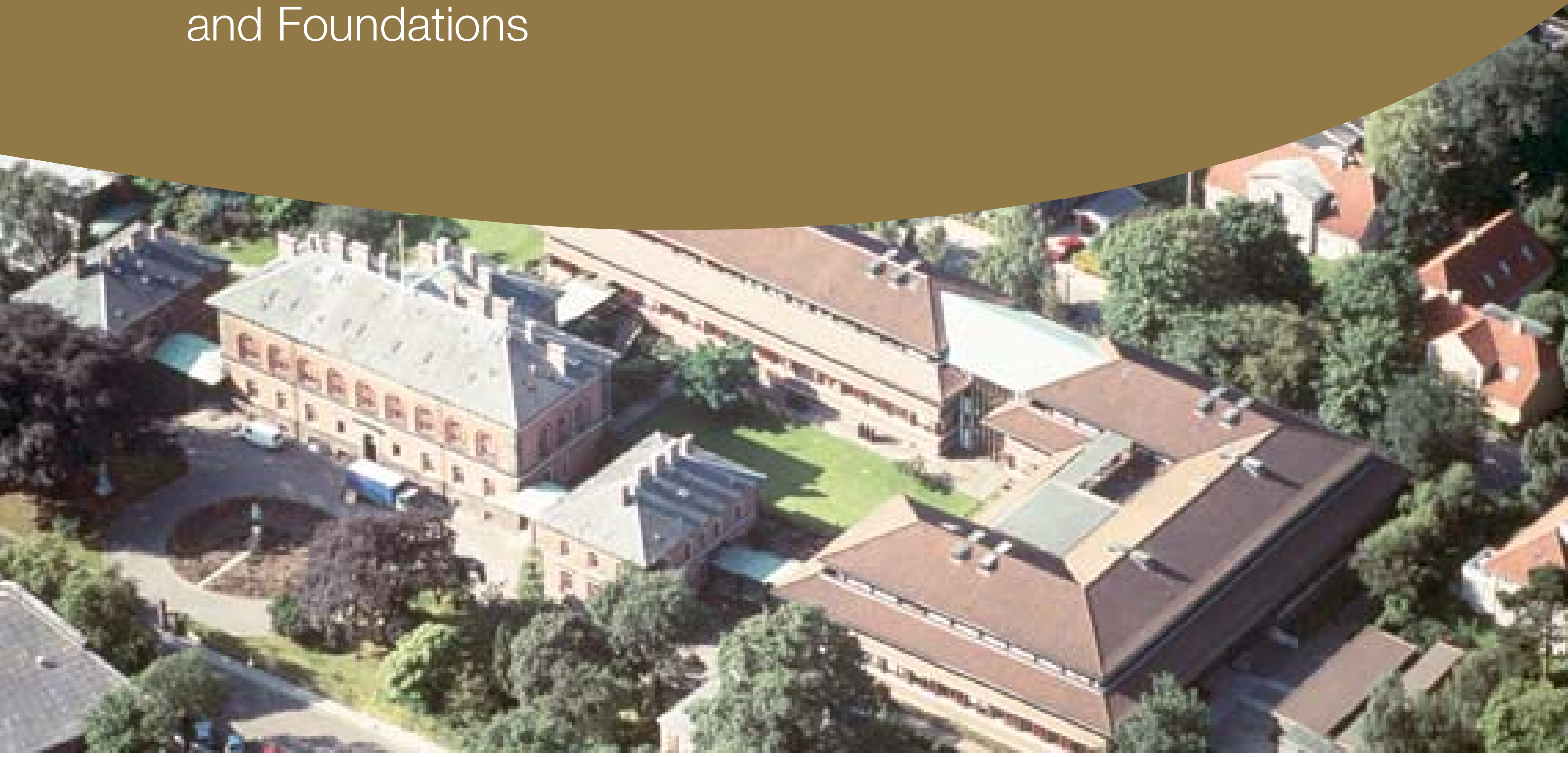
Originally launched in 1880, Tuborg has developed into Denmark's largest beer brand, strongly associated with the country's spirit of socialising and enjoying life to the full! Green Tuborg has become synonymous with a positive, young attitude and is often referred to as 'making life a bit greener'. Tuborg Green is the flagship brand, complemented by Tuborg Gold and Tuborg Classic.

The Tuborg brand is known for its innovative and engaging communication and its strong association with the world of music in Denmark. Key activities include Green Concerts, which have become one of Europe's largest concert tours, and the Roskilde Festival, one of the largest summer rock festivals in Europe.

Tuborg has successfully launched several packaging innovation projects such as the PEN plastic returnable bottle, an embossed bottle for the on-premise channel and a practical can fridge-pack format for home consumption.

Tuborg has not only been successful in its home market, Denmark. The brand has a significant presence in the Nordic region, Italy and Germany and shows a strong development in eastern and central Europe. Tuborg is the second-largest brand in Turkey and has achieved significant growth in Romania and Russia in recent years.

Carlsberg Research Center, Properties and Foundations



Carlsberg Research Center includes the Carlsberg Laboratory, Carlsberg Biosector and the Carlsberg Research Laboratory.

The Carlsberg Laboratory

The Carlsberg Laboratory has its own independent statutes that form part of the Carlsberg Foundation's statutes. The laboratory consists of two departments – the Department of Physiology and the Department of Chemistry – each with its own head of department.

In co-operation with the Danish National Research Foundation, the Carlsberg Laboratory has purchased a frontline Q-TOF mass spectrometer for around DKK 6m during the past year. This state-of-the-art apparatus will be used in connection with studies of barley (proteome analysis) and structure determination of small amounts of chemical compounds produced by solid-phase combinatorial chemistry. The apparatus will also be used in connection with analysis of flavour components in beer.

In the past year, the Carlsberg Laboratory has received approx. DKK 25m from external sponsors, including substantial grants from the Carlsberg Foundation, the Danish National Research Foundation and EU grants.

Carlsberg Biosector

Carlsberg Bisector's objective is to create value and provide a basis for increased focus on the Carlsberg Research Center through commercial exploitation of knowledge and innovations at the Center and through sale of services to the biotech industry. To support this objective, efforts are made to create an atmosphere of entrepreneurship among the staff and to establish a venture environment with commercial focus where ideas can be developed into profitable businesses.

The activities in Carlsberg Biosector were strengthened at the beginning of 2003 with the appointment of a new head of department.

The Carlsberg Research Laboratory
The task of the Carlsberg Research Center is to ensure the following services to the production of beer worldwide:

- Continuous improvement of quality
- Expert solutions to any production problems
- Lowest possible production costs based on research
- Range of goods based on research
- Delivery of Carlsberg yeast to the individual production sites
- Optimum positioning of Carlsberg by preparing it for the use of future biotech technologies.

These services are commissioned by Carlsberg Breweries A/S through Carlsberg Corporate Supply Chain.

Carlsberg A/S owns the Carlsberg brand and the Carlsberg yeast. Consequently, it is the responsibility of the Carlsberg Research Center to carry out brewery-orientated research in order to ensure that the ”Carlsberg Golden Words” are observed globally in relation to the brewing of Carlsberg beer.

Carlsberg Properties

Carlsberg Properties handles Carlsberg A/S' property portfolio, including in particular the development and building on the approx. 400,000 m^2 former domicile and plant of Tuborg Breweries, which overlooks the sound between Denmark and Sweden in Hellerup, north of Copenhagen. The area is divided into Tuborg Nord and Tuborg Syd (North and South), each constituting almost half of the extensive area.

Tuborg Nord
A company domicile of approx. 16,000 m^2, which houses Microsoft Danmark, among others, was completed this year. This completes the non-residential part of Tuborg Nord, which covers about 80% of the area.

The second phase of the Tuborg Nord housing development, which consists of 46 large high-quality flats, has been completed according to plans and the flats have been sold as condominiums at the prices expected. The third phase of the housing construction with 50 large high-quality

Carlsberg Bioincubator

Biotech investments
Biotech investments are included in Carlsberg A/S' placement of financial resources.

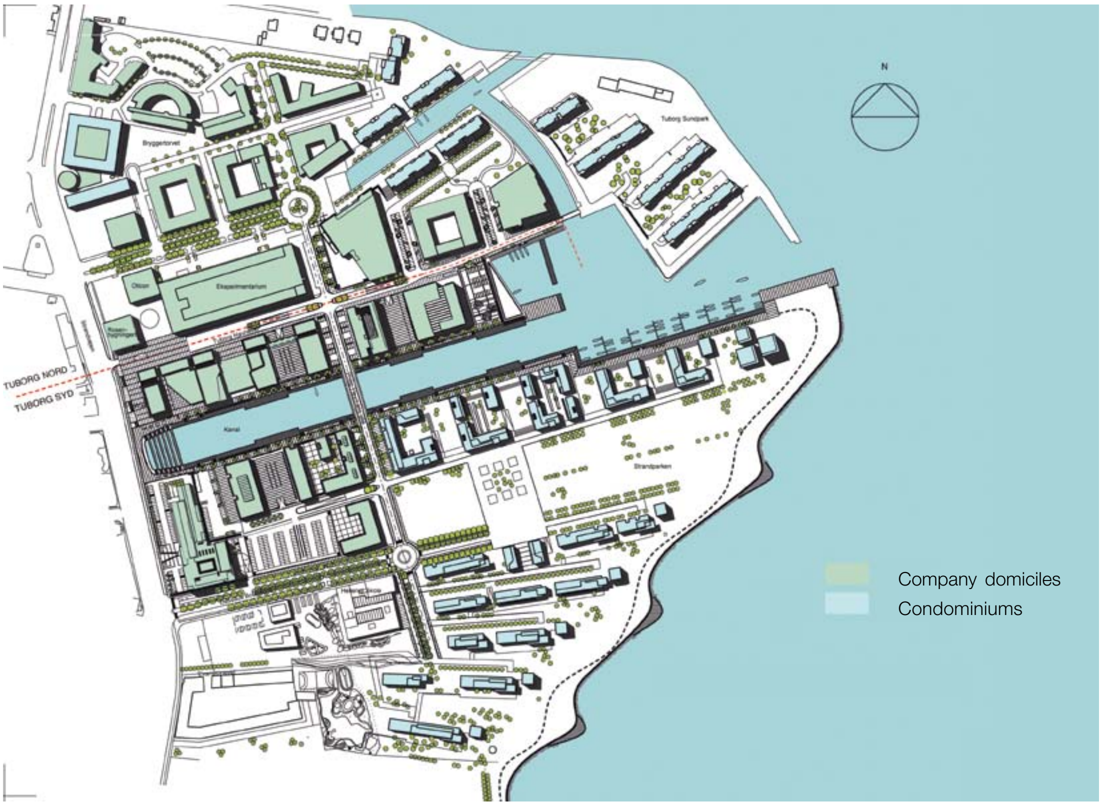
The overall rationale for biotechnology is that synergies between internal and external activities will lead to increased value creation in the company. Carlsberg has a very wide variety of offers to companies and other players who wish to take part in the biotech environments at the Carlsberg Research Center.

Carlsberg has established an independent department, which handles the administration of the biotech portfolio and assesses possible new investments in own activities as well as in external biotech companies.

The following investments were made in 2002:

- A fully-owned spin-off from the Carlsberg Research Center – Versamatrix – with the allocation of up to DKK 25m for the operating activities during the first $2^1/_2$ years
- Carlsberg A/S invested DKK 10m in Poalis A/S – the first investment in an external biotech company
- Care Capital – an American late-stage biotech venture foundation – was granted USD 10m.

In addition, Carlsberg A/S has also invested DKK 10m in the Seed/Pre-seed foundation DTU Innovation.



Tuborg areas overlooking the sound between Denmark and Sweden in Hellerup, north of Copenhagen. The completed area, Tuborg Nord, is north of the yachting harbour.

flats – Tuborg Sundpark – has been initiated and is expected to be completed in mid-2004. The sale of these flats has also been satisfactory. Sixty condominiums remain to be built before the entire Tuborg Nord area has been completed. The construction of these condominiums is expected to start in mid-2003.

Tuborg Syd

The development of Tuborg Syd, which makes available a total floorage of approx. 100,000 m^2 company domiciles (including the existing buildings), approx. 100,000 m^2 housing construction and approx. 25,000 m^2 for public purposes, got off to a good start.

During 2002, the first domicile construction, an office of approx. 13,000 m^2 for the accounting firm Deloitte & Touche, among others, was completed according to plans. The local school – Hellerup School – was also ready to welcome its pupils at the start of the new school term in August.

