



CAPITAL MARKETS DAY



WELCOME

Our journey has commenced

Cees 't Hart, CEO

Copenhagen, 12 October 2017

Get to know the team and their focus

Setting the scene

SAIL'22 from a Group perspective

Delivering shareholder value

Step-changing commercial approach

Winning in craft & speciality

Driving margins in Western Europe

Building a world class integrated supply chain

Transform to win in Eastern Europe

Grow in Asia

Cees 't Hart

Chris Warmoth

Heine Dalsgaard

Jessica Spence

Paul Davies

Michiel Herkemij

Phil Hodges

Jacek Pastuszka

Graham Fewkes

Setting the scene

The What

Our ambition

The How

Our strategy

The Why

Our purpose

The What – Our ambition

Successful

Delivering sustainable organic top- and bottom-line growth

Professional

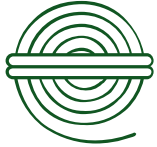
Being the preferred supplier of our customers

Attractive

Delivering value for shareholders, employees and the society

The How

- SAIL'22 to deliver shareholder value



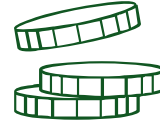
STRENGTHEN THE CORE

Leverage our strongholds
Excel in execution
Optimising efficiency and cost



POSITION FOR GROWTH

Win in growing categories
Target big cities
Grow in Asia



DELIVER VALUE FOR SHAREHOLDERS

Organic growth in operating profit
ROIC improvement
Optimal capital allocation



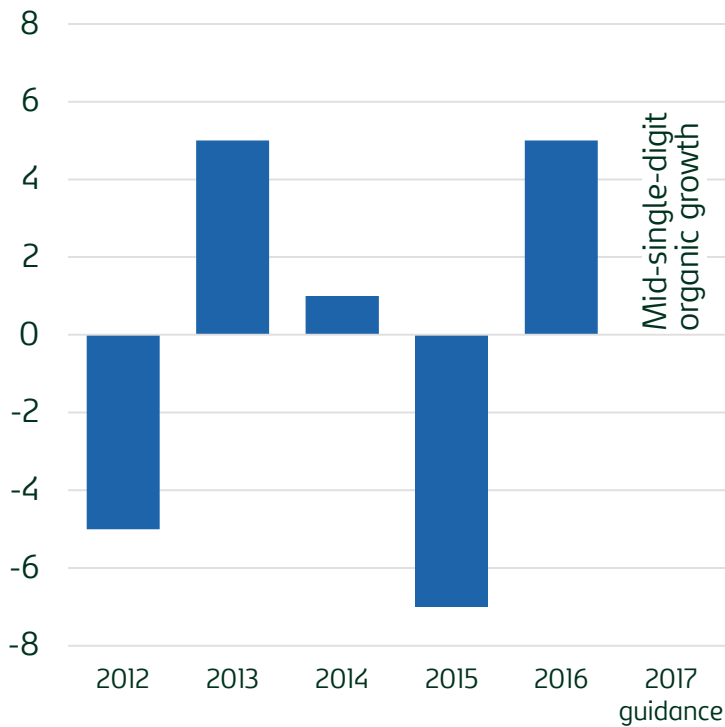
CREATE A WINNING CULTURE

Team-based performance
Contribute to a better society
Compass (applying our codes
and policies)

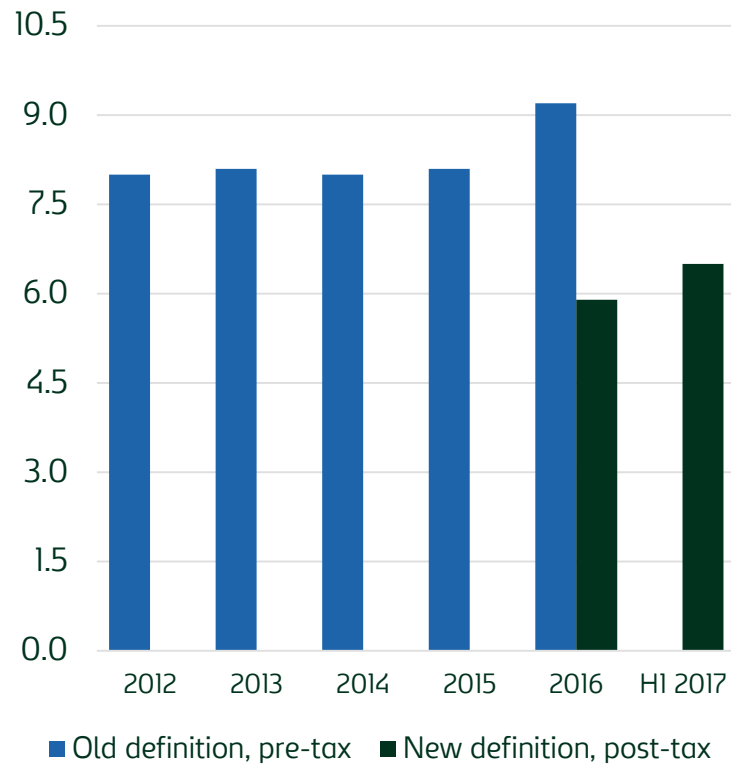


Delivering shareholder value by targetting consistent improvement of key financial metrics

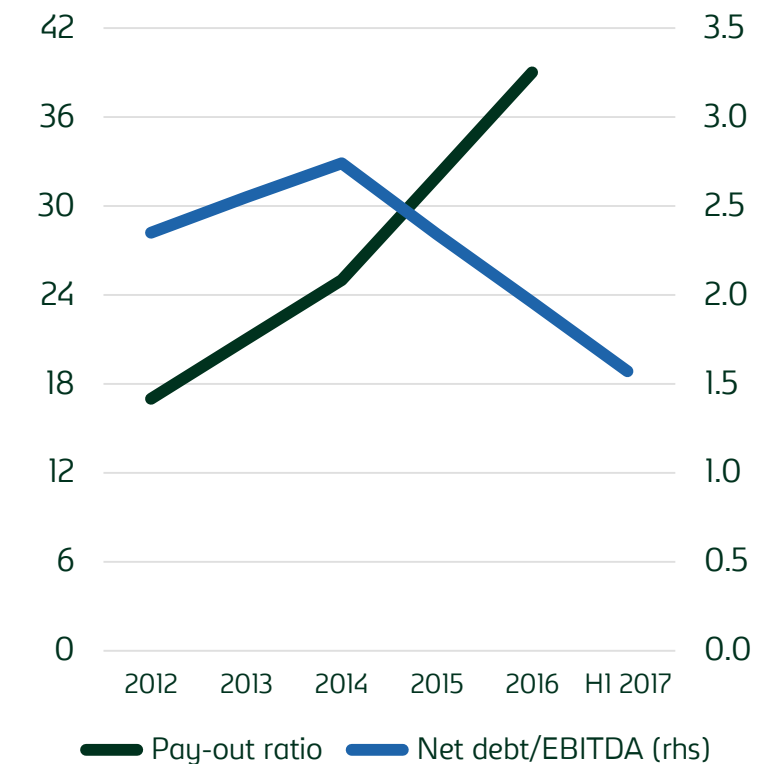
Organic operating profit growth (%)



ROIC (%)



Pay-out ratio (%) & net debt/EBITDA



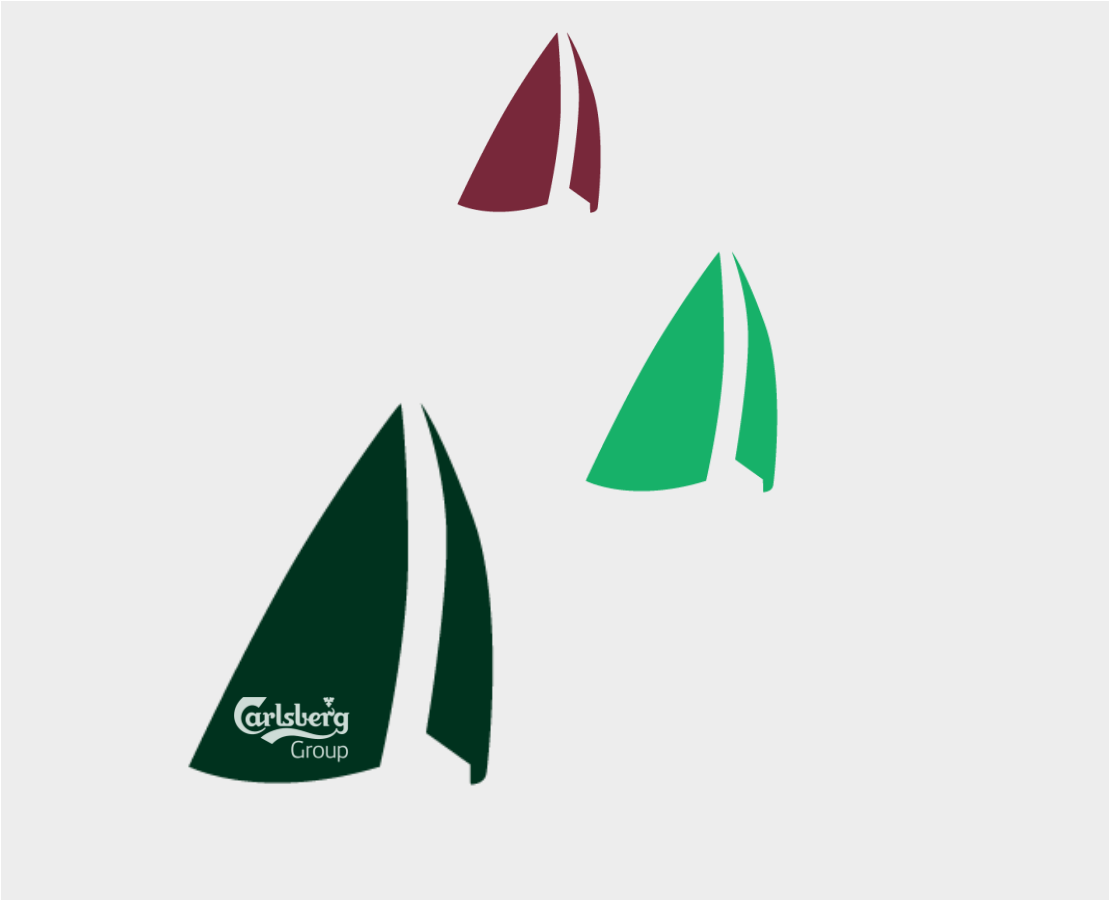
The health of the business has significantly improved