During 2002, two additional company constructions have been initiated - a company domicile for the pension insurance company Sampension/KP-pension with a floorage of approx. 9,500 m^2, and an extension of the present domicile of PricewaterhouseCoopers of approximately 8,000 m^2.

The Carlsberg Bequest to the Memory of Brewer J.C. Jacobsen

On 1 October 1938 - 50 years after the Carlsberg Foundation took over brewer J.C. Jacobsen's brewery Gamle Carlsberg (Old Carlsberg) - the foundation established the Carlsberg Bequest to the Memory of Brewer J.C. Jacobsen as a tribute to the foundation's founder, whose extensive engagement in society is well-known.
The trust shall "operate in support of socially beneficial aims within the sphere of practical life, particulary in connection with science".

Since its establishment, the trust has granted around DKK 200m measured in current value to around 6,000 large and small projects within all branches of society. At present, the trust grants about DKK 5m annually to approx. 180 activities in Denmark.

In 2002, the board of directors decided to establish 10 scholarships of DKK 60,000 each for students preparing their final thesis within chemistry, biochemistry or biotechnology. The aim was to strengthen project activities within chemistry, biochemistry and biotechnology, and support the recruitment base and the professional competency in young thesis students at scientific faculties, universities and institutions of higher education at a time of increased competition for well-qualified candidates within scientific subjects.

The Tuborg Foundation

The Tuborg Foundation was established on 9 February 1931 to mark the 40th anniversary of the establishment of The United Breweries Co. Ltd.

On 1 October 1991, the Tuborg Foundation was merged with the Carlsberg Foundation. The Tuborg Foundation continued as an independent unit within the Carlsberg Foundation and with its own administration.

According to its charter, the objective of the Tuborg Foundation is "to work for socio-beneficial objectives especially in support of Danish trade and industry".

All branches of Danish society have benefited from the Tuborg Foundation. Trade and industry, art, culture, education and sports have all received grants. Since its establishment, the foundation has granted about DKK 500m measured in current value to more than 11,000 large and small projects in Denmark.

The Tuborg Foundation distributes a free newspaper with articles about major and small-scale projects that have received grants from the foundation during the year. The newspaper is distributed to companies and consumers.

In 2002, the foundation granted approx. DKK 20m to about 500 activities.

Financial Statements for 2002

Financial Review 2002

2002 in outline

- Sales of beer and soft drinks amounted to 99.5m hl against 88.2m hl in 2001.
- Net revenue totalled DKK 35.5bn against DKK 34.4bn in 2001, corresponding to an increase of DKK 1.1bn or 3%.
- Operating profit (EBITA) amounted to DKK 3,779m against DKK 3,294m in 2001, corresponding to an increase of DKK 485m or 15%.
- Special items net amounted to a negative DKK 23m against a positive DKK 32m in 2001.
- Net financials showed expenditure of DKK 884m against DKK 255m in 2001.
- Profit before goodwill amortisation and write-down totalled DKK 2,149m against DKK 2,454m in 2001. Adjusted for one-off items the amounts are DKK 2,172m against DKK 2,019m.
- Consolidated profit amounted to DKK 1,774m against DKK 2,151m in 2001. Adjusted for one-off items the amounts are DKK 1,797m against DKK 1,716m.
- Carlsberg A/S' share of profit amounted to DKK 1,011m against DKK 1,194m in 2001. Adjusted for one-off items the amounts are DKK 1,025m against DKK 933m, an increase of 10%.
- Capital and reserves amounted to DKK 10.8bn after appropriation to the reserves from the profit for the year against DKK 12.0bn as at 31 December 2001.
- Cash flow from operations amounted to DKK 5.6bn against DKK 2.2bn in 2001.
- Free cash flow for the year totalled a positive DKK 1.6bn against a negative DKK 1.3bn last year.
- Net interest-bearing debt amounted to DKK 10.9bn, which is unchanged compared to last year.

New accounting policies

The accounting policies have been changed compared to the Annual Accounts for 2001 and now comply with the new Danish Financial Statements Act of 7 June 2001, current Danish accounting standards and the reporting requirements of the Copenhagen Stock Exchange. Comparative figures for previous years have been adjusted accordingly.

The changes in accounting policies had particular impact on the treatment of goodwill, which is now stated according to the following criteria:

- Investments in subsidiaries and associated undertakings are treated in accordance with the purchase accounting method, and consolidated goodwill of net DKK 5.4bn has been recognised in the balance sheet as at 31 December 2001. The principle applied is to capitalise and amortise goodwill over estimated useful life, however not exceeding 20 years. In the event of impairment in excess of the annual amortisation, write-down is made. When Carlsberg Breweries included Orkla's brewery activities on 1 January 2001, Orkla received shares in Carlsberg Breweries as consideration. The price of the shares was made at book value as only a relative ownership structure between Carlsberg and Orkla was negotiated and agreed upon. As a consequence, Carlsberg has not capitalised goodwill in connection with this transaction, cf. Danish accounting standard 3, section 41. A prudent valuation of goodwill has been made.
- Total write-down relating to the financial years 1997/98-1999/2000 were made in the financial year 1999/2000, when the structure of the Carlsberg Group was changed significantly following the agreement to establish Carlsberg Breweries A/S.
- Investments in proportionally consolidated undertakings are also recognised at book value stated in accordance with the Group's accounting policies.

Other significant changes include:

- Restructuring provisions, etc. are recognised when the decision has been adopted and announced to the parties involved, which is a specification in terms of time compared to previous practice. Restructuring provisions, which have been approved at the time of acquisition, in acquired undertakings are included in the computation of goodwill.
- Securities such as bonds and shares, including portfolio investments, are recognised at fair value on the balance sheet date and value adjust-

ments are recorded under financials. Securities were previously recognised at cost or at a lower value on the balance sheet date.

- Indirect production overheads are recognised as part of the cost of inventories, etc.
- Returnable packaging is recognised at cost under property, plant and equipment and depreciated over expected useful life. Returnables were previously charged to the income statement at acquisition.
- Own shares, which were previously recognised as investments, are now taken directly to capital and reserves.
- Proposed dividend for the year is no longer recognised as a liability at the balance sheet date but are shown as a separate item under capital and reserves.

Other changes comprise inclusion of certain other intangible assets and property, plant and equipment, including finance lease assets and derivative financial instruments in the balance sheet as well as inclusion of borrowings and lending at amortised cost.

In addition to the changes to the accounting policies, certain changes have been made to the layout as well as the contents and designation of items (reclassifications).

Amortisation and write-down of goodwill is shown as a separate item at the bottom of the income statement. This is due to expectations that international accounting principles on this significant issue will change with effect from 2003. The change entails that amortisation will no longer be made on a current basis, rather only write-down to net present value or net realisable value, if lower, will be made.

The effects of the changes in accounting policies for the years 2001 and 2002 are specified below:

DKK million	2002		2001	
Operating profit (EBITA) under former policies		3,832		3,400
Effect of changes on operating profit		-53		-106
Operating profit (EBITA) under new policies		3,779		3,294
Special items, net under former policies	-23		17	
Effect of changes, net	-	-23	15	32
Financials, net under former policies	-898		-58	
Effect of changes, net	14	-884	-197	-255
Profit before tax under new policies		2,872		3,071
Corporation tax under former policies	-738		-743	
Effect of changes, net	15	-723	126	-617
Consolidated profit under new policies		2,149		2,454
Amortisation of goodwill (new policies)		-375		-303
Minority interests		-763		-957
Carlsberg A/S' share of profit		1,011		1,194

	2002	2001
Consolidated capital and reserves under former policies	10,205	12,513
Changes in goodwill, etc.	5,638	5,751
Changes in other non-current assets	1,140	327
Changes in current assets	40	308
Changes in long-term debt	-	-82
Changes in short-term debt	263	497
Changes in provisions	-	-156
Consolidated capital and reserves under new policies	17,286	19,158

Other issues

With effect from 1 January 2002, the financial statement for Asia (Carlsberg Asia Pte. Ltd.) is based on the agreed 50/50 joint venture structure with proportionate consolidation of Carlsberg Asia Pte. Ltd.

The translation method for the companies in Russia and the Ukraine (BBH) has been changed with effect from 1 January 2002 as the general inflation rate in these countries over a three-year period has been significantly below 100%. The companies are now consolidated in accordance with the same financial principles applying to other undertakings in countries characterised by moderate inflation (current rate approach).

Significant events

In Carlsberg Sverige, 2002 was characterised by significant restructuring initiatives, which are expected to be completed in the spring of 2003.

The integration of the sales and administrative functions of the beer and soft drink activities in Denmark were completed in the spring of 2002. Furthermore, it has been decided to merge Coca-Cola Tapperierne Danmark A/S into Carlsberg Danmark A/S with effect from 1 January 2003.

In January 2002, Carlsberg Breweries A/S acquired the remaining 25% of the shares in Carlsberg Italia S.p.A.

At the beginning of 2002, permission was obtained from the authorities to establish Carlsberg Asia. The activities are concentrated in the agreed joint venture Carlsberg Asia, which is recognised with 50% by Carlsberg Breweries and 50% by Thai Chang Beverage Company. The transfer of activities/undertakings to Carlsberg Asia continued in 2002 and is expected to be completed during the first half of 2003.

In January 2002, Carlsberg Asia acquired another 8.4% of the shares in Hite Brewery Co., and the total shareholding thus amounts to 25%. As from 2002, Hite Brewery Co. is thus recognised as a consolidated associated undertaking.

On 29 January 2002, Carlsberg Brewery Hong Kong acquired 25% of Lao Brewery. The company is included as an associate in Carlsberg Asia in 2002.

Throughout the year, efforts were made to improve the structure in the Polish beer market through the subsidiary Carlsberg Okocim S.A. The companies Bosman Browar Szczecin S.A. (Bosman) and Kasztelan Browar Sierpc S.A. (Kasztelan) were taken over by Carlsberg Okocim and Bitburger, Germany, made a capital increase of 24%. Carlsberg Breweries A/S' stake in the company subsequently amounted to 61.6%. In December 2002, Carlsberg Breweries A/S acquired 9.9% of Bitburger's shares and thus increased the shareholding to 71.5%. The increase in the shareholding will first show in the results for 2003.

On 28 January 2002, Baltic Beverages Holding AB (BBH) entered into an agreement to acquire 70% of the shares in the Voronezh brewery. The stake was subsequently increased to 83%. On 19 December 2002, the company was sold to BBH's 60% owned subsidiary Yarpivo.

In February 2002, the Rent a Cooler companies in Sweden, Norway, Estonia, Latvia and Lithuania were sold to Eden Springs. In December 2002, Rent a Cooler Danmark was sold to the same company. The sale has no effect on the results for the year as the divested companies were recognised at market value.

In May 2002, the company increased its shareholding in Panonska, Croatia to 80% by acquring Prodravka Food Industries' 40% stake. The company is consolidated as a subsidiary with effect from 1 June 2002. It was previously consolidated as an associated undertaking.

In June 2002, Carlsberg Breweries A/S entered into an agreement to acquire 59.4% of the share capital in the Bulgarian brewery Shumensko Pivo, Bulgaria and in August 2002, 67% of another Bulgarian brewery, Pirinsko Pivo, was acquired. Following a subsequent public offer to the other shareholders, the shareholding in Pirinsko Pivo is increased to 94.5% in 2003. The Bulgarian companies have no effect on operating profit in the financial statements for 2002 but are included in the balance sheet as at 31 December 2002.

With effect from 30 June 2002, Carlsberg Breweries A/S sold its 32% shareholding in Svyturys Utenos Alus, Lithuania, to BBH. BBH thus became the owner of 76% of Svyturys Utenos Alus. Carlsberg Breweries A/S' ownership interests in the company are now handled through the 50% owned BBH. The net gain from the transaction amounted to DKK 35m.

Income statement

Operating profit

Operating profit amounted to DKK 3,779m against DKK 3,294m in 2001. The increase of DKK 485m -

or 15% - stems from an increase of 21% in Carlsberg Breweries, whereas a minor reduction was recorded for Carlsberg A/S' other activities (including property gains).

Further details on developments in net revenue and operating profit are available in the Management Report, which describes developments in the individual regions in Carlsberg Breweries. These regions account for the entire net revenue in the Carlsberg Group and for DKK 3,585m of operating profit.

Profit before amortisation and write down of goodwill

Profit before amortisation and write down of goodwill (exclusive of one-off items) rose by 8% or DKK 153m on last year, which is primarily due to Carlsberg Breweries, which realised an increase of DKK 145m before one-off items. The increase relates to an improvement in operating profit reduced by an increase in financial expenses (e.g. from foreign exchange losses) and a small increase in corporation tax.

Carlsberg A/S' share of profit

Carlsberg A/S' share of profit was 10% up on last year (exclusive of one-off items) and stems from an increase in results in Carlsberg Breweries. Goodwill amortisation in 2002 amounted to DKK 375m against DKK 303m in 2001. Carlsberg A/S' share of goodwill amortisation totalled DKK 221m against DKK 177m in 2001. If goodwill amortisation and one-off items are excluded, the increase in Carlsberg A/S' share of profit amounts to DKK 136m or 12%.

Balance sheet

The balance sheet total of the Carlsberg Group was at level with last year. The transition to new accounting policies has resulted in an increase in the balance sheet total, including in particular intangible assets with additions of about DKK 5.7m. The recognition of these intangible assets in the balance sheet has increased capital and reserves and, consequently, the financial position of the Group. In addition, minor shifts in short-term and long-term debt have taken place.

Cash flow statement

The Carlsberg Group had substantial positive free cash flow in 2002. Cash flow from operating activities was more than DKK 3bn up on last year and free cash flow by DKK 2.9bn. The improvements mainly relate to the Cash Race project in Carlsberg Breweries, and particularly the western European region contributed positively.

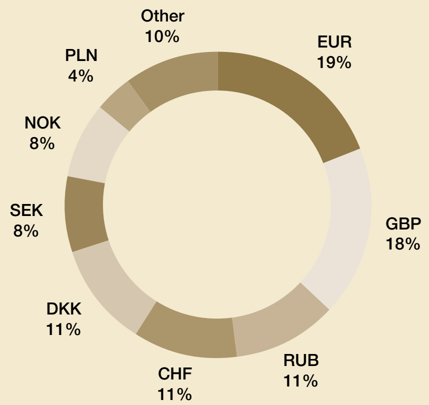
Financial risks

The activities in the Carlsberg Group are exposed to a variety of financial risks, which primarily relate to the effects of changing foreign currency exchange rates and interest rates. The overall treasury policies aim at identifying and hedging financial risk according to the written principles provided by the Boards of Directors.

The Group's treasury function (Corporate Treasury) operates as a service centre and handles financial risk management for Group subsidiaries centrally. The risk management is primarily based on interest rate and foreign exchange instruments such as swaps, futures and forward contracts, etc.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk. By far the most predominant part of the revenue originates from foreign companies being translated into DKK. As can be seen from the diagram below showing revenue by currencies, the Group is mainly exposed to risks relating to EUR, GBP, CHF and RUB.



However, cross-border transactions are rather limited in the Group, and hedging of projected cash flows are consequently also very limited in the Group. Entities in the Carlsberg Group use forward contracts as agreed with Corporate Treasury to hedge anticipated transactions in foreign currencies.

Carlsberg has a number of investments in foreign subsidiaries, whose capital and reserves are exposed to currency translation risk. In a number of instances the Group hedges the currency exposure from the translation of net investments through borrowings denominated in the relevant foreign currencies (after swaps) or by forward exchange contracts.

Interest rate risk

The interest rate exposure is the risk of changes in fair value or cash flow of an asset or liability due to changes in the yield curve.

The most significant interest rate exposure in the Carlsberg Group relates to interest-bearing debt, since the Group did not hold any significant long-term interest-bearing assets as at 31 December 2002. The company's loan portfolio consists of listed bond loans, bilateral loan agreements and syndicated credit facilities. As at 31 December 2002, net interest-bearing debt amounted to DKK 10.9bn. The management of the interest rate exposure involves the use of interest rate instruments such as interest rate swaps and options as well as fixed and floating rate debt. The policy is to maintain a majority of borrowing at floating rate. At the year-end, 30% of the loan portfolio was at fixed rate. The average duration on the debt portfolio was 1.5 years at 31 December 2002.

Credit exposure

The credit exposure is the risk that a counterpart fails to discharge its contractual obligation and thereby causes a loss to the Group. The credit exposure is monitored centrally. The treasury policies ensure that financial transactions can only be entered with financial institutions with high credit rating. The credit risk on financial transactions is measured as the nominal amount for placement of excess liquidity. When measuring credit risk on a derivative, the market value is added to a risk-weighted nominal amount of the derivative.

Carlsberg advances loans to the on-trade (trade loans). Credit risk related to trade loans is monitored and controlled continuously, and it is estimated that provisions made are sufficient to cover any loss. Ordinary receivables are subject to similar monitoring and control.

Liquidity risk

Liquidity risk is the risk that the Group fails to discharge its contractual obligations due to liquidity shortfall. Carlsberg pursues a policy of managing funding and placement of liquid funds centrally. Funding takes place based on the subsidiaries' investment plans and operational liquidity requirements, and any excess liquidity is equalised internally through intra-group accounts. Corporate Treasury is requested to carry out effective liquidity planning, which first and foremost means the availability of sufficient credit facilities to keep the capital resources at a sufficient level. At 31 December 2002, the Carlsberg Group had unutilised committed credit facilities of DKK 6.7bn.

Accounting Policies

The annual report of the Carlsberg Group for 2002 has been prepared in accordance with the Danish Financial Statements Act of 7 June 2001 (reporting class D), current Danish accounting standards and the reporting requirements of the Copenhagen Stock Exchange. The effects of the changes in accounting policies are specified in the financial review.

Consolidation policies

The consolidated financial statements of the Carlsberg Group (the „Group“) comprise the financial statements of the Parent Company, Carlsberg Breweries A/S and its other subsidiaries, i.e. undertakings in which the Parent Company, directly or indirectly, holds the majority of the voting rights or – in some other way – has a controlling interest.

Associated undertakings, which by agreement are managed jointly with one or more other companies (joint ventures), are consolidated proportionally with the proportionate share of the individual items. Other associated undertakings are included at a proportionate share of profit and capital and reserves (the equity method).

The consolidated financial statements are prepared on the basis of the financial statements of the Parent Company, its subsidiaries and proportionally consolidated undertakings, by combining items of a uniform nature and eliminating intercompany sales, licences, interest, dividends, profit and balances. Investments in subsidiaries and proportionally consolidated undertakings are offset against a proportionate share of the undertaking's capital and reserves stated in accordance with the accounting policies of the Group.

Investments in subsidiaries and associated undertakings are treated according to the purchase accounting method and any balance between cost and capital and reserves at the time of acquisition, stated in accordance with the accounting policies of the Group, is allocated to the assets and liabilities of the individual undertakings based on their fair values. Provision is made for liabilities relating to restructuring of acquired undertakings, which has been decided and announced to the relevant parties at the time of acquisition.

Any remaining balance (goodwill on consolidation) is recognised under intangible assets and amortised under the straight-line method over the estimated useful life, however not exceeding 20 years.

Any negative balance (negative goodwill on consolidation) equivalent to expected future losses or costs is included in the balance sheet and recorded as income as the losses or costs are realised. Any negative goodwill apart from this is systematically recorded as an income over the economic lives of intangible assets and property, plant and equipment.

Minority shareholders' share of the profit and capital and reserves of the subsidiaries is stated separately. Minority interests are included on the basis of their proportionate share of assets and liabilities acquired, revalued to fair value at the time of acquisition of subsidiaries.

When disposing of subsidiaries and proportionally consolidated undertakings and other associated undertakings, the undertaking's results are included in the consolidated income statement until the date of disposal. Any realised gains or losses constituting the difference in value compared to net asset value at the date of disposal are recorded in the income statement.

Foreign currency translation

The exchange rates at the day of transaction are applied to transactions in foreign currency.

Amounts receivable and payable in foreign currencies are translated into Danish kroner at the exchange rates ruling at the balance sheet date. Realised and unrealised exchange gains and losses are recorded in the income statement.

The financial statements of independent foreign subsidiaries and associated undertakings are translated into Danish kroner at the average exchange rates during the financial year for the income statements, and at the exchange rates ruling at the balance sheet date for assets and liabilities. Differences in exchange rates when translating foreign undertakings' capital and reserves at the exchange rate at the balance sheet date are taken directly to capital and reserves. Net currency exchange rate gains and losses on transactions to hedge investments in subsidiaries and associated undertakings are taken directly to capital and reserves.

Goodwill relating to foreign subsidiaries and proportionally consolidated undertakings is treated as an asset belonging to the foreign undertakings and translated into Danish kroner at the exchange rates ruling at the balance sheet date. Goodwill amortisation is translated at average rates for the financial year.

Where the statements of foreign subsidiaries and associated undertakings are presented in a currency for which the accumulated inflation over the past three years exceeds 100%, adjustment for inflation is made. The adjusted statement is translated into Danish kroner at the exchange rates at the balance sheet date.

Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently at fair value. Derivatives are included in other receivables and other liabilities.

Changes in the fair value of derivatives, which qualify as fair value hedges of a recognised asset or a recognised liability, are recognised in the income statement along with any changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivatives, which qualify as hedges of future assets or liabilities, are recognised in retained profit in capital and reserves. Income and costs relating to such hedging transactions are transferred from capital and reserves upon realisation of the hedged item.

For derivative financial instruments, which do not meet the criteria for hedge accounting, changes in the fair value are recognised in the income statement on a current basis.

Net revenue

Sales are recorded as income upon delivery. Licence fee income is recorded on the basis of the amounts earned during the year. Contract work for the account of third parties is recorded under the percentage of completion method and is recorded in the balance sheet under receivables after a prudent evaluation of each contract. Net revenue consists of the above items less the taxes and duties imposed on sales, including excise duties on beer and soft drinks and discounts other than cash discounts.

Cost of sales

Cost of sales represents direct and indirect costs paid to achieve the net revenue for the year, including depreciation.

Sales and distribution expenses

Sales and distribution expenses represent salaries to sales and distribution staff, marketing expenses and costs relating to operation of vehicles, including depreciation of property, plant and equipment and amortisation of intangible assets relating to sales and distribution activities, other than goodwill.

Administrative expenses

Administrative expenses include management costs, administrative staff costs, office premises and other expenses, including depreciation of property, plant and equipment and amortisation of intangible assets relating to administration, other than goodwill.

Other operating income and other operating expenses

Other operating income and other operating expenses include items of a nature secondary to the primary activities, such as income from rental properties, gains and losses from the sale of property, plant and equipment as well as government grants not related to acquisition of assets or refunds of expenses.

Special items

This item includes significant non-recurring items, which are not directly attributable to the normal operating of the company, including relatively substantial profit or loss arising from disposals, special write-downs and provisions and any reversal of such items.

Write-down of assets

The net asset value of both intangible assets and property, plant and equipment is assessed on an annual basis to determine any indication of impairment of value. If this is the case, the assets are written down to the lower value estimated as the net market value or the net present value, if higher.

Profit from investments in associated undertakings

The share of the profit or loss from associated undertakings is recorded in accordance with the accounting policies of the Group. Adjustments are made for changes in unrealised inter-company profit and loss. The share of the calculated tax of these undertakings is charged to the income statement under corporation tax.

Financial income and expenses

Financial income and expenses include interest, realised and unrealised exchange rate adjustments, adjustment of securities and other financial instruments to fair value, amortisation of debt and receivables, dividends and refunds as well as deductions and additions under the on-account taxation scheme.

Corporation tax

Tax for the year recognised in the income statement consists of current and deferred tax for the year, the effect on deferred tax from changes of tax rates as well as adjustments of actual tax from previous years. The portion of the tax for the year that is directly attributable to capital and reserves is recognised directly under capital and reserves.

Current tax is calculated at the tax rate applicable for the year. Deferred tax is calculated at the adopted or expected tax rates.

The Parent Company is taxed jointly with its wholly-owned Danish subsidiaries. The jointly-taxed, profit-yielding Danish undertakings pay tax to the Parent Company. The Parent Company settles the tax with the tax authorities (the full allocation method).

Intangible assets

The cost of goodwill and other intangible assets is capitalised and amortised under the straight-line method over the expected useful lives of the assets. There is no revaluation to fair value.

Research costs are recognised in the income statement as incurred. Costs incurred in connection with development activities are recognised as an asset if expected to generate future economic benefit. Other development costs are charged to the income statement as incurred.