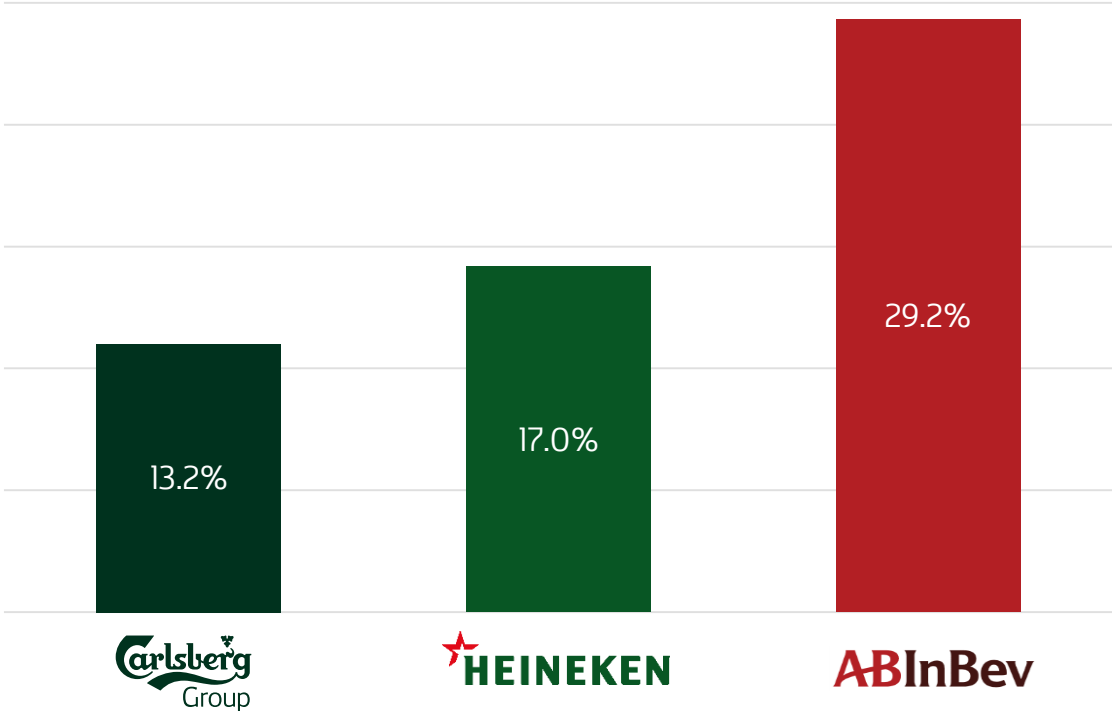
- Delivered in 2016
 - 3% price/mix
 - 5% organic growth in operating profit
 - Pay-out ratio increased to 39%
- State of the business at H1 2017 is solid
 - Positive price/mix in all three regions
 - Funding the Journey delivering according to plan
 - Operating profit guidance of mid-single-digit confirmed
 - Financial leverage of 1.57x

SAIL'22 will result in a sustainable business model, generating top- and bottom-line growth

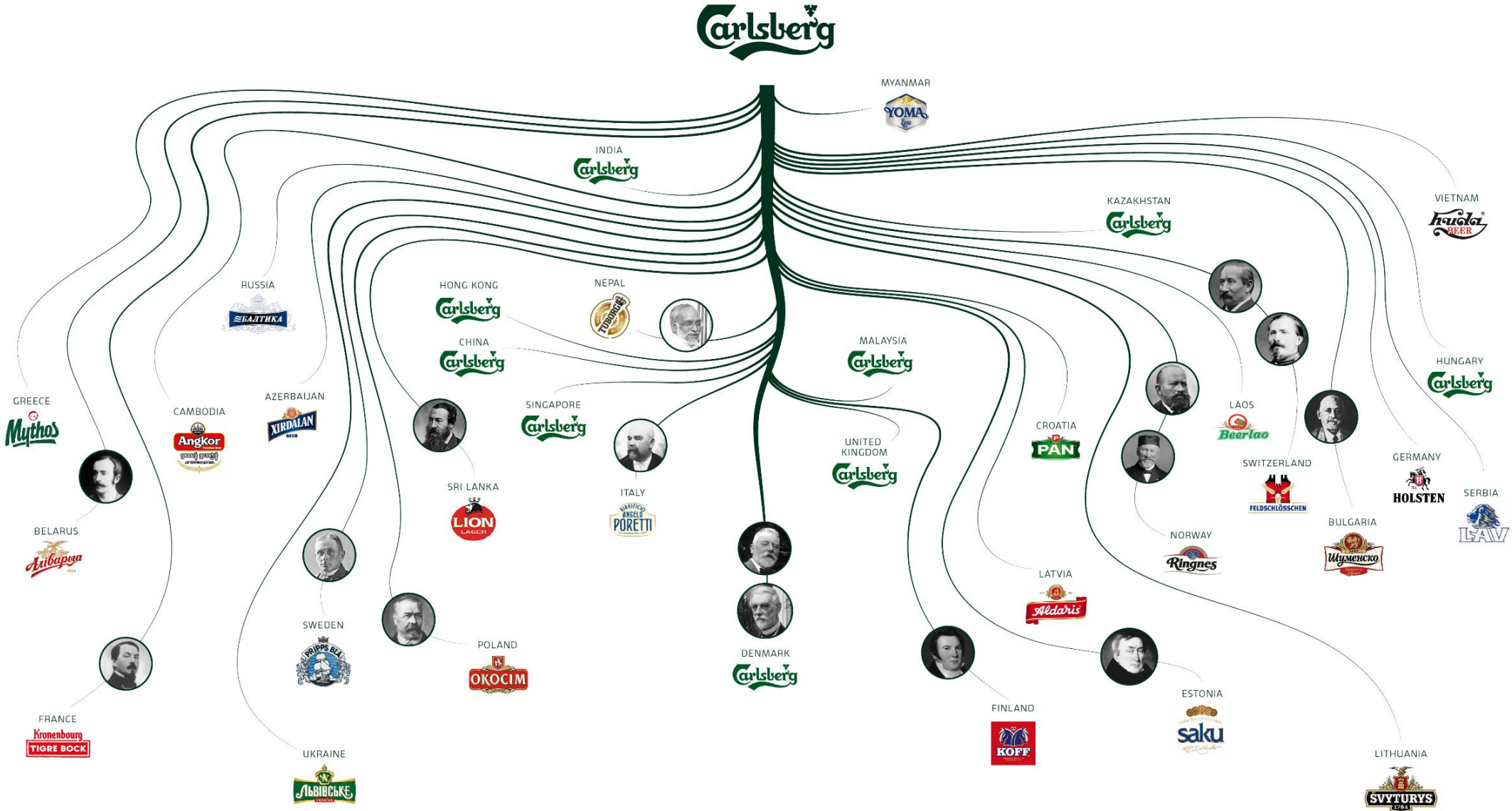
Our ambition is to come closer to the nearest competitor in the race



2016 EBIT margin



... but for us it has always been there



BREWING
FOR A BETTER
TODAY &
TOMORROW



STRATEGY

SAIL'22 from a Group perspective

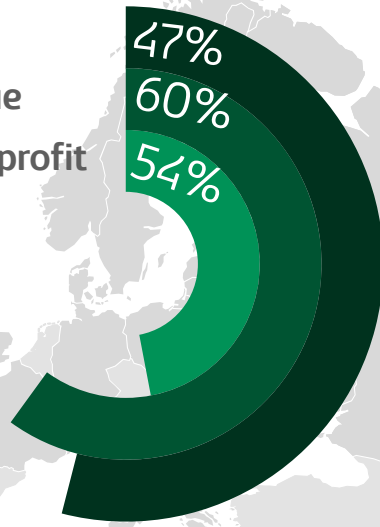
Chris Warmoth, Executive Vice President, Group Strategy

Copenhagen, 12 October 2017

SAIL'22 builds on a diversified regional footprint with 24 #1 or #2 market positions

WESTERN EUROPE

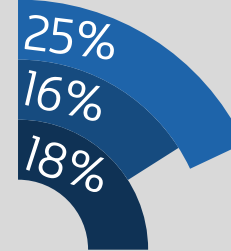
Share of Group volumes
Share of Group net revenue
Share of Group operating profit



1-2 positions:

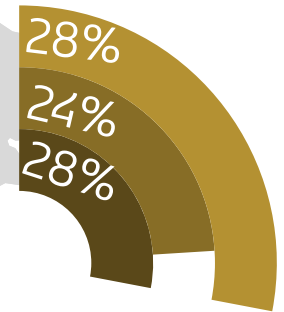
12 markets

EASTERN EUROPE



5 markets

ASIA



7 markets

Top markets:

- Top-5 markets ~50% of operating profit
- Top-10 markets ~75% of operating profit

Each region provides differentiated opportunities for development

WESTERN EUROPE

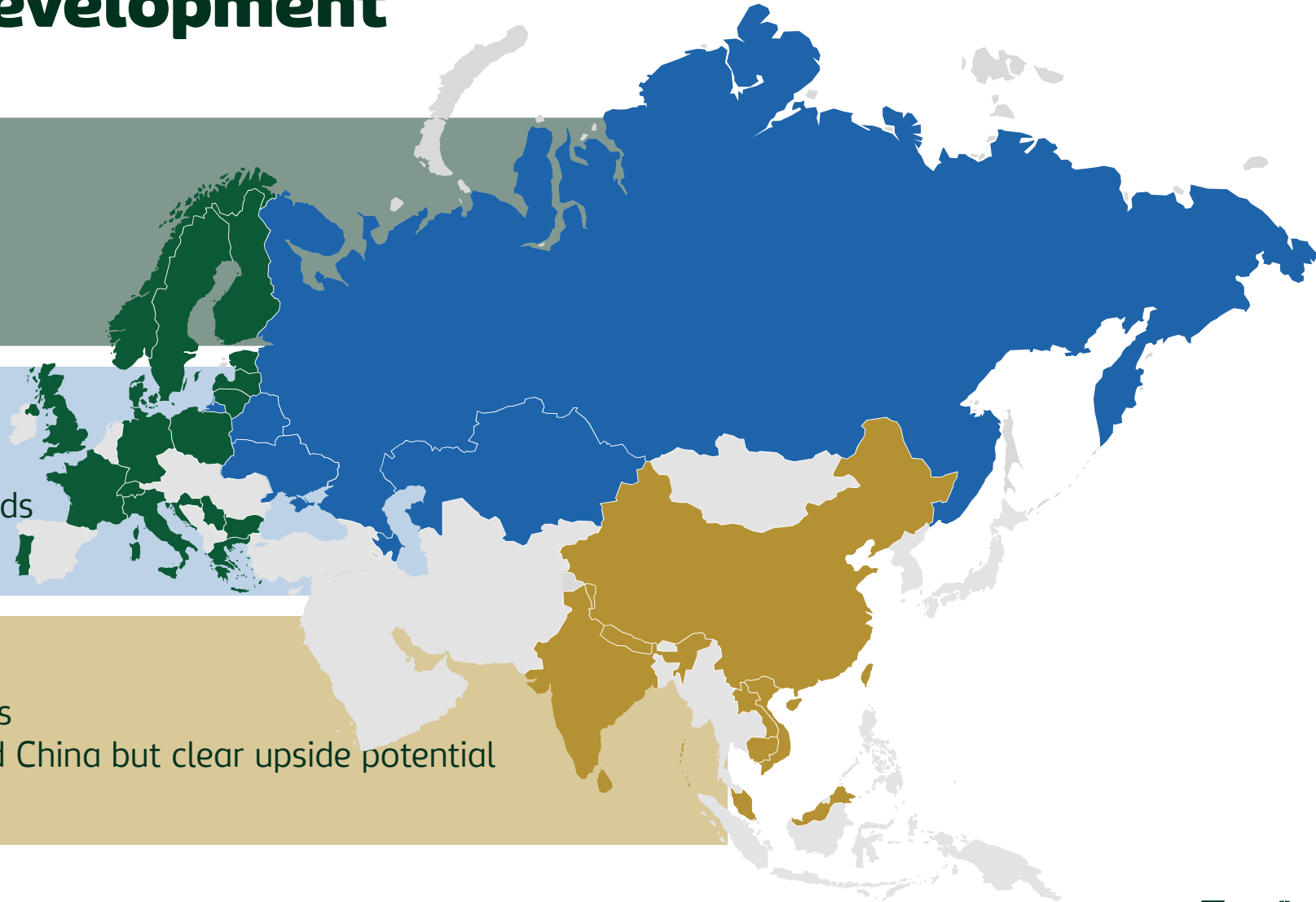
- Market leading positions
- Strong portfolio of brands
- Price/mix and margin opportunities