Amortisation is calculated under the straight-line method over the estimated useful lives of the assets as follows:

Goodwill:	maximum 20 years
Brands:	maximum 20 years
Software, etc.:	3 years
Distribution rights:	Contract period not exceeding 5 years

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Borrowing costs incurred during the production period related to assets of own manufacture are not capitalised.

Depreciation to scrap value is provided under the straight-line method over the estimated useful lives of the assets as follows:

Buildings:	20-40 years
Plant, machinery and equipment:	5-15 years
Other assets, vehicles, fixtures and equipment, including draught beer equipment and soft drink machines:	5-10 years
Returnable packaging:	3-5 years

Items costing less than DKK 25,000 are fully charged to the income statement in the year of acquisition.

Leased and rented assets qualifying as finance leases are treated according to the same principles as corresponding owned assets.

Investments

Investments in associated undertakings are recognised in the consolidated balance sheet with a proportionate share of the net asset value of the undertakings in question (capital and reserves stated under Group policies) deducting or adding inter-company profit and losses.

Subsidiaries and associated undertakings with a negative financial value are measured at DKK nil and any receivables in these undertakings are written down with the Parent Company's share of the negative net asset value. If the negative net asset value exceeds the receivables, the remaining amount is recognised under provisions for liabilities and charges to the extent that the Parent Company holds a legal or constructive obligation to cover the negative balance of the undertaking.

Non-current receivables from associated undertakings, i.e. amounts falling due after more than one year, are recognised at the lower of amortised cost or recoverable value.

Associated beverage undertakings are recognised under operating profit as these undertakings are an integrated part of the primary activities of the Group.

Other securities and investments include financial assets such as bonds, shares and similar items of a non-current nature. The assets are recognised at cost and subsequently valued at fair value. Listed securities are recognised at the rates ruling at the balance sheet date. Unlisted securities are recognised based on a prudent estimation of fair value. Any adjustment to fair value is included under financials.

Trade loans to customers in connection with sale of beer and soft drinks and other non-current receivables, i.e. amounts falling due after more than one year, are recognised at amortised cost or recoverable value, if lower.

Inventories

Inventories are recognised at cost, stated under the average method or net realisable value, if lower. Write-down is made of obsolete inventory.

Indirect production overheads are included in the cost price.

Receivables

Receivables from trade with third party customers, associated undertakings and other receivables, which are expected to be realised within 12 months from the balance sheet date, are recognised at amortised cost or net realisable value, if lower. Short-duration receivables with no stated interest rate are as a rule recognised at nominal value unless the effect of imputing interest would be significant.

Receivables also include current trade loans to customers and contract work in progress at the account of third parties. Contract work in progress on behalf of third parties is recognised under net revenue and in the balance sheet at the percentage of completion method. The net amount of recorded cost, recognised profit/loss and progress billings is included in trade receivables, unless the progress billings exceed the sales price. In such cases they are included in trade payables.

Capital and reserves

Dividends are recognised at the time of adoption at the Annual General Meeting. Dividends proposed for the year are shown as a separate item in capital and reserves.

This item includes own shares.

Retirement benefit obligations and similar obligations

To the extent that pension obligations and other post retirement obligations relating to defined benefit schemes are not covered by insurance or a separate prior fund, provision is made in the balance sheet

Commitments for defined benefit plans are computed on the basis of an annual actuarial valuation at present value of the expected future benefits to be paid. If the actuarial gain or loss exceeds 10% of the computed pension obligation or the fair value of the pension fund assets, such gain or loss is amortised over the relevant employees' expected remaining term of service in the Group. Actuarial gain or loss not exceeding 10% is not recognised in the financial statements but included in the future actuarial valuations.

Payments to defined contribution schemes are charged to the income statement in the year in which they are made.

Deferred tax

Deferred tax is provided for all temporary differences between accounting and tax values using the liability method with a balance sheet focus based on the tax rates adopted or expected at the balance sheet date. However, no provision is made for investments in subsidiaries, joint ventures and associated undertakings, where it is not likely that the temporary difference will be reversed in the foreseeable future or where sale is tax-exempt. Deferred tax assets, including assets relating to tax losses carried forward, are stated at recoverable value based on a conservative valuation.

Deposit on returnable packaging

Deposits on returnable packaging are stated on the basis of deposit price as well as an estimate of the number of cans, bottles and crates in circulation.

Provisons for restructuring, etc.

Restructuring provisions, etc. are recognised on the balance sheet date when the decision has been adopted and announced to the parties involved, provided that a reliable estimate of the liability can be made. Restructuring provisions are based on a plan according to which restructuring starts immediately after the decision has been made.

Interest-bearing loans and similar liabilities

Debt is recognised at cost at the time of raising the loan. Subsequently, debt is stated at amortised cost. Capital losses and costs of loans are thus allocated over the term of the liabilities based on the calculated effective rate of interest when raising the loan.

Government grants

Government grants relating to the purchase of property, plant and equipment and intangible assets are offset in the balance sheet against the cost price of the assets acquired. Other government grants are either offset against the costs to which they relate or included in other operating income and as such form part of cash generated from operating activities.

Cash flow statement

The statement shows the consolidated cash flows in operating activities, investing activities and financing activities and consolidated cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are reported using the indirect method and comprise the consolidated operating profit of the Group adjusted for non-cash financials, corporation tax, depreciation and other items. This adjusted operating profit is adjusted for the change in working capital such as inventories, receivables, payables, etc. for the year.

Cash flows from investing activities arise from the acquisition and disposal of undertakings, investments in other non-current assets and dividends received. Cash flows from financing activities comprise dividends paid and changes in non-current liabilities, etc.

Cash and cash equivalents comprise in hand and demand deposits as well as short-term, highly liquid investments that are readily convertible into cash and only subject to an insignificant risk of changes in value less short-term credit facility drawdowns. Cash equivalents include bonds and other investments with a maturity at the date of acquisition not exceeding 3 months. Shares and other short-term bank borrowings are not included.

Segment information

The Group's main activity is production and sale of beer and other beverages, which accounts for more than 90% of the consolidated revenue. In accordance with the Group's management structure, beverage activities are segmented according to the geographical regions where production takes place.

The segment's operating profit includes net revenue, operating costs, and share of profit from associated undertakings to the extent that they are directly attributable to this. Income and costs related to Group functions have not been distributed and, as is also the case with eliminations and other activities, they are not included in the operating profit of the segments.

Current assets in the segment consist of the non-current assets used directly for segment operations, including intangible assets, property, plant and equipment and investments in associated undertakings.

Segment liabilities comprise segment operating liabilities, including trade payables and other liabilities.

Income Statement

Parent Company 2001 DKK million	Parent Company 2002 DKK million	Note		Group 2002 DKK million	Group 2001 DKK million
-	-		Revenue	48,603	46,934
-	-		Excise duties on beer and soft drinks, etc.	-13,059	-12,515
-	-	1	Net revenue	35,544	34,419
-	-	2, 10	Cost of sales	-17,674	-16,666
-	-		GROSS PROFIT	17,870	17,753
-	-	2, 10	Sales and distribution expenses	-11,943	-11,898
-46	-45	2, 10	Administrative expenses	-2,674	-2,826
128	85	3, 10	Other operating income, net	320	226
1,373	1,137	4	Profit, subsidiaries		
4	4	4	Profit, other associates	206	39
1,459	1,181	1	OPERATING PROFIT (EBITA)	3,779	3,294
-	-	5	Special items, net	-23	32
1,459	1,181		PROFIT BEFORE FINANCIALS	3,756	3,326
391	218	6	Financial income	514	1,797
-325	-13	7	Financial expenses	-1,398	-2,052
1,525	1,386		PROFIT BEFORE TAX	2,872	3,071
-331	-375	8	Corporation tax	-723	-617
			PROFIT BEFORE GOODWILL AMORTISATION AND WRITE-DOWN	2,149	2,454
		9	Goodwill amortisation and write-down	-375	-303
			CONSOLIDATED PROFIT	1,774	2,151
		18	Minority interests	-763	-957
1,194	1,011		PROFIT FOR THE YEAR, Carlsberg A/S´ share	1,011	1,194
			Proposed appropriation:		
320	304		Dividend to shareholders		
874	707		Appropriated to reserves		
1,194	1,011				

Balance Sheet as at 31 December

Parent Company			Assets	Group	
2001 DKK million	2002 DKK million	Note		2002 DKK million	2001 DKK million
			NON-CURRENT ASSETS		
		9	Intangible assets		
-	-		Goodwill	5,224	5,356
-	-		Other intangible assets	407	366
-	-		Advance payments	7	29
-	-			5,638	5,751
		10	Property, plant and equipment		
828	748		Land and buildings	8,309	7,412
9	3		Plant, machinery and equipment	7,505	7,917
2	1		Other assets, vehicles, etc.	3,397	3,768
230	384		Construction in progress	1,639	1,668
1,069	1,136			20,850	20,765
			Investments		
7,745	7,279	11	Investments in subsidiaries		
6	6	11	Receivables from subsidiaries		
178	156	11	Investments in associates	1,183	650
-	29	11	Receivables from associates	75	17
34	92	11, 12	Other investments	364	1,717
80	70	20	Deferred tax	475	403
-	-	11, 12	Other receivables	2,015	1,868
8,043	7,632			4,112	4,655
9,112	8,768	1	TOTAL NON-CURRENT ASSETS	30,600	31,171
			CURRENT ASSETS		
			Inventories and receivables		
-	-	13	Inventories	2,780	2,902
8	8	14	Trade receivables	6,139	6,780
2,771	248		Receivables from subsidiaries		
97	109		Receivables from associates	157	92
418	80	15	Other receivables	1,967	2,250
-	-	15	Prepayments and accrued income	894	968
3,294	445			11,937	12,992
390	1,972	16	Securities and cash and cash equivalents	3,986	3,292
3,684	2,417		TOTAL CURRENT ASSETS	15,923	16,284
12,796	11,185		TOTAL ASSETS	46,523	47,455

Balance Sheet as at 31 December

Parent Company			Capital and Reserves and Liabilities	Group	
2001 DKK million	2002 DKK million	Note		2002 DKK million	2001 DKK million
			CAPITAL AND RESERVES		
1,278	1,278	17	Share capital	1,278	1,278
10,763	9,558		Reserves	9,558	10,763
12,041	10,836		TOTAL CAPITAL AND RESERVES	10,836	12,041
		18	Minority interests	6,450	7,117
			CONSOLIDATED CAPITAL AND RESERVES	17,286	19,158
			LIABILITIES		
			Provisions		
51	51	19	Retirement benefit obligations and similar obligations	699	734
-	-		Liabilities for deposits on returnable packaging	1,197	1,214
-	-	20	Deferred tax	1,304	1,295
50	10	21	Other	198	615
101	61			3,398	3,858
		22	Non-current liabilities		
-	-		Borrowings	10,696	12,045
-	-		Other	28	79
-	-			10,724	12,124
			Current liabilities		
-	-	22	Borrowings	5,839	2,169
55	34		Trade payables, etc.	3,652	3,146
467	77		Payables to subsidiaries		
65	42		Payables to associates	62	82
-	38		Corporation tax	342	477
53	89	23	Other	4,977	6,201
14	8		Deferred income	243	240
654	288			15,115	12,315
755	349	1	TOTAL LIABILITIES	29,237	28,297
12,796	11,185		TOTAL CAPITAL AND RESERVES AND LIABILITIES	46,523	47,455
		26	Investments in proportionally consolidated undertakings		
		27	Financial instruments		
		28	Related parties		
		29	Contingent liabilities and other commitments, etc. in the Group		

Cash Flow Statement

Note		Group 2002 DKK million	Group 2001 DKK million
24	Cash flow relating to operations	6,671	3,632
	Financials, net	-482	-578
	Corporation tax paid	-639	-839
	CASH FLOW FROM OPERATING ACTIVITIES	5,550	2,215
	Acquisition of property, plant and equipment, net	-2,991	-3,551
25	Acquisition/divestment of undertakings, net	-1,131	-1,996
	Acquisition of investments, net	141	1,013
	Dividend	35	1,020
	CASH FLOW FROM INVESTING ACTIVITIES	-3,946	-3,514
	FREE CASH FLOW	1,604	-1,299
	Dividend paid	-320	-345
	Repurchase of own shares	-970	-
	Receivables from divestment of undertakings, etc.	-	656
	Repayment on debt	-1,312	-1,013
	Minority interests	-127	-513
	Financial payments and repayments	1,622	3,517
	CASH FLOW, FROM FINANCING ACTIVITIES	-1,107	2,302
	CASH FLOW FROM OPERATING, INVESTING AND FINANCING ACTIVITIES	497	1,003
	Securities and cash and cash equivalents, beginning of year	3,165	1,678
	Bonds transferred to cash and cash equivalents, beginning of year	117	-
	Debt transferred to cash and cash equivalents, beginning of year	-320	-
	Currency translation adjustment relating to cash and cash equivalents, beginning of year	-45	-21
	Acquired/sold cash at bank and in hand	-419	505
	Cash flow for the year	497	1,003
16	SECURITIES AND CASH AND CASH EQUIVALENTS, YEAR-END	2,995	3,165

The cash flow statement cannot be derived solely from the published financial statements.