EASTERN EUROPE

- Strong no. 1 positions
- Unique local, regional and national brands
- Well placed for market rebound

ASIA

- Highly profitable positions in strongholds
- Attractive foothold in Vietnam, India and China but clear upside potential
- Premiumisation opportunities



Well placed to meet multiple consumer needs via a healthy portfolio of brands

Consumer needs vary in beer depending on the occasion

We have a healthy portfolio to meet this range of needs

Refresh and Replenish	Knowing the Best	Part of the Group	Reward and Indulge
Unwind and Unplug	Fuelling Fun	Carefree Time	Shared Treat



An organisation well-balanced between global and local responsibilities

RESPONSIBILITIES OF LOCAL ORGANISATION

- Full ownership of local consumers and customers
- Full responsibility for sales and marketing of local brands
- Joint responsibility with Group Commercial on international brands

RESPONSIBILITIES OF REGIONAL/ CENTRAL ORGANISATION

- Central ownership where scale pays (procurement, shared services, research)
- Carlsberg centre of expertise for knowledge management (breweries, cons. research, portfolio management, research etc)
- Centralised commercial team for international brands



Proprietary technologies from the Carlsberg Research Laboratory provide competitive advantage

MORE THAN 120 PATENTS FILED DURING THE LAST 20 YEARS

- ✓ DraughtMaster
- ✓ New Fermentation Organisms
- ✓ Null-LOX1,2-Null-MMT barley
- ✓ Low-LOX1 barley
- ✓ New Fermentation Technologies for AFB production
- ✓ Dispense systems
- ✓ Barley Straw BioMaterial
- ✓ Null-LOX1,2 barley
- ✓ Null-LOX1 barley



Clearly defined SAIL'22 priorities – alongside Funding the Journey



STRENGTHEN THE CORE (1+8)



FUNDING THE JOURNEY Optimising efficiency and cost

Leverage our strongholds

- Revitalise core beer
- Transform our business in Russia

Excel in execution

- Drive brands and portfolio
- Excel at point of purchase
- Manage complexity
- Step-change with digital
- Master value management
- Win with consumer-driven R&D



POSITION FOR GROWTH (4)

Win in growing categories

- Build craft & speciality
- Actively shape alcohol-free beer

Big cities

- Target big cities

Asia

- Grow in Asia



CREATE A WINNING CULTURE (3)

Team-based performance

- Build team-based performance

Contribute to a better society

- Together towards ZERO

Compass

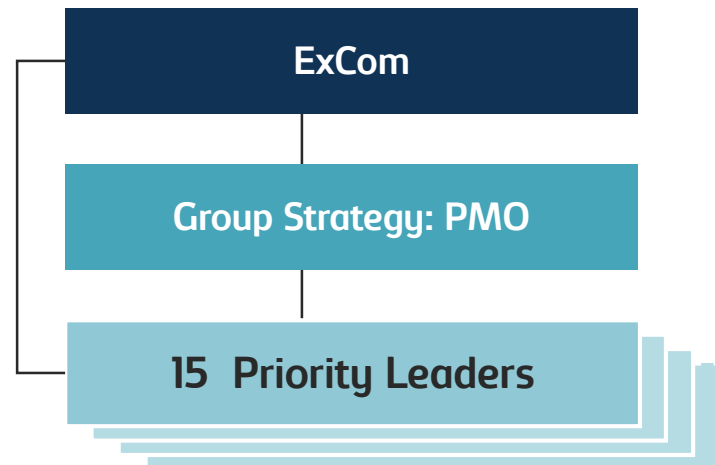
- Applying our codes and policies



A structured approach to move our strategy from words to actions

SAIL'22 governance structure

1. Group strategy is the overall PMO 'owner'
2. All priorities have leaders
3. Each priority has an EVP or SVP as sponsor



Our winning culture drives SAIL'22 implementation

ALIGNMENT

We drive a proactive alignment with the emphasis on one team with one aspiration

ACCOUNTABILITY

We hold people accountable for their actions and areas of responsibility

ACTION

We ensure that decisions are implemented with speed and rigour

Alignment: Key strategies and plans are captured in a focused and action-oriented way

RIGOUR AND DISCIPLINE WITHOUT BUREAUCRACY

Strategic overview (3-5 years)

Outlines overall direction and approach



Updated approx. once a year

Operational plan (2-3 years)

Provides understanding of timing of critical milestones



Several times a year, depending on the category

9-grid (1 year)

Secures right sequencing and focus among priorities



Updated once a year

Alignment: Ensuring SAIL'22 strategies and plans are fully understood and deployed – along with FtJ progress

With the top management team

Continuous communication

TOP 60

- Meetings three times per year
- Monthly calls
- Team Site

TOP 200

- Regular mailings
- Via local team and entity leadership teams

To the whole organisation

Clear communication of our strategy



The SAIL'22 communication has helped developed engagement and alignment across the organisation ...

82%

Employee engagement

Score has increased across all three regions and central functions
(+4pts vs 2016 and +10pts vs FMCG norm¹)

80%

Carlsberg is making the necessary changes

Change management agenda understood and appreciated
(+5pts vs 2016 and +9pts vs FMCG norm¹)

77%

Kept informed of matters affecting them

People feel more informed on matters affecting them
(+5pts vs 2016 and +9pts vs FMCG norm¹)...
... and **90%** have a clear understanding on what is expected from them

77%

Company lives up to the Triple A

The Triple A message appears to be accepted by employees

... and delivered positive trends

- Increased performance management by managers
- Breaking down silos: Strong score on collaboration

	2017 OVERALL SCORE	Change 2017 vs 2016			
		GROUP	WESTERN EUROPE	EASTERN EUROPE	ASIA
In my team we focus on customers and consumers.	89%	+1%	+2%	+1%	0%
Senior management provides clear sense of direction	78%	+7%	+8%	+5%	+2%
Manager inspires me to do my best work	87%	+4%	+4%	+4%	0%
Receiving on-going feedback to help me improve	73%	+5%	+5%	+4%	-1%
People collaborate for good of company rather than own team or department	73%	+5%	+5%	+4%	+2%

Accountability: Routinely track actual progress versus plans

FtJ Dashboard

Provides up-to-date information on realisation of savings



Monthly

Dashboards

15 SAIL'22 priority dashboards

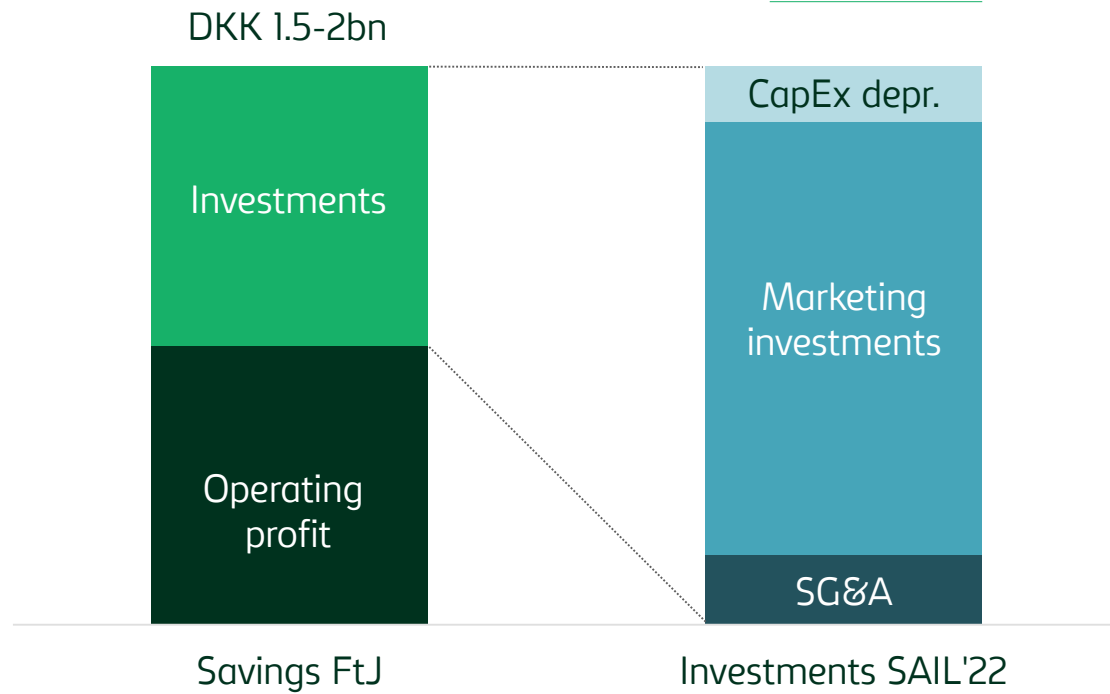


Every quarter

Action: Expect to reinvest DKK ~1 bn in SAIL'22 by 2018 ...

DKK ~1bn will be invested in SAIL'22 initiatives in 2018 vs 2015

ILLUSTRATIVE



FTJ GOALS REMAIN

- Net benefits of DKK 1.5bn to 2bn in 2018 vs 2015 at constant exchange – or better
 - ~ Half invested in Sail initiatives
- FtJ marketing efficiencies don't count as savings if spent back

SAIL'22 INITIATIVES

- Primarily marketing but includes some overhead costs and incremental depreciation

... behind strategic priorities across multiple regions

Investments

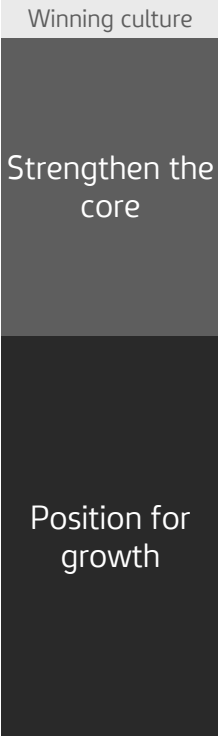
In multiple regions and priorities



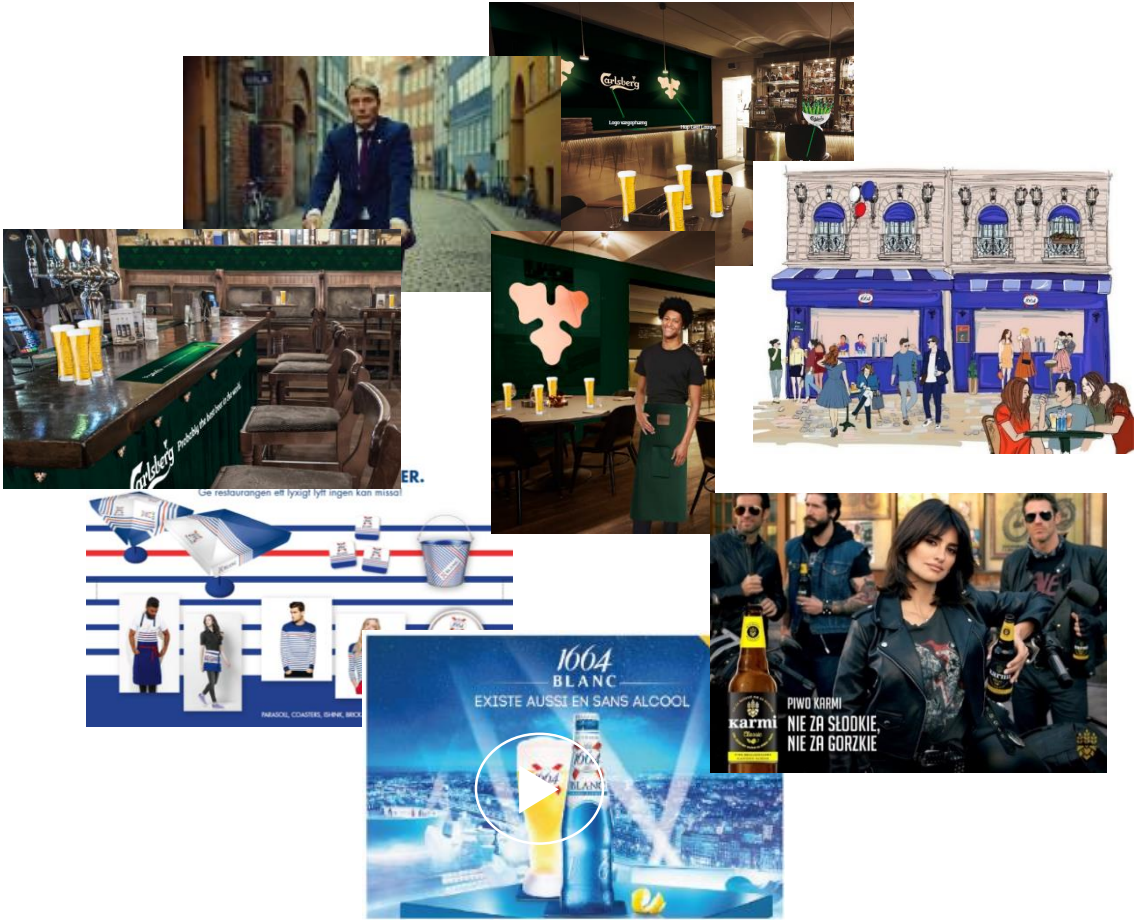
By region



By type



By priority



In summary, SAIL'22 is moving into delivery, ensured by alignment, accountability & action

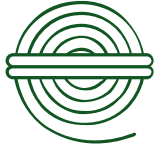
- Strong foundation for SAIL'22 to build on
 - Well balanced geographies and opportunities by region, brand portfolios, organisation and research
- Moving SAIL'22 from words to action by ensuring
 - ... **ALIGNMENT**
 - Organised under a Project Management Office
 - Demanding clarity on strategy and plans
 - ... **ACCOUNTABILITY**
 - Tracking progress against the plans
 - ... **ACTION**
 - Detailed assessment of proposed investments and returns
 - Process will continue in 2018 and beyond
- SAIL'22 well embedded across the organisation



DELIVERING SHAREHOLDER VALUE

Heine Dalsgaard, CFO
Copenhagen, 12 October 2017

The How – SAIL'22 to deliver shareholder value



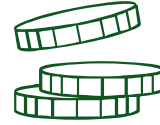
STRENGTHEN THE CORE

Leverage our strongholds
Excel in execution
Optimising efficiency and cost



POSITION FOR GROWTH

Win in growing categories
Target big cities
Grow in Asia



Deliver value For shareholders

Organic growth in operating profit
ROIC improvement
Optimal capital allocation



CREATE A WINNING CULTURE

Team-based performance
Contribute to a better society
Compass (applying our codes and policies)



Driving a performance-based culture

CLEAR DIRECTION

- SAIL'22 sets the future direction
- The Golden Triangle ensures the balance

RIGOROUS FOLLOW-UP

- Monthly performance reviews of markets and regions
- MD letters
- Tracking of Funding the Journey elements
- Monthly follow-up on costs (OCM)
- Risk identification and gap-closing plans

SHORT TERM & LONG TERM INCENTIVE PROGRAMMES

- Designed to drive teamwork and performance

ALIGNMENT

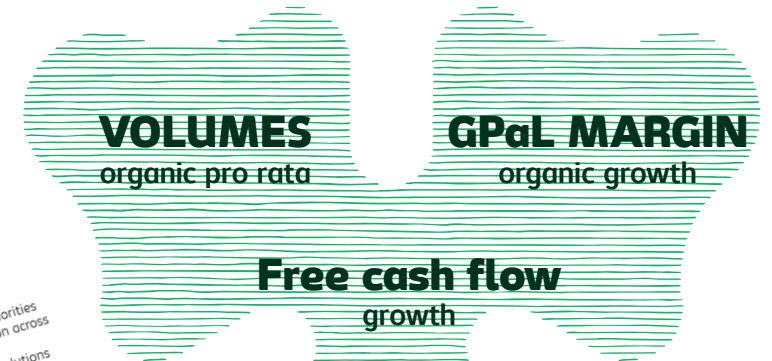
- Proactively aligns self and team towards agreed priorities
- Actively promotes one-team spirit and collaboration across functions
- Listens actively and wins others over to win-win solutions
- Involves and inspires others and gives people responsibility

ACCOUNTABILITY

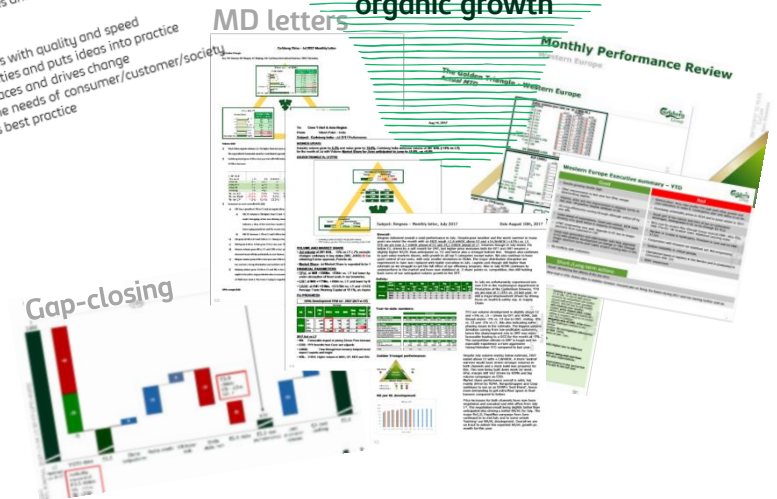
- Takes into account details and big picture when solving problems
- Balances global and local thinking
- Demonstrates commitment and personal ownership and sticks to decisions taken
- Sets clear and stretch objectives and rigorously tracks delivery

ACTION

- Takes and executes decisions with quality and speed
- Plans effectively, sets priorities and puts ideas into practice
- Seizes opportunities, embraces and drives change
- Anticipates and acts on the needs of consumer/customer/society
- Seeks, shares and utilises best practice



OPERATING PROFIT
organic growth

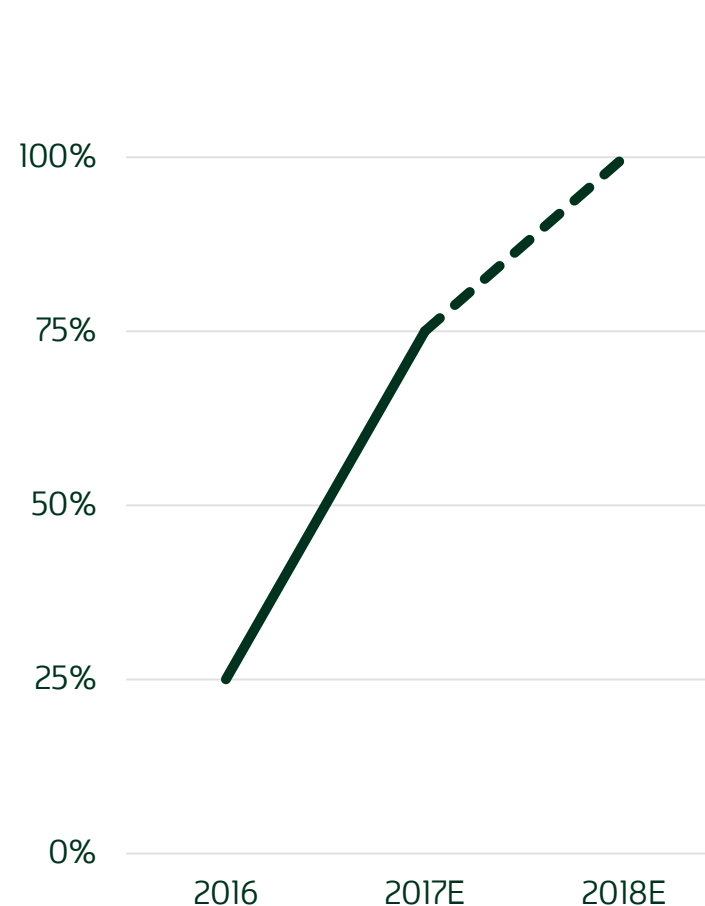


Funding the Journey on track to deliver in full by 2018

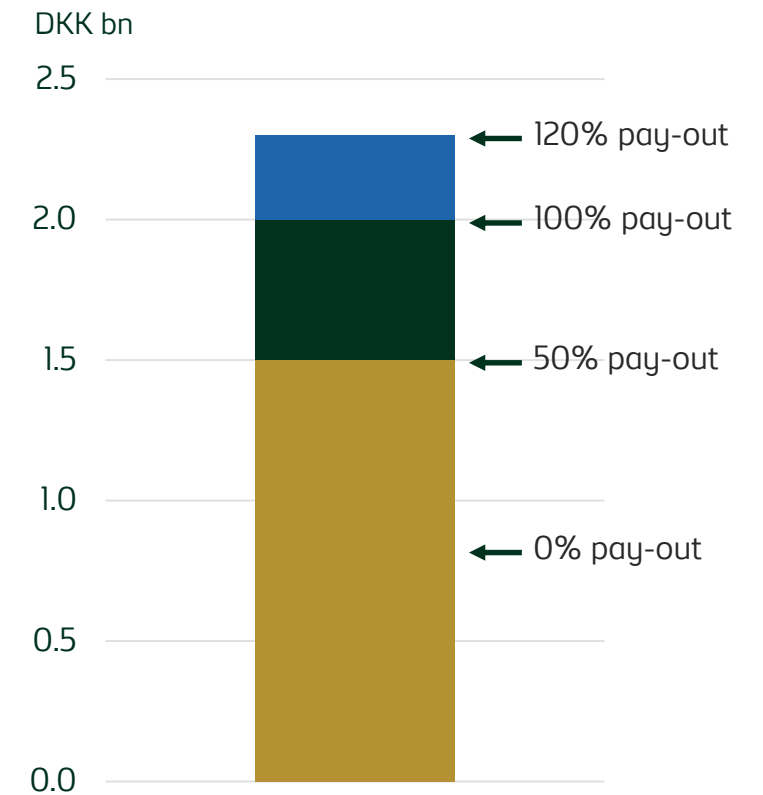
TARGETING FTJ BENEFITS OF DKK 1.5-2.0BN

- 50% of benefits to be reinvested in to SAIL'22 priorities to drive long-term growth.