Movements in Consolidated Capital and Reserves

DKK million	Share capital	Share premium	Revaluation reserve – equity method	Retained earnings	Dividend proposed	Total
			2002			
Capital and reserves as at 1 January 2002	1,278			11,235		12,513
Accumulated effect of change in accounting principles				6,325	320	6,645
Adjusted capital and reserves as at 1 January 2002	1,278			17,560	320	19,158
Profit for the year				1,774		1,774
Dividend paid to shareholders					-320	-320
Repurchase of own shares				-970		-970
Dividend, minority shareholders				-324		-324
Dilution, Carlsberg Asia				-907		-907
Currency translation adjustment, etc.				-1,125		-1,125
Dividend proposed for 2002				-304	304	-
Capital and reserves as at 31 December 2002	**1,278**			**15,704**	**304**	**17,286**
			2001			
Capital and reserves as at 1 January 2001	1,278	5,058		4,295		10,631
Accumulated effect of change in accounting principles				5,107	345	5,452
Adjusted capital and reserves as at 1 January 2001	1,278	5,058		9,402	345	16,083
Profit for the year				2,151		2,151
Dividend paid to shareholders					-345	-345
Influx of Orkla's beverage activities				1,814		1,814
Dividend etc., minority shareholders				-756		-756
Share premium, transfer to reserves		-5,058		5,058	-	
Currency translation adjustment, etc.				211		211
Dividend proposed for 2001				-320	320	-
Capital and reserves as at 31 December 2001	**1,278**	**-**		**17,560**	**320**	**19,158**

Movements in Parent Company's Capital and Reserves

DKK million	Share capital	Share premium	Revaluation reserve – equity method	Retained earnings	Dividend proposed	Total
			2002			
Capital and reserves as at 1 January 2002	1,278			6,781		8,059
Accumulated effect of change in accounting principles			1,454	2,208	320	3,982
Adjusted capital and reserves as at 1 January 2002	1,278		1,454	8,989	320	12,041
Profit for the year			791	220		1,011
Dividend paid to shareholders			-260	260	-320	-320
Repurchase of own shares				-970		-970
Dilution, Carlsberg Asia			-455			-455
Currency translation adjustment, etc.			-511	40		-471
Dividend proposed for 2002				-304	304	-
Capital and reserves as at 31 December 2002	**1,278**		**1,019**	**8,235**	**304**	**10,836**
			2001			
Capital and reserves as at 1 January 2001	1,278			7,702		8,980
Accumulated effect of change in accounting principles			1,936	1,268	345	3,549
Adjusted capital and reserves as at 1 January 2001	1,278		1,936	8,970	345	12,529
Profit for the year			983	211		1,194
Dividend paid to shareholders					-345	-345
Influx of Orkla's beverage activities			-1,361			-1,361
Currency translation adjustment, etc.			-104	128		24
Dividend proposed for 2001				-320	320	-
Capital and reserves as at 31 December 2001	**1,278**		**1,454**	**8,989**	**320**	**12,041**

Notes

(DKK million)

1 Segment information

	Western Europe	Eastern Europe	Asia	Not distributed	Total beverages	Other	Carlsberg Group total
2002							
Net revenue [1]	26,997	7,475	1,019	53	35,544	-	35,544
%	76	21	3	0	100	-	100
Operating profit (EBITA)	2,269	1,274	467	-425	3,585	194	3,779
Non-current assets	19,804	7,168	1,690	397	29,059	1,541	30,600
Liabilities [2]	15,299	4,586	732	8,297	28,914	323	29,237

	Western Europe	Eastern Europe	Asia	Not distributed	Total beverages	Other	Carlsberg Group total
2001							
Net revenue [1]	26,064	5,842	1,847	666	34,419	-	34,419
%	76	17	5	2	100	-	100
Operating profit (EBITA)	1,785	1,204	403	-421	2,971	323	3,294
Non-current assets	20,589	6,342	2,052	758	29,741	1,430	31,171
Liabilities [2]	17,030	3,230	1,001	8,677	29,938	-1,641	28,297

[1] Licence fees are included in net revenue.

[2] Not allocated liabilites of DKK 8,297m (2001: DKK 8,677m) relate to Group funding in connection with acquisition of undertakings.

Other primarily relates to the Parent Company.

Notes

(DKK million)

2 **Staff costs, share options granted to key managers and auditors' fees are as follows:**

Staff costs:

	2002		2001	
	Parent	Group	Parent	Group
Wages, salaries and remuneration	67	5,817	62	5,635
Social security costs	1	892	1	626
Pension costs	10	318	8	359
Other benefits	1	10	1	82
	79	7,037	72	6,702

Wages, salaries and remuneration for the Parent Company and the Group include remuneration paid to the Executive Board of the Parent Company of DKK 4m (2001: DKK 3m) and the Board of Directors of DKK 4m (2001: DKK 4m).

Total staff costs are included in the following items:

	2002		2001	
	Parent	Group	Parent	Group
Cost of sales	-	1,943	-	1,852
Sales and distribution expenses	-	3,968	-	3,781
Administrative expenses	21	1,068	19	1,016
Other operating income, net	58	58	53	53

In the financial year, the average number of employees in the Parent Company was 150 (2001: 150) and 28,466 in the Group (2001: 27,368), of whom 8,225 (2001: 5,526) were employed in proportionally consolidated undertakings.

Share options

The Executive Board and key managers of Carlsberg A/S and Carlsberg Breweries A/S have been granted share options in Carlsberg A/S in 2001 and 2002 as set out below:

Granted in	No. of options	Exercise price	Exercise period
2001	101,500	405.75	2004-2008
2002	101,500	339.91	2005-2009
	203,000		

The above comprises the Executive Board of Carlsberg A/S and Carlsberg Breweries A/S with 28,000 options for 2002 (2001: 28,000 options). The options are covered by the portfolio of own shares.

Auditors' fees

		2002		2001	
		Parent	Group	Parent	Group
PricewaterhouseCoopers:	Audit	0.6	12.6	0.7	13.0
	Other services	1.9	14.5	2.7	24.7
KPMG:	Audit	0.5	4.7	0.3	3.8
	Other services	0.3	2.7	2.3	4.2
Other auditors:	Audit	-	7.0	-	10.0
	Other services	-	46.0	-	25.0

Other services include fees for assistance in connection with projects and due diligence, etc.

Notes

(DKK million)

3 **Other operating income, net**

2002:
Other operating income, net includes the profit guarantee for the Thailand operations, gains from sale of property, plant and equipment (including rental properties) and income from rental properties.

2001:
Other opertaing income, net includes income from rental properties and gains from sale of property, plant and equipment and rental properties.

Other operating income net comprises:

	2002		2001	
	Parent	Group	Parent	Group
Other operating income	230	632	297	433
Other operating expenses	-145	-312	-169	-207
	85	320	128	226

4 **Profit from investments**

	2002		2001	
	Parent	Group	Parent	Group
Profit from investments in subsidiaries:				
Profit before tax	1,137		1,373	
Corporation tax	-378		-389	
Profit after tax	759		984	
Profit from investments in other associated undertakings:				
Profit before tax	4	206	4	39
Corporation tax	28	-32	-4	-5
Profit after tax	32	174	-	34

5 **Special items, net**

	2002		2001	
	Parent	Group	Parent	Group
Gains on sale and fair value adjustment of shares	-	49	-	222
Gains on sale of brands	-	75	-	-
Reversal of prior year write-off of investment in Vena	-	-	-	200
Restructuring charges	-	-147	-	-190
Impairment charge etc. relating to Hannen Brauerei GmbH	-	-	-	-200
Special items, net	-	-23	-	32

Notes

(DKK million)

6 Financial income

	2002		2001	
	Parent	Group	Parent	Group
Interest income	165	450	301	1,178
Dividend income	-	11	-	1
Gains on sale of Thai shares	-	-	-	518
Other financial income	53	53	90	100
	218	514	391	1,797

The Parent Company's interest income from subsidiaries amounted to DKK 70m (2001: DKK 123m).

7 Financial expenses

	2002		2001	
	Parent	Group	Parent	Group
Interest expenses	12	1,071	137	1,719
Fair value adjustments, net	-	27	-	15
Write-down, investments	-	-	155	195
Exchange rate losses, net	1	209	32	68
Other financial expenses	-	91	1	55
	13	1,398	325	2,052

Interest paid by the Parent Company to subsidiaries amounted to DKK 6m (2001: DKK 4m).

Exchange rate losses include adjustments of a negative DKK 44m (2001: gain of DKK 41m) relating to monetary net assets in hyperinflation economies.

Fair value adjustments, net in the Group relate to the following instruments:

	2002		2001	
	Parent	Group	Parent	Group
Interest rate swaps: fair value	-	23	-	15
Forward exchange contracts: fair value hedging	-	-24	-	-
Fair value adjustments, other assets	-	28	-	-
	-	27	-	15

8 Corporation tax

Tax on profit for the year comprises:

	2002		2001	
	Parent	Group	Parent	Group
Current tax	50	833	48	739
Movement in deferred tax during the year	10	-147	-73	-89
Share of tax in subsidiaries, cf. note 4	378	-	389	-
Share of tax in associates, cf. note 4	-28	32	4	5
Adjustment of tax for previous years	-35	5	-37	-38
	375	723	331	617

Reconciliation of the effective tax rate for the year:

	2002	2001
	Group	Group
Tax rate in Denmark	30.0%	30.0%
Difference in tax rate, foreign subsidiaries	-1.3%	-7.5%
Non-taxable income and non-tax deductible expenses	-1.2%	-4.8%
Adjustment of tax for previous years	0.2%	-1.2%
Non-capitalised tax losses	1.4%	1.6%
Other	-3.9%	2.0%
Effective tax rate for the year	25.2%	20.1%

The Parent Company and its Danish subsidiaries participate in the joint tax on account scheme.

Notes

(DKK million)

9 Intangible assets

Group:	Goodwill	Other intangible assets	Advance payments
Cost			
Cost at 1 January 2002	6,545	787	29
Additions relating to the acquisition of undertakings	606	7	-
Additions during the year	340	117	6
Disposals during the year	-769	-128	-
Currency translation adjustments, etc	-190	7	-
Transfers	2	56	-28
Cost at 31 December 2002	6,534	846	7
Amortisation and impairment losses			
Amortisation and impairment losses at 1 January 2002	1,189	421	-
Additions relating to the acquisition of undertakings	-106	4	-
Additions during the year	7	6	-
Disposals during the year	-141	-104	-
Currency translation adjustments, etc.	-14	-9	-
Amortisation for the year	375	120	-
Transfers	-	1	-
Amortisation and impairment losses at 31 December 2002	1,310	439	-
Book value at 31 December 2002	5,224	407	7

Amortisation of intangible assets other than goodwill is included in the following items:

	2002	2001
Cost of sales	21	48
Sales and distribution expenses	19	3
Administrative expenses	80	36
	120	87

The book value of other intangible assets at 31 December 2002 includes capitalised software of DKK 311m (2001: DKK 260m) and supply rights of DKK 64m (2001: DKK 89m).

Research and development costs of DKK 45m (2001: DKK 35m) have been expensed.

As explained in the financial review, goodwill in connection with the inclusion of Orkla's beverage activities has not been recognised.