FtJ benefits achieved



FtJ benefits linked to remuneration for Top-200

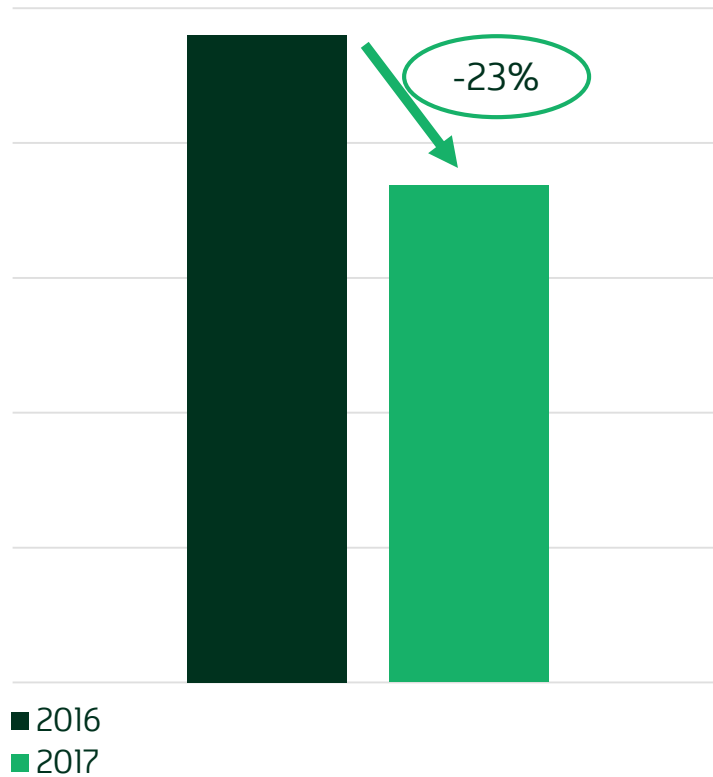


Funding the Journey from a project to a way of living...

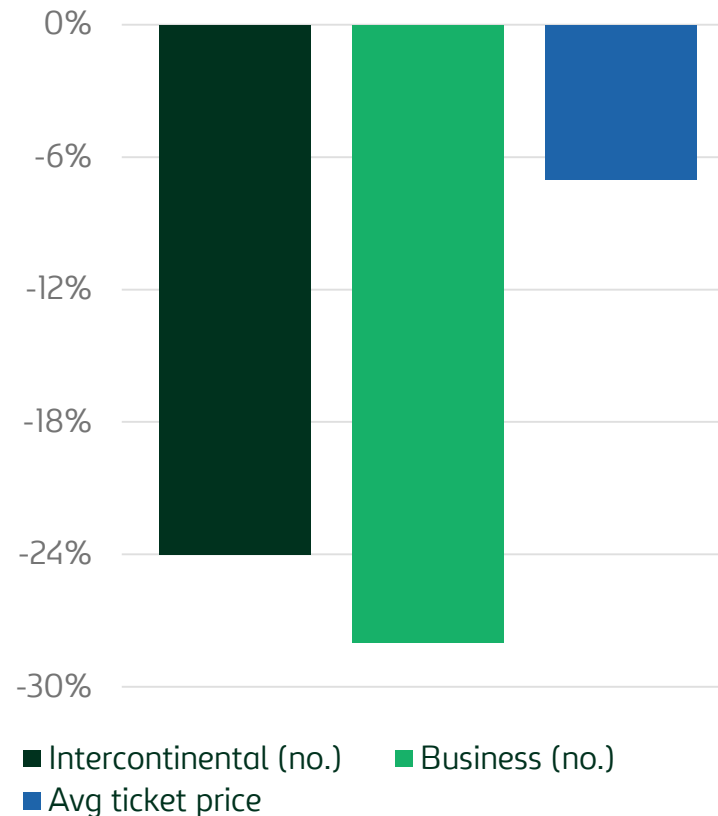
	VALUE MANAGEMENT	SUPPLY CHAIN EFFICIENCIES	OPERATING COST EFFICIENCIES	RIGHT-SIZING
Ambition	<ul style="list-style-type: none"> Optimise price, volume and mix to drive GPaL 	<ul style="list-style-type: none"> Deliver efficiency improvements across the supply chain, reducing material and non-material cost per hl 	<ul style="list-style-type: none"> Reduce sales and admin costs 	<ul style="list-style-type: none"> Ensure an efficient Group structure
Activities	<ul style="list-style-type: none"> Build culture of consistent focus on value across all commercial planning and execution Roll out Group-wide value management practices through standardised tools and processes Track rigorously 	<ul style="list-style-type: none"> Establish global, integrated end-to-end supply chain Improve end-to-end efficiency in production and procurement Reduce complexity Manage network Track rigorously 	<ul style="list-style-type: none"> Drive OCM further Embed routines for key cost drivers (e.g. FTEs) Further harmonisation of business processes Further outsourcing of shared service processes Track rigorously 	<ul style="list-style-type: none"> Continuously streamline and optimise structures and businesses Perform annual review of portfolio of businesses

...with a focus on all operating cost items...

Cost of company cars



Flight tickets



STRICT FTE APPROVAL GOVERNANCE

- Monthly tracking of FTE changes
- ExCom approval of all positions above a certain level

A screenshot of a spreadsheet titled 'GPEC Efficiency: Headcount Tracking'. The spreadsheet has multiple columns and rows, with a green header row. The data is organized in a grid format, likely representing headcount tracking over time or across different categories.

... including reducing costs by step-changing IT and shared services

MODERNISE IT AND REDUCE COSTS

- Moving IT infrastructure to the Cloud
- Reduced vendors in Western Europe from +300 to 30
- Reduced applications from 850 to 350

MAKE WESTERN EUROPE ERP-PLATFORM (BSP) WORK OPTIMALLY

- Increasing system performance
- Increasing operational efficiency
- Standardising processes and upgrade user capabilities

SCALE UP CARLSBERG SHARED SERVICES

- Expanding functional scope and breadth and geographical footprint
- Providing value adding transformational services
- 400 FTEs moved to shared service center / external BPO provider since the beginning of 2016
- Next step: standardisation

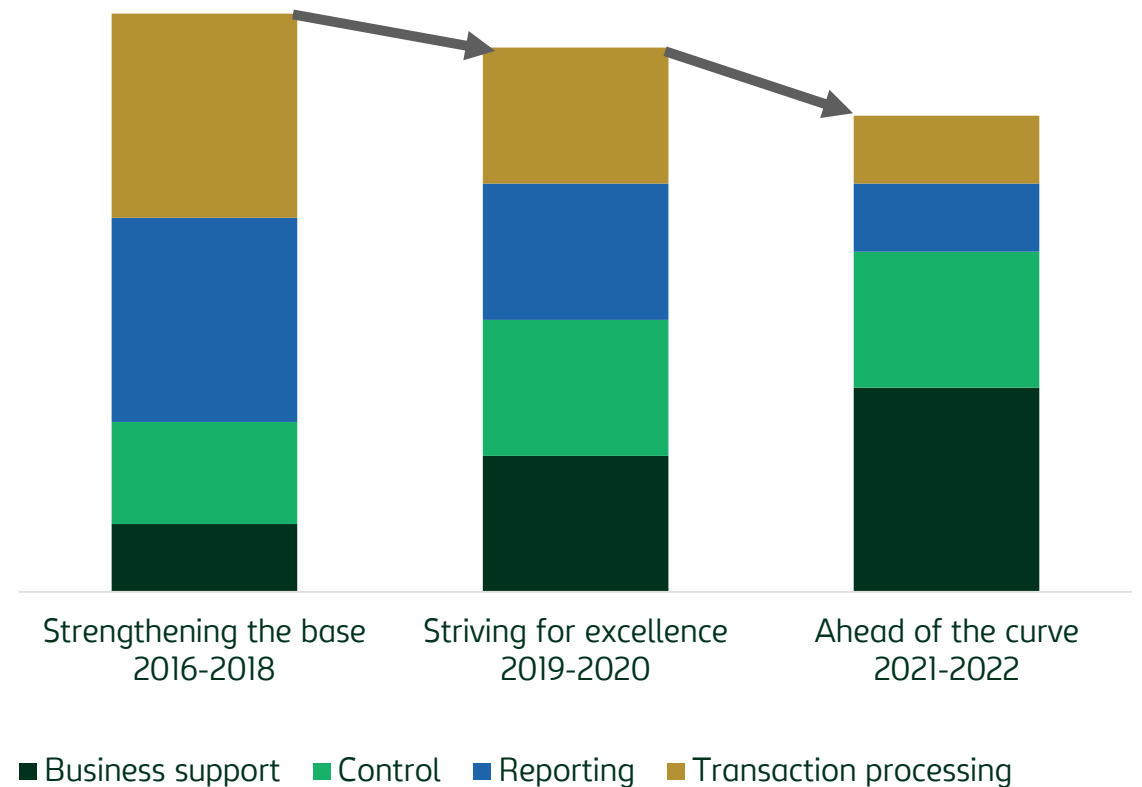


Getting the basics right: New finance strategy driving increased business support and lower cost of finance

STRATEGIC FINANCE THEMES



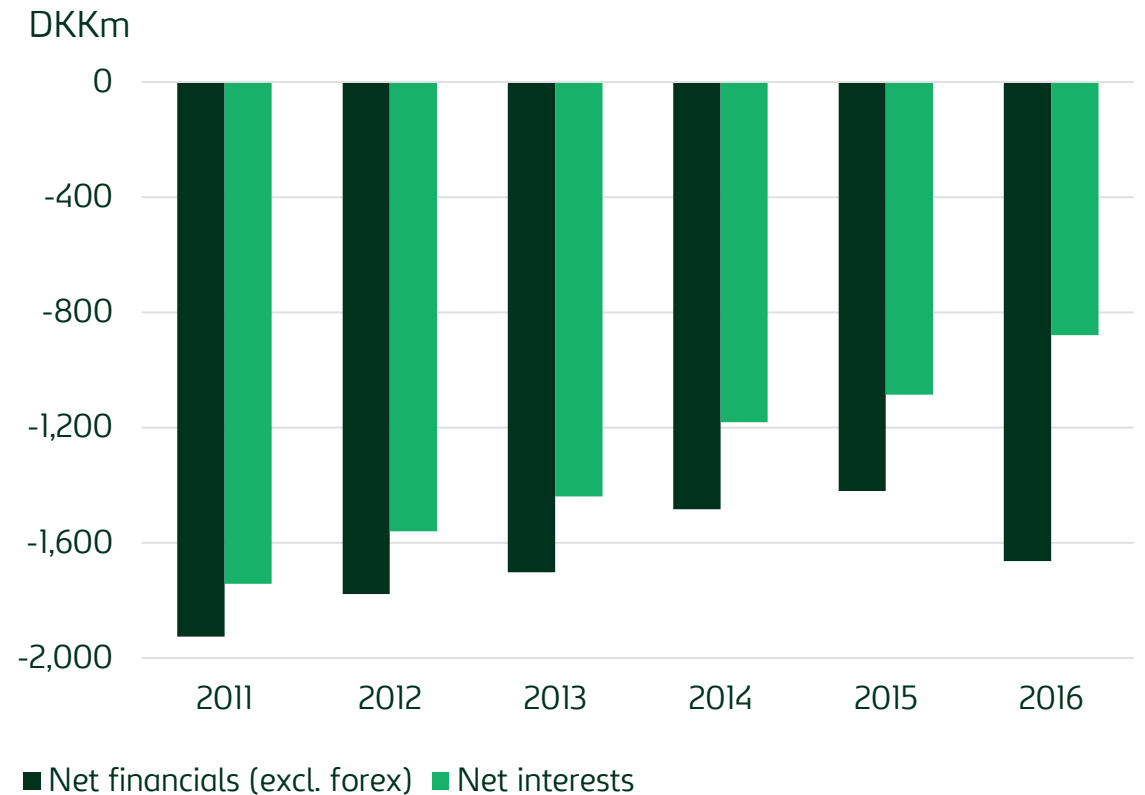
Cost of finance



Getting the basics right: Continued reduction of net financial costs...