Notes

(DKK million)

10 Property, plant and equipment:

Group:	Land and buildings	Plant, machinery and equipment	Other assets, vehicles, etc.	Construction in progress
Cost				
Cost at 1 January 2002	10,836	19,207	8,915	1,678
Additions relating to the acquisition of undertakings	529	412	76	53
Additions during the year	517	766	737	2,053
Disposals during the year	-877	-623	-1,085	-114
Currency translation adjustments, etc.	-282	-812	-167	-166
Transfers	1,447	-394	942	-1,857
Cost at 31 December 2002	12,170	18,556	9,418	1,647
Depreciation and impairment losses				
Depreciation and impairment losses at 1 January 2002	3,424	11,290	5,147	10
Additions relating to the acquisition of undertakings	133	50	8	-
Disposals during the year	-155	-484	-809	-
Currency translation adjustments, etc.	-33	-274	-31	-2
Depreciation during the year	297	1,155	1,058	-
Transfers	195	-686	648	-
Depreciation and impairment losses at 31 December 2002	3,861	11,051	6,021	8
Book value at 31 December 2002	8,309	7,505	3,397	1,639

Other assets, vehicles, etc. includes rolling equipment such as cars and trucks, draught beer equipment and coolers, returnable packaging and office equipment.

	2002	2001
Depreciation during the year is included in the following items:		
Cost of sales	1,516	1,470
Sales and distribution expenses	789	771
Administrative expenses	181	169
Other operating income, net	24	26
	2,510	2,436

The cost of finance leases amounted to DKK 206m (2001: DKK 189m). Accumulated depreciation on finance leases amounted to DKK 60m (2001: DKK 45m), of which DKK 8m (2001: DKK 12m) was recognised in 2002. The net book value of finance leases amounted to DKK 146m (2001: DKK 143m).

The book value of land and buildings in Denmark as assesed for tax purposes amounted to DKK 1,880m (2001: DKK 1,846m. The value of property in Denmark as assesed for tax purposes amounted to DKK 4,089m (2001: DKK 4,840m).

Parent:	Land and buildings	Plant, machinery and equipment	Other assets, vehicles, etc.	Construction in progress
Cost				
Cost at 1 January 2002	1,240	83	7	230
Additions during the year	121	-	2	375
Disposals during the year	-400	-	-1	-16
Transfers	205	-	-	-205
Cost at 31 December 2002	1,166	83	8	384
Depreciation and impairment losses				
Depreciation and impairment losses at 1 January 2002	412	74	5	-
Additions during the year	-10	-	-	-
Depreciation during the year	16	6	2	-
Depreciation and impairment losses at 31 December 2002	418	80	7	-
Book value at 31 December 2002	748	3	1	384

The value of property in Denmark as assesed for tax purposes amounted to DKK 1,830m (2001: DKK 2,829m) at 1 January 2002.

Notes

(DKK million)

11 Investments

Group:	Associates Investments	Associates Receivables	Other investments	Other non-current receivables
Cost				
Cost at 1 January 2002	603	327	1,772	1,892
Additions relating to the acquisition of undertakings	235	-	-273	9
Additions during the year	50	29	6	867
Disposals during the year	-83	-	-498	-591
Currency translation adjustments, etc.	-78	-	2	-75
Transfers	267	29	-722	-29
Transfers to/from current assets	-	-	6	-35
Cost at 31 December 2002	994	385	293	2,038
Revaluation and impairment losses				
Revaluation and impairment losses at 1 January 2002	47	-310	-55	-24
Disposals during the year	-14	-	33	-
Dividend	-35	-	-	-
Share of profit for the year	174	-	-	-
Impairment losses during the year	-	-	-13	1
Currency translation adjustments, etc.	15	-	80	-
Transfers	2	-	26	-
Revaluation and impairment losses at 31 December 2002	189	-310	71	-23
Book value at 31 December 2002	1,183	75	364	2,015

Investments in associated undertakings at 31 December 2002 includes goodwill of DKK 66m, net of accumulated amortisation of DKK 6m (2001: DKK 56m, net of accumulated amortisation of DKK 2m).

Parent:	Subsidiaries Investments	Subsidiaries Receivables	Associates Investments	Associates Receivables	Other investments
Cost					
Cost at 1 January 2002	6,339	118	130	310	67
Additions during the year	-	-	-	29	-
Disposals during the year	-	-	-36	-	-33
Cost at 31 December 2002	6,339	118	94	339	34
Revaluation and impairment losses					
Revaluation and impairment losses at 1 January 2002	-2,256	-112	48	-310	-33
Changes in accounting policies	3,662	-	-	-	-
Disposals during the year	-	-	-17	-	-
Dividend	-260	-	-1	-	-
Share of profit	759	-	32	-	-
Amortisation of goodwill	-11	-	-	-	-
Other adjustments	-455	-	-	-	33
Currency translation adjustments, etc.	-499	-	-	-	58
Revaluation and impairment losses at 31 December 2002	940	-112	62	-310	58
Book value at 31 December 2002	7,279	6	156	29	92

Notes

(DKK million)

12 Other investments and other non-current receivables

Other investments in the Group include shares of DKK 302m, bonds of DKK 52m and other financial assets of DKK 10m.

Non-current receivables in the Group of DKK 2,015m (2001: DKK 1,868m) mainly relate to on-trade loans.

The average effective intrest rate for the interest-bearing non-current assets is as follows:

	2002		2001	
	Parent	Group	Parent	Group
Bonds	4.1%	6.5%	-	6.5%
Non-current receivables	4.3%	4.0%	-	4.0%
Repayments falling due after five years from the balance sheet date:				
Non-current receivables	-	360	-	390

13 Inventories

	2002		2001	
	Parent	Group	Parent	Group
Raw materials and consumables	-	1,164	-	1,034
Work in progress	-	232	-	225
Finished goods	-	1,384	-	1,643
	-	2,780	-	2,902

14 Trade receivables

	2002		2001	
	Parent	Group	Parent	Group
Trade receivables	8	6,658	8	7,328
Contract work in progress, net	-	2	-	18
Provision for bad and doubtful debts	-	-521	-	-566
	8	6,139	8	6,780

Provision for bad and doubtful debts in the Group of DKK 41m (2001: DKK 24m) have been applied. The Parent Company did not apply provisions for bad and doubtful debts in 2002 and 2001.

	2002	2001
Receivables from construction contracts in the Group are netted as follows:		
Work in progress	1,139	1,058
Advances received on construction contracts	-1,137	-1,040
	2	18

15 Other receivables and prepayments and accrued income

Other receivables consist of VAT receivables, interest receivables and other receivables not arising from the sale of beverages. DKK 437m of the receivables are interest-bearing.

The main part of prepayments is attributable to prepaid sponsorship and marketing expenses.

Notes

(DKK million)

16 Securities and cash and cash equivalents

	2002		2001	
	Parent	Group	Parent	Group
Cash at bank and in hand	1,468	3,448	382	3,282
Liquid securities	504	538	8	10
	1,972	3,986	390	3,292

For the purpose of the Group's cash flow statement, bank overdrafts are offset against securities and cash and cash equivalents:

	2002	2001
Cash and cash equivalents and liquid securities	3,941	3,165
Bank overdrafts	-946	-
Securities and cash and cash equivalents, net	2,995	3,165

Short-term bank deposits amounted to DKK 2,889m (2001: DKK 1,207m). The average interest rate on these deposits amounted to 4.2% and the average duration was 84 days.

17 Share capital

Specification of share capital:	No. of DKK 20	Nominal amount
A-shares	35,257,090	705
B-shares	28,649,192	573
Own shares	3,043,559	

18 Minority interests

	2002	2001
Minority interests at 1 January 2002	7,117	3,554
Minority interests' share of profit for the year	763	957
Dilution, Carlsberg Asia	-452	-
Additions relating to contribution of Orkla's beverage activities	-	3,175
Dividend, etc. to minority interests	-324	-756
Currency translation adjustments, etc.	-654	187
Minority interests at 31 December 2002	6,450	7,117

19 Retirement benefit obligations

	2002	
	Parent	Group
Net retirement benefit obligations at 1 January 2002	51	734
Currency translation adjustments, etc.	-	-2
Transfer from other provisions, etc.	-	48
Expensed during the year	-	234
Payments during the year	-	-315
Net retirement benefit obligations at 31 December 2002	51	699

Not recognised actuarial loss at 31 December 2002 amounted to DKK 1,064m and is primarily attributable to Carlsberg-Tetley PLC, UK and Feldschlösschen Getränke Holding AG, Switzerland. Inclusion of the actuarial loss from 2003 is expected to amount to DKK 30m a year.

Notes

(DKK million)

20 Deferred tax assets and liabilities

Provision for deferred tax at 31 December 2002 relates to the following items:

	Assets		Liabilities	
	2002	2001	2002	2001
Group:				
Intangible assets	106	11	157	139
Land and buildings	13	143	668	662
Plant, machinery and equipment, etc.	220	253	929	1,186
Investments	105	105	-	-
Inventories	36	45	91	70
Receivables	17	18	3	3
Provisions	88	85	41	5
Tax losses, etc.	755	830	280	317
Tax assets and liabilities	1,340	1,490	2,169	2,382
Netting	865	1,087	865	1,087
Net tax assets and liabilities	475	403	1,304	1,295
Parent:				
Land and buildings	-	-	46	35
Plant, machinery and equipment, etc.	5	4	-	-
Receivables	93	93	-	-
Provisions	15	15	-	-
Tax losses, etc.	3	3	-	-
Tax assets and liabilities	116	115	46	35
Netting	46	35	46	35
Net tax assets and liabilities	70	80	-	-

Movements in deferred tax assets/liabilities:

	Deferred tax assets		Deferred tax liabilities	
	Parent	Group	Parent	Group
Deferred tax assets/liabilities at 1 January 2002	80	403	-	1,295
Additions relating to the acquisition of undertakings	-	-18	-	-3
Taken to the income statement	-10	195	-	48
Taken to capital and reserves	-	-40	-	-1
Adjustments for previous years	-	2	-	41
Currency translation adjustments	-	-1	-	-10
Transfers	-	-66	-	-66
Deferred tax assets/liabilities at 31 December 2002	70	475	-	1,304

Notes

(DKK million)

21 Other provisions

	Parent		Group	
	Restructuring	Other	Restructuring	Other
Other provisions at 1 January 2002	-	50	147	468
Additions relating to the acquisition of undertakings	-	-	4	24
Additions during the year	-	-	87	-
Disposals relating to the divestment of undertakings	-	-40	-	-2
Disposals during the year	-	-	-217	-336
Currency translation adjustments, etc.	-	-	1	1
Reclassification from current liabilities	-	-	69	-
Transfer to post retirement obligations	-	-	-	-48
Transfers	-	-	-1	1
Other provisions at 31 December 2002	-	10	90	108

Disposals during the year of DKK 336m under Other provisions comprise reversal of provisions made to cover the costs in connection with the establishment of the new structure in Carlsberg Asia of DKK 100m.

22 Borrowings

	2002		2001	
	Parent	Group	Parent	Group
Current liabilities:				
Bond loans	-	578	-	104
Bank borrowings and overdrafts	-	4,372	-	1,905
Other	-	889	-	160
Total current liabilities	-	5,839	-	2,169
Non-current liabilities:				
Bond loans	-	8,788	-	6,935
Mortgages	-	423	-	197
Bank borrowings	-	1,349	-	4,763
Other	-	136	-	150
Total non-current borrowings	-	10,696	-	12,045
Payables to affiliated undertakings	-	-	-	-
Other liabilities	-	28	-	79
Total non-current liabilities	-	10,724	-	12,124

The non-current liabilities fall due from the balance sheet day:

Between 2 and 5 years	-	5,120	-	6,411
After 5 years	-	5,604	-	5,713
	-	10,724	-	12,124

The weighted average effective interest rate at 31 December 2002 in the Group and the periods in which the borrowings reprice are as follows:

	Weighted average interest rate	Book values allocated in repricing periods		
		1 year	2-5 years	After 5 years
Bond loans	6.3%	578	3,694	5,094
Bank borrowings and other borrowings	6.4%	5,733	1,143	321
Effect of interest rate swaps	-0.7%	6,906	-3,459	-3,447
Total	5.6%	13,217	1,378	1,968

Of the bond loans DKK 9,299m is at fixed rates, of which the main part has been swapped into floating rates. DKK 2,159m of bank borrowings is also at variable rates.