- Reduction in net interest costs driven by
 - Leverage reduction
 - Reduction in average coupon due to refinancing
- Continued reduction in 2017 from lower debt ...
- ...and in 2018 from debt reduction and refinancing
 - Recent EUR 500m bond issuance to partly refinance EUR 1bn bond will reduce interest costs by c. DKK 100m for 2018
- Duration: approx. 4 years after refinancing

Continuous reduction in financial costs

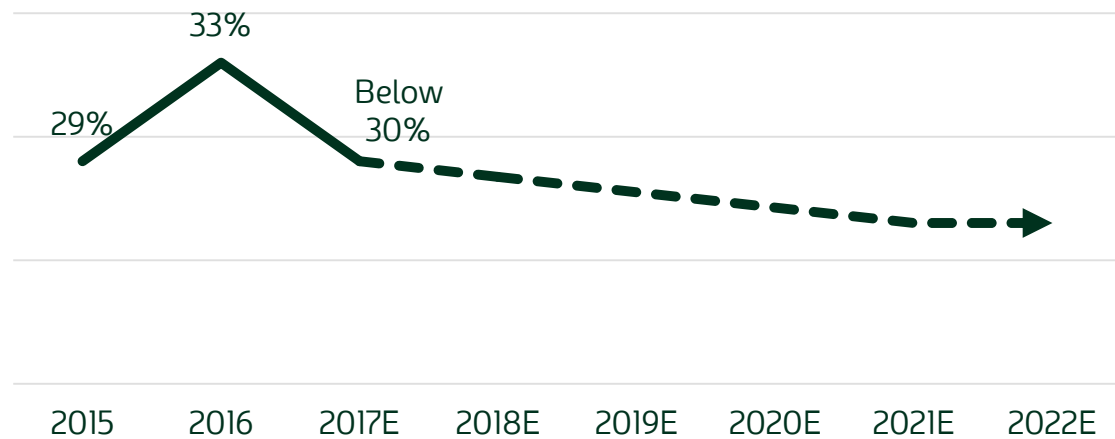


...and opportunities to optimise our tax position

FOCUS ON TAX

- Strengthening tax compliance
- Optimising efficient tax rate

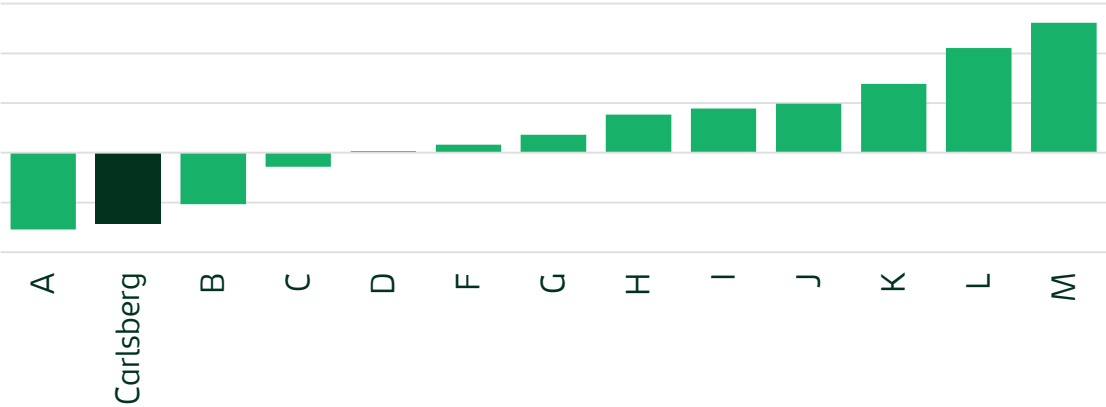
Effective tax rate



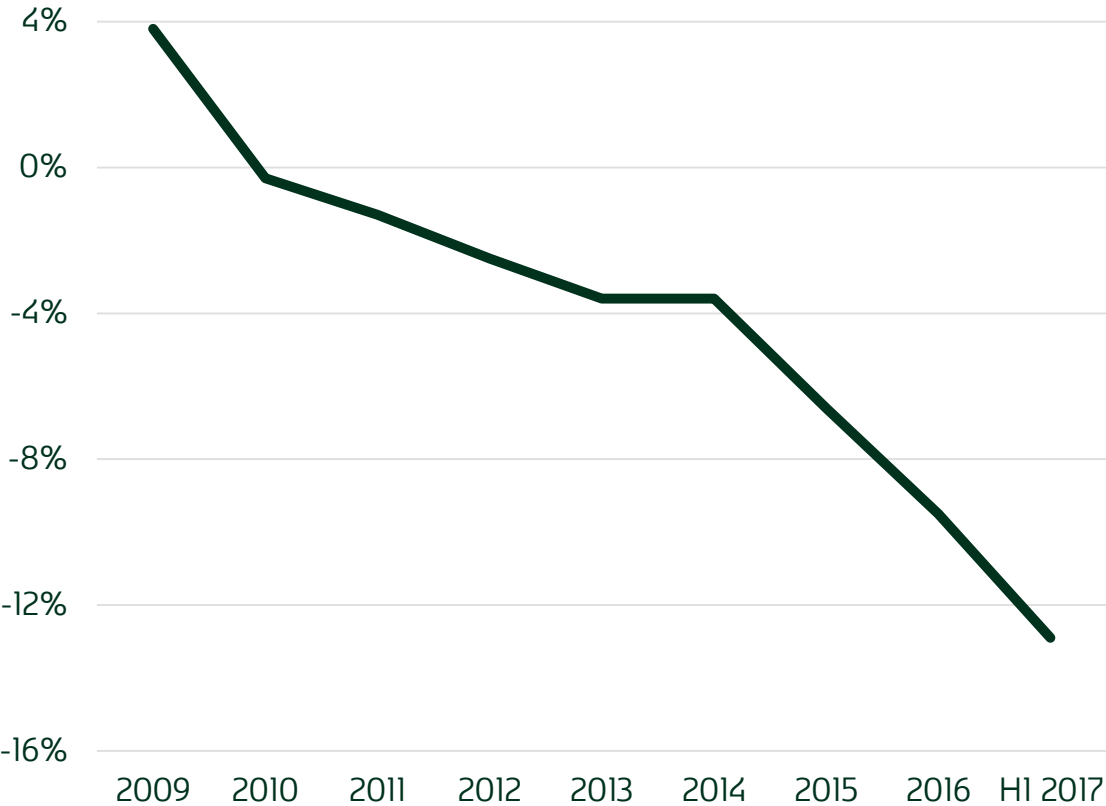
ROIC: Improvement through trade working capital...

- Strong improvement of DKK 8.5bn since 2008
- Key focus is to maintain from current levels
 - Internal benchmarking
 - Cross-border sharing of best practices
 - Strict governance and follow-up

Avg. trade working capital/revenue, global beverages



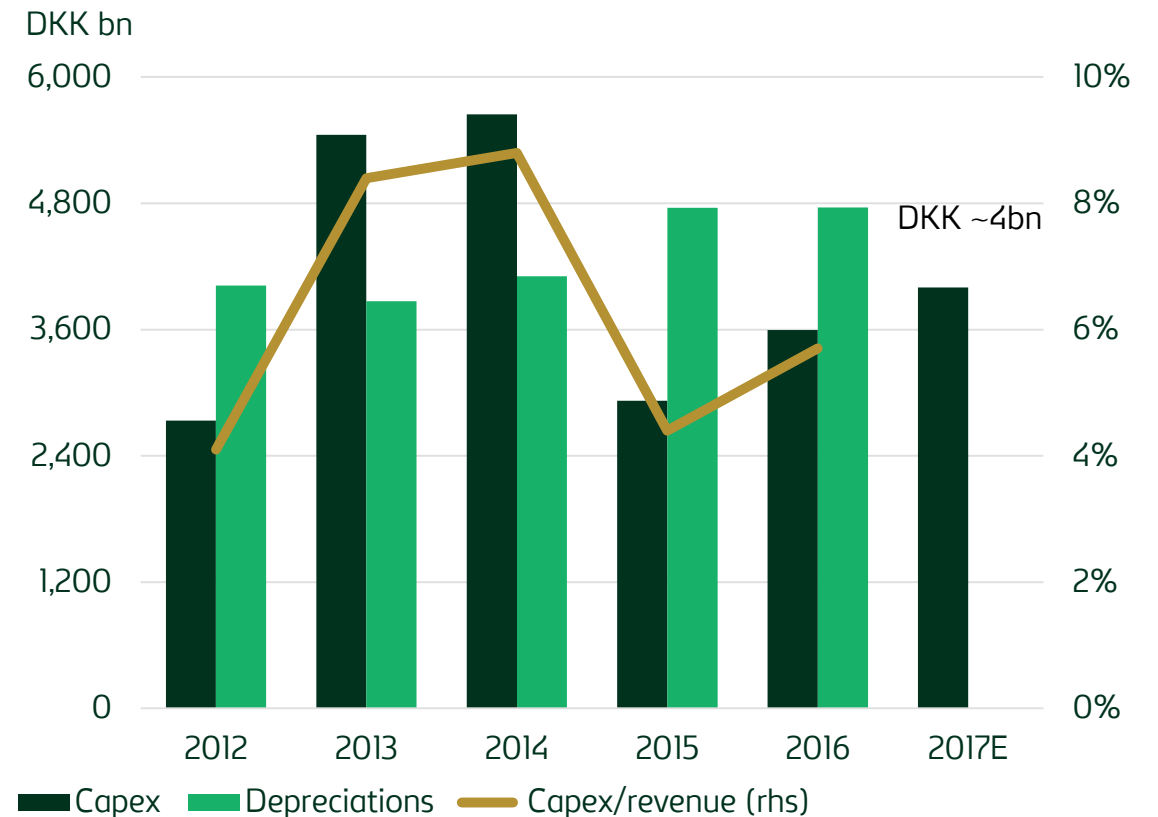
ATWC/net revenue



... balancing long-term growth and optimising assets utilisation...