23 Other current liabilities

	2002		2001	
	Parent	Group	Parent	Group
Duties and VAT	-	1,614	-	1,530
Social costs, etc.	-	923	-	667
Interest payable	-	298	-	38
Other	89	2,142	53	3,966
Other current liabilities	89	4,977	53	6,201

Notes

(DKK million)

24 Cash flow from operating activities

	2002	2001
Profit before financials	3,756	3,326
Adjustment of non-cash transactions:		
Depreciation and amortisation	2,630	2,523
Profit before tax from investments	-206	-39
Gains on disposal of non-current assets	-200	-292
Other non-cash adjustments to EBIT	-126	-64
Cash flow from operations before changes in working capital	5,854	5,454
Changes in working capital:		
Inventories	171	-165
Trade recivables and other receivables	613	-770
Trade payables and other payables	382	-639
Post retirement obligations and other obligations	-240	-170
Adjustment of unrealised gains/losses on working capital	-109	-78
	817	-1,822
Cash flow from operating activities	6,671	3,632

25 Acquisition and divestment of companies

Acquisition and divestment had the following effect on the Group's assets and liabilities:

	2002		2001	
	Acquisition	Sale	Acquisition	Sale
Intangible assets	-10	44	-	-
Property, plant and equipment	-1,070	162	-1,750	80
Investments, excl. deferred tax assets	-5	-	-	
Inventories	-60	14	-	-
Trade receivables and other receivables	-310	31	-926	29
Securities and cash and cash equivalents	-18	11	-	-
Provisions, excl. deferred tax assets	36	-1	296	-
Net deferred tax assets/liabilities	51	-8	-	-
Borrowings	177	-5	1,983	-16
Trade payables and other payables	478	-154	-	-
Minority interests	59	-	33	-13
Net identifiable assets and liabilities	-672	94	-364	80
Share of capital and reserves transferred from investments in associated undertakings	63	-	-	-
Goodwill etc. on acquisitions/divestments	-606	-17	-1,760	48
Cash consideration received/paid	-1,215	77	-2,124	128
Cash and cash equivalents acquired/disposed of	18	-11	-	-
Cash outflow/inflow	-1,197	66	-2,124	128
Acquisition and divestment of undertakings, net		-1,131		-1,996

The establishment of the Carlsberg Asia joint venture as at 1 January 2002 is not included in the figures, just as the influx of Orkla's beverage activities is not comprised in the comparative figures.

Notes

(DKK million)

26 Investments in proportionally consolidated undertakings

The amounts specified below represent the Group's share of the assets and liabilities, net revenue and results in proportionally consolidated companies. These amounts are included in the consolidated balance sheet and income statement.

	2002	2001
Non-current assets	6,078	5,676
Current assets	2,641	2,916
Non-current liabilities	-710	-798
Current liabilities	-3,074	-2,354
Net assets	4,935	5,440
Net revenue	6,723	6,424
Operating profit (EBITA)	1,879	1,582
Net cash flow	-234	208
Securities and cash and cash equivalents at the end of the period	368	1,105

27 Financial instruments

The net fair value at 31 December of derivative financial instruments primarily designated for fair value hedging of investments and borrowings:

	2002		2001	
	Parent	Group	Parent	Group
Contracts with positive fair value:				
Interest rate swaps	-	23	-	3
Forward exchange contracts	-	89	-	-
Other	-	-	-	-
Contracts with negative fair value:				
Interest rate swaps	-	135	-	-
Forward exchange contracts	-	66	-	-
Other	-	-	-	-
Interest rate swaps:				
The notional principal amount on outstanding Interest rate swaps		7,764		3,820
The fixed interest rate varies from (lowest)		4.30%		6.60%
The fixed interest rate varies from (highest)		7.00%		7.00%
The floating interest rate varies from (lowest)		1.40%		2.20%
The floating interest rate varies from (highest)		5.10%		6.00%

As at 31 December 2002, the Group had no financial instruments for hedging of future transactions.

Net interest-bearing debt by currencies and next interest rate adjustment:

		Next interest rate adjustment					After
Amounts in DKK million	31/12/02	2003	2004	2005	2006	2007	2007
DKK	1,078	820	11	12	9	2	224
USD	1,472	1,053	389	21	9	-	-
EUR	7,737	6,867	798	12	11	-	49
GBP	2,374	679	-	-	-	-	1,695
CHF	1,143	1,143	-	-	-	-	-
NOK	681	678	-	3	-	-	-
SEK	905	905	-	-	-	-	-
SGD	-	-	-	-	-	-	-
RUB	56	56	-	-	-	-	-
TRL	288	288	-	-	-	-	-
PLN	679	639	-	-	40	-	-
Other	150	89	61	-	-	-	-
Total interest-bearing debt	16,563	13,217	1,259	48	69	2	1,968
Short-term bank deposits	-2,890	-2,890					
Liquid assets (other securities and cash and cash equivalents)	-1,050	-1,050					
Other interest-bearing debt	-1,700	-1,700					
Net interest-bearing debt	10,923	7,577	1,259	48	69	2	1,968

Notes

(DKK million)

28 **Related parties**

The Group has not undertaken any significant transactions with major shareholders, the Board of Directors, the Executive Board or undertakings outside the Carlsberg Group, in which the relevant parties have interests, during the year.

Related parties with controlling interest:

The Carlsberg Foundation, H.C. Andersens Boulevard 35, DK-1553 Copenhagen V, Denmark owns 55.6% of the shares in Carlsberg A/S, exclusive of own shares.

29 **Contingent liabilities and other commitments, etc. in the Group**

The following assets have been pledged as security for borrowings in the Group:

	2002		2001	
	Parent	Group	Parent	Group
Land and buildings, book value	-	1,091	-	1,244
Plant, machinery and equipment, book value	-	953	-	1,045
Total	-	2,044	-	2,289

Carlsberg A/S has issued guarantees for loans amounting to DKK 6,863m (31.12.2001: DKK 7,446m) raised by subsidiaries. Carlsberg Breweries A/S has issued guarantees for loans totalling DKK 9,902m (31.12.2001: DKK 3,390m) raised by its subsidiaries and loans amounting to DKK 53m raised by third parties.

Carlsberg Breweries has issued guarantees for bank loans totalling DKK 188.4m raised by customers/suppliers. The objective of such guarantees is to improve business terms with the undertakings in question.

Carlsberg A/S is registered jointly with Carlsberg Breweries A/S and Carlsberg Danmark A/S regarding VAT and excise duties and has joint and several liability in connection with payment thereof. Carlsberg A/S has joint and several liability for payment of corporation tax in the undertakings included in the joint taxation.

Carlsberg A/S is party to certain lawsuits. The management does not expect the outcome of these cases to have a material, negative impact on the financial position of the Group.

No post balance sheet events have occurred which may affect the financial position of the Group.

Capital commitments

Capital expenditure contracted for on the balance sheet day but not recognised in the financial statements can be specified as follows:

	2002		2001	
	Parent	Group	Parent	Group
Intangible assets	-	104	-	99
Property, plant and equipment	-	331	-	248
Total	-	435	-	347

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases can be specified as follows:

	2002		2001	
	Parent	Group	Parent	Group
Not later than 1 year	-	54	-	11
Later than 1 year and not later than 5 years	-	134	-	88
Later than 5 years	-	82	-	76
Total	-	270	-	175

Segment Information by Quarters – Q1

DKK million	Western Europe	Eastern Europe	Asia	Not distrib- uted*	Bever- ages total**	Other	Carlsberg Group, total
2001* **							
Net revenue	5,232	915	530	292	6,969		6,969
Operating profit	**32**	**120**	**91**	**-122**	**121**	**23**	**144**
Special items, net					-		-
Financials, net					367	-115	252
Corporation tax					-132	73	-59
Profit before goodwill amortisation and write-down					**356**	**-19**	**337**
Goodwill amortisation and write-down					-71	2	-69
Consolidated profit					285	-17	268
Minority interests					-60		-150
Carlsberg Breweries' share of the profit					225		
Carlsberg A/S' share of the profit							118
2002							
Net revenue	5,638	1,593	323	18	7,572		7,572
Operating profit	**139**	**176**	**137**	**-97**	**355**	**85**	**440**
Special items, net					-		-
Financials, net					-255	39	-216
Corporation tax					-17	-35	-52
Profit before goodwill amortisation and write-down					**83**	**89**	**172**
Goodwill amortisation and write-down					-95	3	-92
Consolidated profit					-12	92	80
Minority interests					-81		-44
Carlsberg Breweries' share of the profit					-93		
Carlsberg A/S' share of the profit							36

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

** Carlsberg Breweries A/S, total.

*** Included in Carlsberg Breweries A/S is non-recurring gains from the sale of shares in Thai breweries: financials amounting to DKK 518m and tax totalling a negative DKK 115m, a positive total of DKK 403m. From these gains, DKK 161m has been allocated for minority interests in Carlsberg A/S, whose share of the profit is thus positively affected by DKK 242m.

Segment Information by Quarters – Q2 and Q3

Q2 DKK million	Western Europe	Eastern Europe	Asia	Not distrib-uted*	Bever-ages total**	Other	Carlsberg Group, total
2001							
Net revenue	7,061	1,553	453	205	9,272		9,272
Operating profit	**812**	**372**	**78**	**-82**	**1,180**	**27**	**1,207**
Special items, net					-		-
Financials, net					-213	39	-174
Corporation tax					-217	-23	-240
Profit before goodwill amortisation and write-down					**750**	**43**	**793**
Goodwill amortisation and write-down					-68	3	-65
Consolidated profit					682	46	728
Minority interests					-120		-344
Carlsberg Breweries' share of the profit					562		
Carlsberg A/S' share of the profit							384
2002							
Net revenue	7,379	2,230	233	109	9,951		9,951
Operating profit	**848**	**484**	**104**	**-94**	**1,342**	**32**	**1,374**
Special items, net					-18		-18
Financials, net					-300	69	-231
Corporation tax					-341	-13	-354
Profit before goodwill amortisation and write-down					**683**	**88**	**771**
Goodwill amortisation and write-down					-93	2	-91
Consolidated profit					590	90	680
Minority interests					-130		-313
Carlsberg Breweries' share of the profit					460		
Carlsberg A/S' share of the profit							367

Q3 DKK million	Western Europe	Eastern Europe	Asia	Not distrib-uted*	Bever-ages total**	Other	Carlsberg Group, total
2001							
Net revenue	6,860	2,006	507	85	9,458		9,458
Operating profit	**803**	**547**	**123**	**-123**	**1,350**	**154**	**1,504**
Special items, net					-		-
Financials, net					-268	111	-157
Corporation tax					-280	-39	-319
Profit before goodwill amortisation and write-down					**802**	**226**	**1,028**
Goodwill amortisation and write-down					-89	3	-86
Consolidated profit					713	229	942
Minority interests					-151		-376
Carlsberg Breweries' share of the profit					562		
Carlsberg A/S' share of the profit							566
2002							
Net revenue	7,111	2,211	241	-164	9,399		9,399
Operating profit	**891**	**468**	**156**	**-90**	**1,425**	**24**	**1,449**
Special items, net					29	-	29
Financials, net					-222	53	-169
Corporation tax					-302	-20	-322
Profit before goodwill amortisation and write-down					**930**	**57**	**987**
Goodwill amortisation and write-down					-93	3	-90
Consolidated profit					837	60	897
Minority interests					-121		-408
Carlsberg Breweries' share of the profit					716		
Carlsberg A/S' share of the profit							489

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

** Carlsberg Breweries A/S, total.

Segment Information by Quarters – Q4

DKK million	Western Europe	Eastern Europe	Asia	Not distrib-uted*	Bever-ages total**	Other	Carlsberg Group, total
2001							
Net revenue	6,911	1,368	357	84	8,720		8,720
Operating profit	**138**	**165**	**111**	**-94**	**320**	**119**	**439**
Special items, net					32		32
Financials, net					-174	-2	-176
Corporation tax					7	-6	1
Profit before goodwill amortisation and write-down					**185**	**111**	**296**
Goodwill amortisation and write-down					-86	3	-83
Consolidated profit					99	114	213
Minority interests					-79		-87
Carlsberg Breweries' share of the profit					20		
Carlsberg A/S' share of the profit							126
2002							
Net revenue	6,869	1,442	222	89	8,622		8,622
Operating profit	**391**	**146**	**70**	**-144**	**463**	**53**	**516**
Special items, net					-34	-	-34
Financials, net					-306	38	-268
Corporation tax					-38	43	5
Profit before goodwill amortisation and write-down					**85**	**134**	**219**
Goodwill amortisation and write-down					-105	3	-102
Consolidated profit					-20	137	117
Minority interests					-11		2
Carlsberg Breweries' share of the profit					-31		
Carlsberg A/S' share of the profit							119

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

** Carlsberg Breweries A/S, total.

Segment Information Accumulated as at 31 December

DKK million	Western Europe	Eastern Europe	Asia	Not distrib-uted*	Bever-ages total**	Other	Carlsberg Group, total
2001* **							
Net revenue	26,064	5,842	1,847	666	34,419		34,419
Operating profit	**1,785**	**1,204**	**403**	**-421**	**2,971**	**323**	**3,294**
Special items, net					32		32
Financials, net					-288	33	-255
Corporation tax					-622	5	-617
Profit before goodwill amortisation and write-down					**2,093**	**361**	**2,454**
Goodwill amortisation and write-down					-314	11	-303
Consolidated profit					1,779	372	2,151
Minority interests					-410		-957
Carlsberg Breweries' share of the profit					1,369		
Carlsberg A/S' share of the profit							1,194
2002							
Net revenue	26,997	7,475	1,019	53	35,544		35,544
Operating profit	**2,269**	**1,274**	**467**	**-425**	**3,585**	**194**	**3,779**
Special items, net					-23	-	-23
Financials, net					-1,085	201	-884
Corporation tax					-697	-26	-723
Profit before goodwill amortisation and write-down					**1,780**	**369**	**2,149**
Goodwill amortisation and write-down					-386	11	-375
Consolidated profit					1,394	380	1,774
Minority interests					-342		-763
Carlsberg Breweries' share of the profit					1,052		
Carlsberg A/S' share of the profit							1,011

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

** Carlsberg Breweries A/S, total.

*** Included in Carlsberg Breweries A/S is non-recurring gains from the sale of shares in Thai breweries: financials amounting to DKK 518m and tax totalling a negative DKK 115m, a positive total of DKK 403m. From these gains, DKK 161m has been allocated for minority interests in Carlsberg A/S, whose share of the profit is thus affected positively by DKK 242m.