- Well-invested across all regions
- We will invest what is required to drive sustainable long-term growth
- Clear process for capex spending established
- Key areas of capex spending
 - Draughtmaster
 - Coolers
 - Asian capacity expansion
 - Efficiency improvements and environment

Capex vs depreciation



... and also through right-sizing of business

CLEAR AMBITION

- Reduce management and financial resources for non-core assets
- Focus our efforts on key markets
- Reduce debt

MAIN ACTIVITIES SINCE FTJ INITIATION NOVEMBER 2015

- Disposal of business and activities delivering DKK +3.2bn in sales proceeds
- Closure or disposals of 18 sites in China
- Capacity reduction at four breweries in Russia
- Restructuring of Carlsberg UK, including exit from portering business

Activities sold in 2016-2017

- Carlsberg Malawi
- Carlsberg Uzbekistan
- Carlsberg Romania
- Danish Malting Group
- Sejet plant breeding
- Vung Tau brewery in Vietnam
- Xinjiang Hops
- Ownership in Russian malting plants
- Nordic Getränke

ROIC improvement will mainly be driven by profit growth

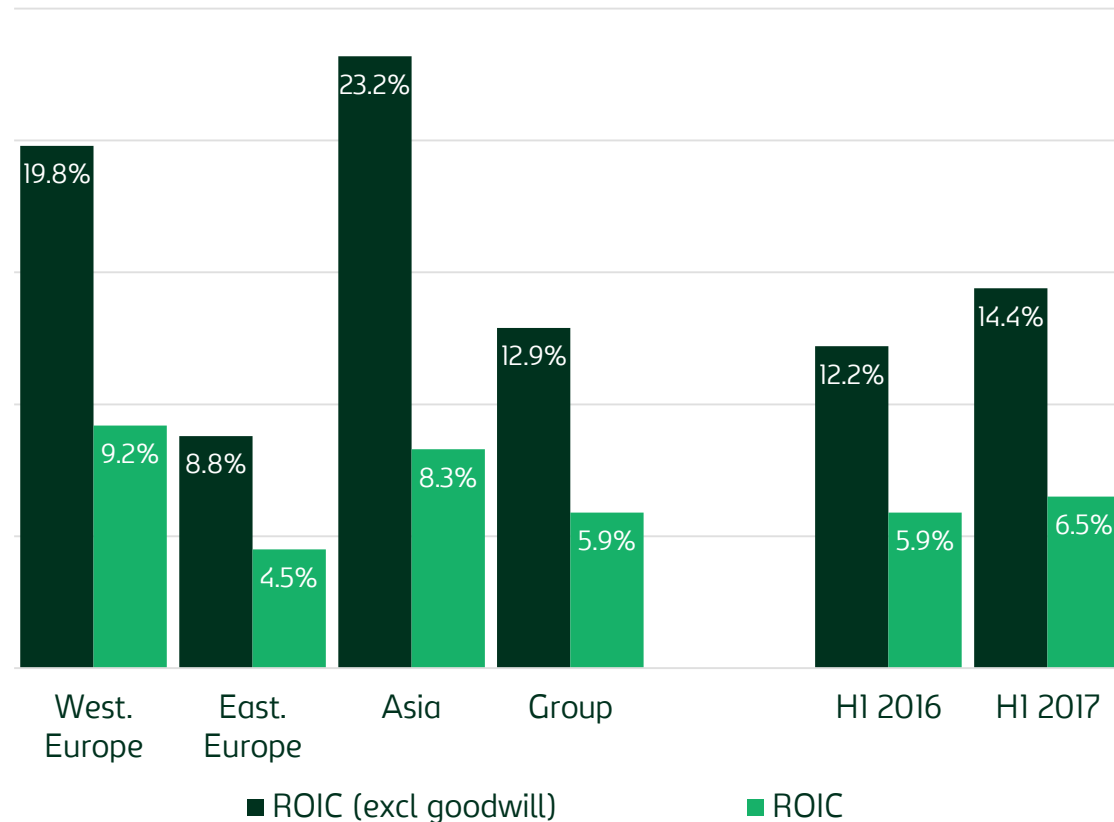
ROIC (INCL. GOODWILL) IMPROVEMENT DRIVEN BY

- Earnings improvement
- Tax optimisation
- Optimise asset utilisation
- Capex below depreciation in the coming years
- Maintain trade working capital
- Right-sizing of businesses

APPROX. 60% OF CAPITAL EMPLOYED IS INTANGIBLES

- Remains unchanged (in constant currency)

ROIC



Capital allocation: Clear priorities

OPTIMAL CAPITAL ALLOCATION¹

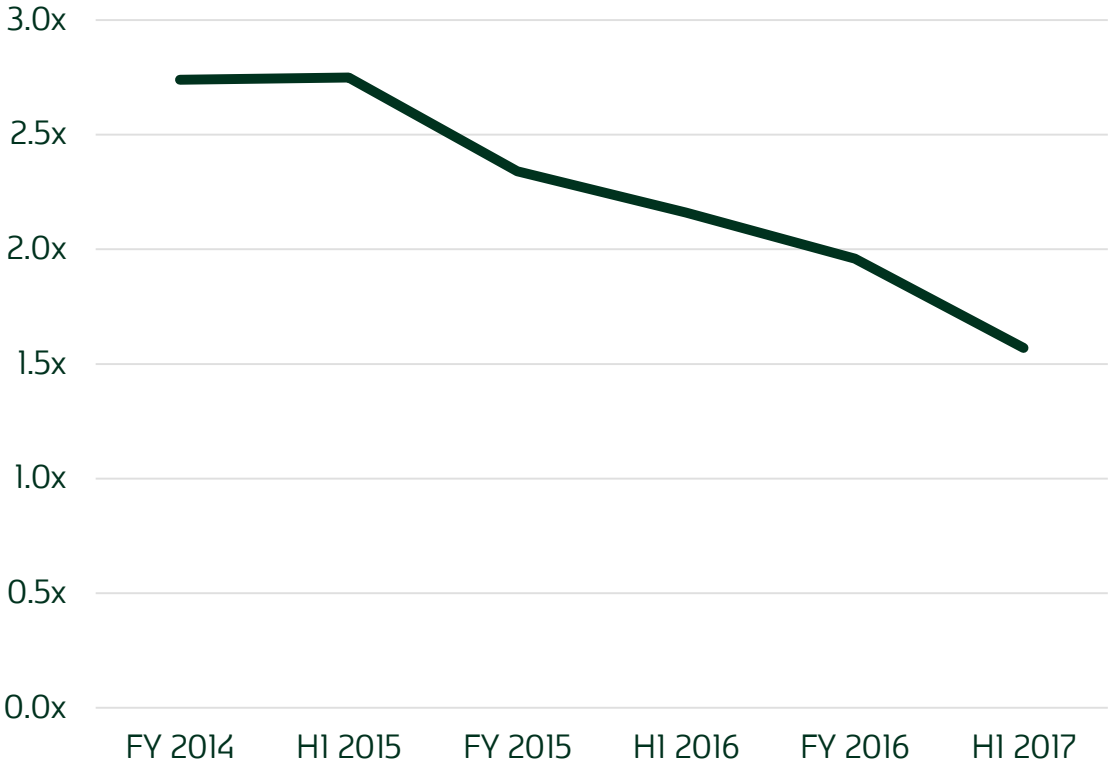
1. Invest in to our business to drive long-term value creation
2. NIBD/EBITDA < 2.0x
3. Dividend pay-out ratio of 50%
4. Excess cash to be redistributed through buy-backs and/or extraordinary dividends
5. Deviating from the above only if value-enhancing acquisition opportunities arise



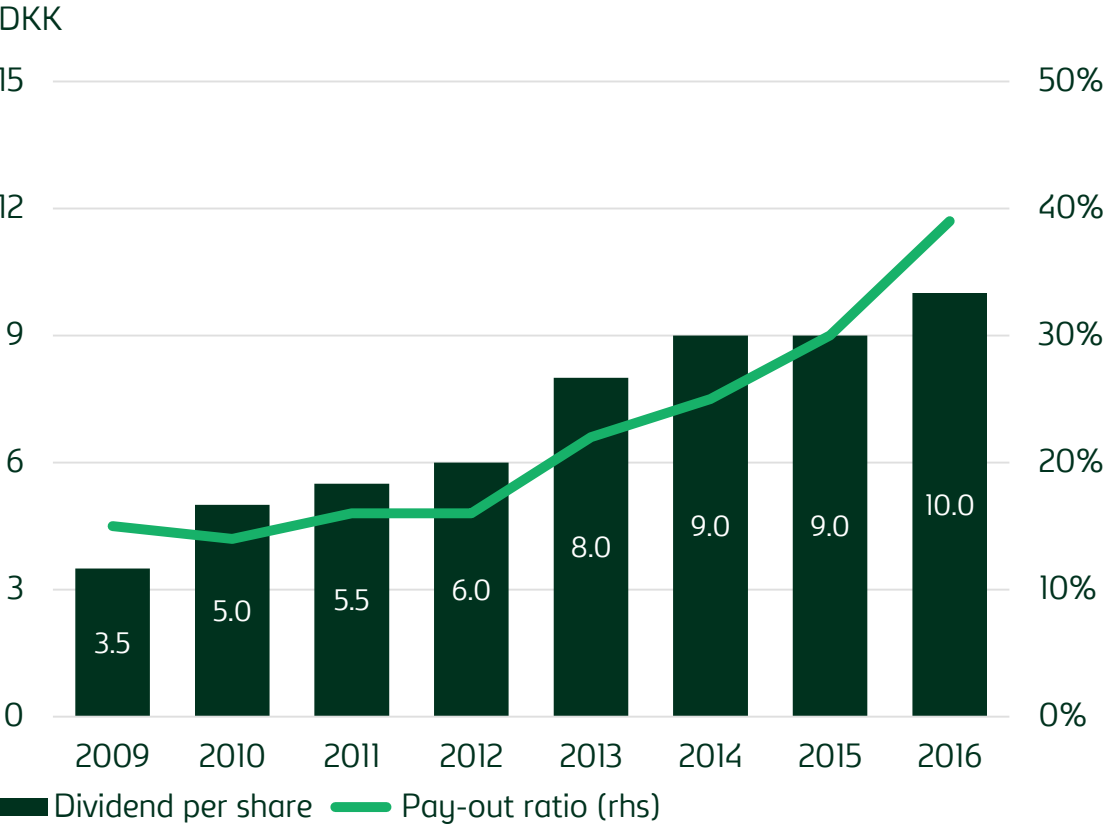
¹ In prioritised order

Reduced leverage and room for dividend growth

NIBD/EBITDA



Dividend and pay-out ratio



In summary: Improve earnings, ROIC and shareholder returns

- ... by instilling a strong performance culture
- ... by embedding Funding the Journey principles
- ... by optimising below-EBIT costs
- ... by optimising asset utilisation
- ... by pursuing strict capital allocation principles

- Executing SAIL'22 priorities
- Embedding FtJ principles and ways of working
- Reducing net financial costs
- Optimising tax position



EPS GROWTH

- Maintaining focus on trade working capital
- Ensuring strict capex discipline
- Right-sizing our business