Management Statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of the Carlsberg Group and the Parent Company for 2002.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act and the reporting requirements of the Copenhagen Stock Exchange, which include current Danish accounting standards.

In our opinion, the Annual Report has been prepared in accordance with appropriate accounting policies and give a true and fair view of the Group's and the Parent Company's assets and liabilities, financial position, profit for the year and consolidated cash flow.

We recommend that the Annual General Meeting approve the Annual Report.

Copenhagen, 20 February 2003

Executive Board of Carlsberg A/S

Jørn P. Jensen
Chief Executive Officer

Board of Directors of Carlsberg A/S

Poul Chr. Matthiessen Chairman	Jens Bigum Deputy Chairman	Hans Andersen
Torkild Andersen	Henning Dyremose	Claes Gjermansen
Povl Krogsgaard-Larsen	Axel Michelsen	Erik Dedenroth Olsen
Bent Ole Petersen	Jens Otto Veile	Per Øhrgaard

Auditors' Report

To the Shareholders of Carlsberg A/S
We have audited the Annual Report of the Carlsberg Group and the Parent Company for the financial year 2002.

The Annual Report is the responsibility of Company Management. Our responsibility is to express an opinion on the Annual Report based on our audit.

Basis of Opinion
We conducted our audit in accordance with Danish and International Auditing Standards (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies applied and significant estimates made by Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2002 of the Group and the Parent Company and of the results of the Group and the Parent Company operations and consolidated cash flows for the financial year 2002 in accordance with the Danish Financial Statements Act, the Danish Accounting Standards and other financial reporting requirements of the Copenhagen Stock Exchange.

Copenhagen, 20 February 2003

PricewaterhouseCoopers

Morten Iversen
State Authorised
Public Accountant

Fin T. Nielsen
State Authorised
Public Accountant

KPMG C. Jespersen

Finn L. Meyer
State Authorised
Public Accountant

Poul Erik Olsen
State Authorised
Public Accountant

Group Companies

			Investment	Nominal share capital ('000)	Currency
CARLSBERG A/S					
Share Capital DKK 1,278,125,640					
BREWING COMPANIES					
Denmark					
Carlsberg Breweries A/S, Copenhagen	24 subsidiaries	●	60%	500,000	DKK
Other companies					
Investeringsselskabet af 17. januar 1991 A/S, Copenhagen		●	100%	14,500	DKK
Ejendomsaktieselskabet af 4. marts 1982, Copenhagen		●	100%	9,500	DKK
Ejendomsaktieselskabet Tuborg Nord B, Copenhagen		●	100%	25,000	DKK
Ejendomsinteressentskabet Tuborg Nord B					
Ejendomsaktieselskabet Tuborg Nord C, Copenhagen		●	100%	10,000	DKK
Ejendomsaktieselskabet Tuborg Nord D, Copenhagen		●	100%	10,000	DKK
VersaMatrix A/S, Copenhagen		●	100%	500	DKK
Royal Scandinavia A/S, Copenhagen		■	28%	100,500	DKK
Combio A/S, Copenhagen		■	33%	1,106	DKK
Coca-Cola Nordic Beverages a/s, Gentofte, Denmark		■	51%	10,000	DKK

● Subsidiaries
■ Other associated undertaking

				Investment	Nominal share capital ('000)	Currency	Exchange rate
CARLSBERG BREWERIES A/S							
Share Capital DKK 500,000,000							
Northern Europe							
Carlsberg Danmark A/S, Copenhagen	5 subsidiaries	●		100%	100,000	DKK	100.00
Pripps Ringnes AB, Stockholm, Sweden	2 subsidiaries	●		100%	287,457	SEK	80.75
Oy Sinebrychoff Ab, Helsinki, Finland		●		100%	96,707	EUR	742.43
Carlsberg Holding Sverige AB, Stockholm, Sweden	2 subsidiaries	●		100%	150,000	SEK	80.75
Ringnes AS, Oslo, Norway - owned by Pripps Ringnes AB	1 subsidiary	●		100%	248,590	NOK	101.81
United Kingdom							
Carlsberg - Tetley PLC, Northampton, UK	1 subsidiary	●		100%	90,004	GBP	1,139.92
Western & Southern Europe							
Carlsberg Italia S.p.A, Varese, Italy	37 subsidiaries	●		100%	8,400	EUR	742.43
Unicer-Bebidas de Portugal, SGPS, S.A., Porto, Portugal	33 subsidiaries	◆		44%	22,005	EUR	742.43
Hannen Brauerei GmbH, Mönchengladbach, Germany	5 subsidiaries	●		100%	17,897	EUR	742.43
Feldschlösschen Getränke Holding AG, Rheinfelden, Switzerland	3 subsidiaries	●		100%	95,000	CHF	510.68
International Breweries (Netherlands) B.V., Bussum, Netherlands		■		16%	62	USD	708.22
Eastern Europe, Africa and Americas							
BBH - Baltic Beverages Holding AB, Stockholm, Sweden - owned by Pripps Ringnes AB	17 subsidiaries	◆		50%	12,000	EUR	742.43
Carlsberg Okocim S.A., Warsaw, Poland	4 subsidiaries	●	1)	71%	28,721	PLN	184.23
Panonska Pivovara d.o.o., Koprivnica, Croatia		●		80%	159,932	HRK	99.27
Israel Beer Breweries Ltd, Ashkelon, Israel		■		20%	44	ILS	148.56
Nuuk Imeq A/S, Nuuk, Greenland		■		24%	38,000	DKK	100.00
Piast S.A., Wroclaw, Poland	5 subsidiaries	●		98%	101,193	PLN	184.23
Türk Tuborg Bira ve Malt Sanayii S.A., Izmir, Turkey	1 subsidiary	●	1)	82%	106,342	USD	708.22
OAO Vena, St. Petersburg, Russia		●		50%	34,063	EUR	742.43
Carlsberg Malawi Brewery Limited, Blantyre, Malawi	1 subsidiary	●		49%	20,000	MWK	8.28
Carlsberg Agency Inc., New York, USA	1 subsidiary	●		100%	10	USD	708.22
Shumensko Pivo AD, Shumen, Bulgaria		●		59%	700	BGN	380.00
Pirinsko Pivo AD, Blagoevgrad, Bulgaria		●		67%	1,.032	BGN	380.00
Asia							
Carlsberg Asia Pte Ltd., Singapore	5 subsidiaries	◆		50%	85,000	SGD	407.79
Other companies							
Carlsberg International A/S, Copenhagen		●		100%	1,000	DKK	100.,00
Danbrew Ltd. A/S, Copenhagen	2 subsidiaries	●		100%	2,000	DKK	100.,00
Danish Malting Group A/S, Vordingborg, Denmark		●		100%	100,000	DKK	100.00
Carlsberg Finans A/S, Copenhagen		●		100%	25,000	DKK	100.00
Carlsberg (UK) Limited, Northampton, UK		●		100%	100	GBP	1,139.92
J.C. Bentzen A/S, Copenhagen		●		100%	30,000	DKK	100.00

● Subsidiaries
◆ Proportionally consolidated undertakings
■ Other associated undertakings
1) Listed company managed by Carlsberg.

Announcements to the Stock Exchange

Announcements to The Copenhagen Stock Exchange A/S
1 January 2002 – 31 December 2002

7	January	2002	Carlsberg Breweries increases ownership of Carlsberg Italia to 100%
21	January	2002	Carlsberg Asia increases shareholding in Hite Brewery, South Korea
28	January	2002	Baltic Beverages Holding acquires the Voronezh Brewery in Russia
29	January	2002	Acquisition of shares in Lao Brewery
30	January	2002	Financial calendar 2002 for Carlsberg A/S
14	February	2002	Preliminary Profit Statement 2001
14	February	2002	Carlsberg Breweries sells Rent A Cooler to Eden Springs
20	February	2002	New CFO of Carlsberg A/S
25	February	2002	Carlsberg Asia not obliged to make public offer in Malaysia
1	March	2002	Statement of objections from the EU Commission
1	March	2002	Agenda for the Annual General Meeting of Carlsberg A/S
18	March	2002	Annual General Meeting of Carlsberg A/S
16	April	2002	New accounting policies of Carlsberg A/S
8	May	2002	Q1 Financial Statement 2002
8	May	2002	Baltic Beverages Holding invests in a new brewery in the Ukraine
23	May	2002	Carlsberg Breweries increases its shareholding in Croatian Panonska brewery to 80%
30	May	2002	Baltic Beverages Holding's subsidiary Baltika is building a new brewery in the Russian Far East region
28	June	2002	Carlsberg Breweries acquires 59.4% of Bulgarian brewery Shumensko
1	July	2002	Carlsberg Breweries' shareholding in Lithuanian brewery Svyturys Utenos Alus sold to Baltic Beverages Holding
2	August	2002	Carlsberg Breweries acquires 67% of Bulgarian brewery Pirinsko
8	August	2002	Repurchase of own shares
8	August	2002	Q2 Financial Statement 2002
28	August	2002	The EU Commission carries out voluntary investigation
5	September	2002	Carlsberg A/S' portfolio of own shares
26	September	2002	Chairman – The Carlsberg Foundation
4	November	2002	The EU Commission closes case against Carlsberg
7	November	2002	Baltic Beverages Holding builds new brewery in Kazakhstan
7	November	2002	Q3 Financial Statement
8	November	2002	Statement of trading in shares
13	November	2002	Portfolio of own shares
2	December	2002	Repurchase of own shares finalised
6	December	2002	Statement of trading in shares
19	December	2002	Baltic Beverages Holding sells Voronezh Brewery to subsidiary
20	December	2002	Increased shareholding in Carlsberg Okocim, Poland (71.5%)

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Translation: Helle Dyrved Møllegaard.

Carlsberg A/S

Board of Directors

Professor D.Econ.
Poul Chr. Matthiessen
Chairman

Managing Director
Jens Bigum
Deputy Chairman

Brewery Worker
Hans Andersen

Professor, D.Ph.
Torkild Andersen

President,
Chief Executive Officer
Henning Dyremose

General Manager
Claes Gjermansen

Professor, D.Sc.,
Ph.D., Dr.h.c.
Povl Krogsgaard-Larsen

Professor, D.Ph.
Axel Michelsen

IT Consultant
Erik Dedenroth Olsen

General Manager
Bent Ole Petersen

Treasurer
Jens Otto Veile

Professor, D.Ph.
Per Øhrgaard

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Executive Board/Management

Chief Executive Officer
Jørn P. Jensen

Executive Vice President
Klaus Bock

Executive Vice President
Chief Financial Officer
Per Brøndum Andersen

Annual General Meeting

Carlsberg A/S
17 March 2003 at 16.30 hours
Tivolis Koncertsal
20, Tietgensgade
Copenhagen V
Denmark

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