ROIC IMPROVEMENT

- Ensuring optimal capital allocation



INCREASE SHAREHOLDER RETURN

GROUP COMMERCIAL

Step-changing commercial approach

Jessica Spence, Senior Vice President, Group Commercial

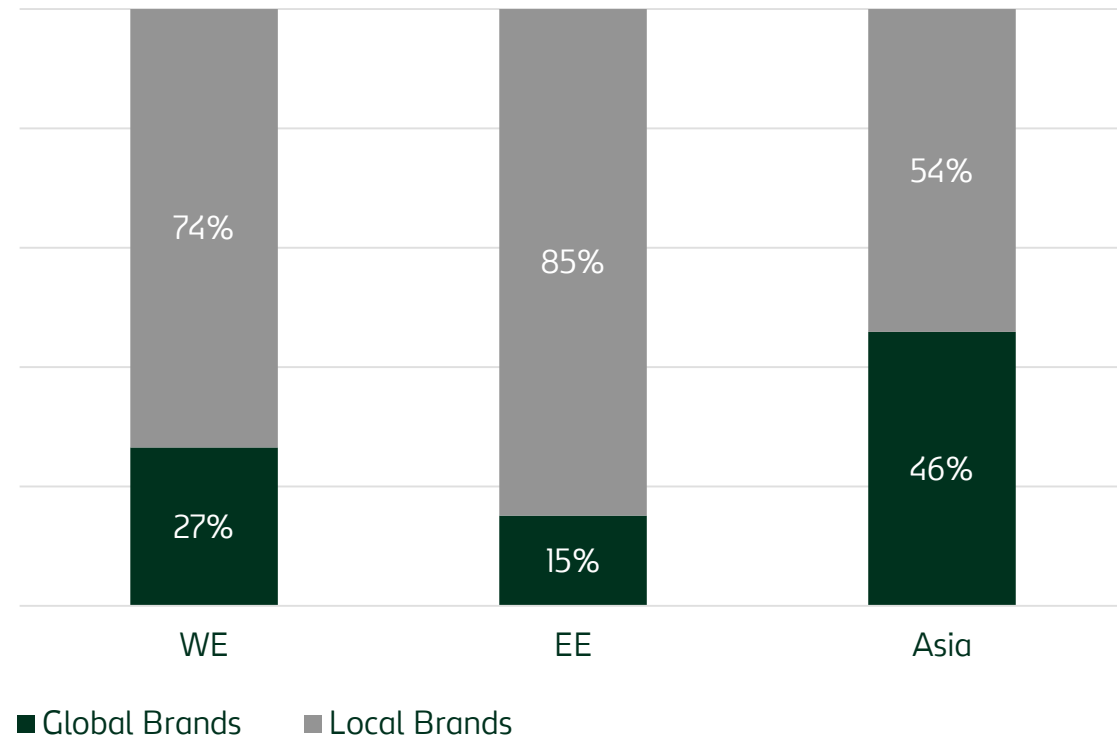
Copenhagen, 12 October 2017

Driving brands and portfolio

- Global portfolio frame to drive category growth
- Brand building model to drive premiumisation
- Acceleration of scalable global propositions
- Focused spend – brand & trade

The structure of our portfolio varies substantially by region

% of net revenue from brand type by region



FILM (DEMAND SPACES)

The Demand Spaces provide us with a frame for our portfolio – both global and local brands

Refresh and Replenish

Knowing the Best

Part of the Group

Reward and Indulge

Unwind and Unplug

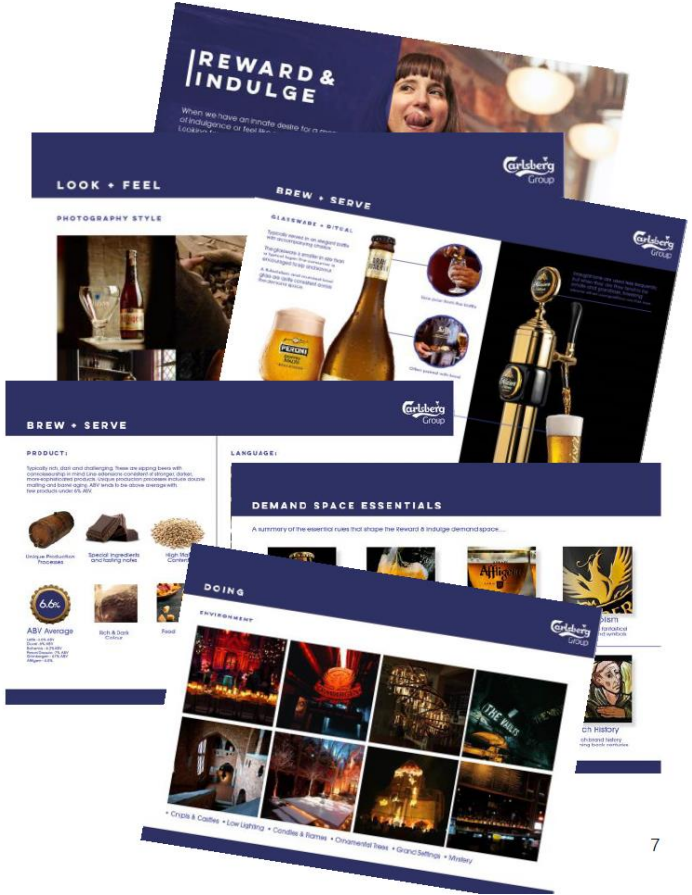
Fuelling Fun

Carefree Time

Shared Treat



This frame enables the codification and reapplication of best practice across local and global brands



OWNING PART OF THE GROUP WITH OUR LOCAL **POWER BRANDS**



“Part of the Group” is a critical demand space for us to win – and we see consistent trends across markets

- Majority of our local power brands lie in part of the Group: 45% of our total beer net revenue
- Core motivations around identification and connection
 - “Beer heartland” but changing occasions profile
- Within this demand space we see consistent trends
 - Increased need for security and belonging on a local scale
 - Freshness/unprocessed as a compelling “reason to believe”
 - Encroaching craft brands
 - Higher levels of non-alcoholic consumption



Lav – tapping into local insights within “Part of the Group” to drive refreshed look and feel



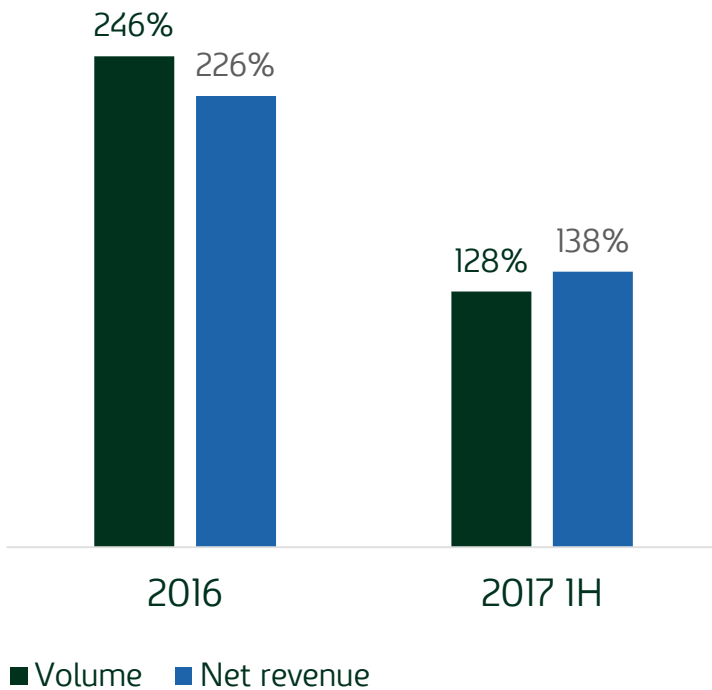
Feldschlösschen Braufrisch demonstrates the power of “fresh and unprocessed” to deliver sustainable growth over time

- Building on a very strong equity as the beer that brings all Swiss together
- Young brew masters’ interpretation of the classic Swiss lager
 - Naturally cloudy, with fruity hop notes and slight sweetness
- Driving 11% net revenue growth YTD two years post launch
- 61% awareness, 44% penetration in total market



Fresh and unprocessed has rolled out in the last 18 months and is successfully driving premiumisation

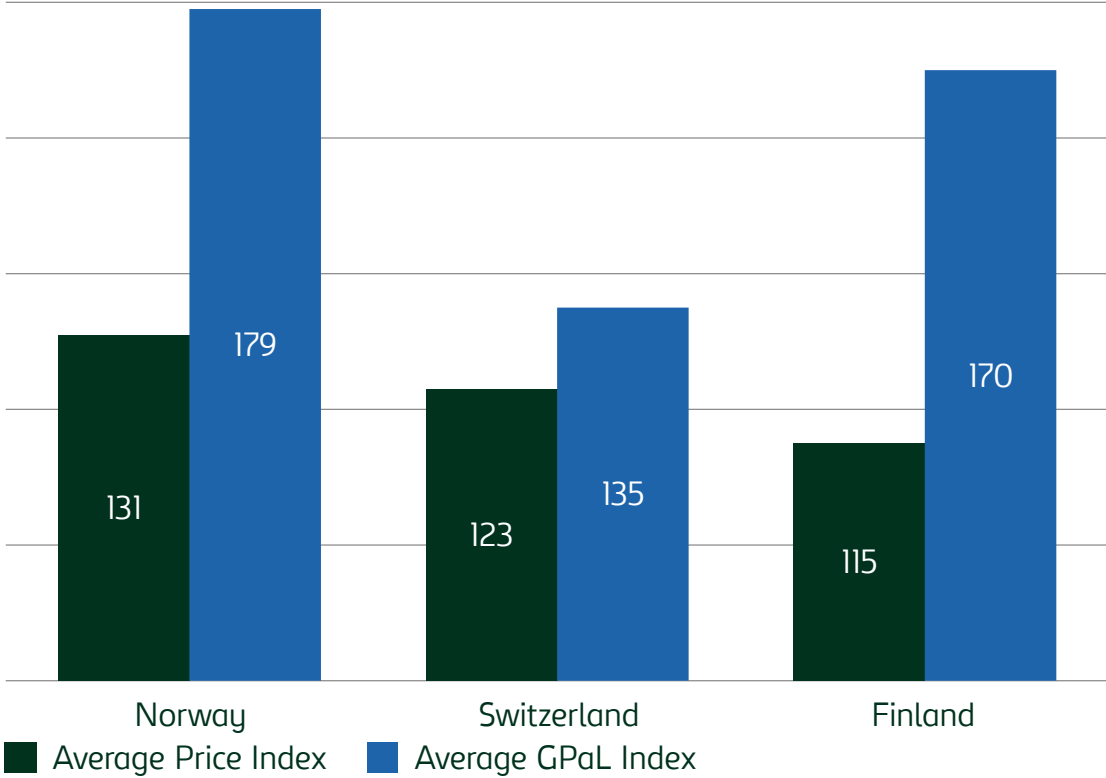
Tuborg Rå Growth Rates
2016/2017



Crafty line extensions meet changing consumer preferences and profitably combat craft



Crafty Line Extension Index vs Core Lager Variant



Strong execution of crafty launches generating trial & awareness: 5th best selling wheat beer

Our Brewmasters are happy:

22'000 HL sold since NPD launch in March:
By the end of the year we will sell approx. **1 Million packs of the crafty range in Switzerland**
(BYTD 2017, APO/FC 2017)

FS Craft range idea is working well, with a balanced variant split and solid ROS.

Nielsen, Total CH, KW 12-15 2017

Every fifth wheat beer sold in Switzerland is a Feldschlösschen Weizen


A very healthy brand funnel:
36% awareness after launch
10% trial rate
P1M usage at 5%
(Carlsberg Beer, 14y 2017)

Strong POS impact with 59% weighted distribution

(Nielsen, Total CH)

Strong plan to deliver in 2019

Drive awareness and maximise Trials in Y2
 Successful TV copy on air
 TV and OLV

 National high reach Samplings (DDB Coop Pronto etc. & Strong OOH Push around stores)
 Reach broad on Social Media


Continue to drive brand experience and engagement
 Cement drinking ritual in social media, digital and festivals/events

 Use influencers to drive credibility & establish ritual


Strong focus on BTL and POS activities
 2 MULTIPACKS
 2 GRATIS-GLASER

 PWG with Crafty glasses
 Impactful 2nd POS displays

 Sales task and drive drinking ritual with beer4you / wholesalers
 Buying impulses through coolers

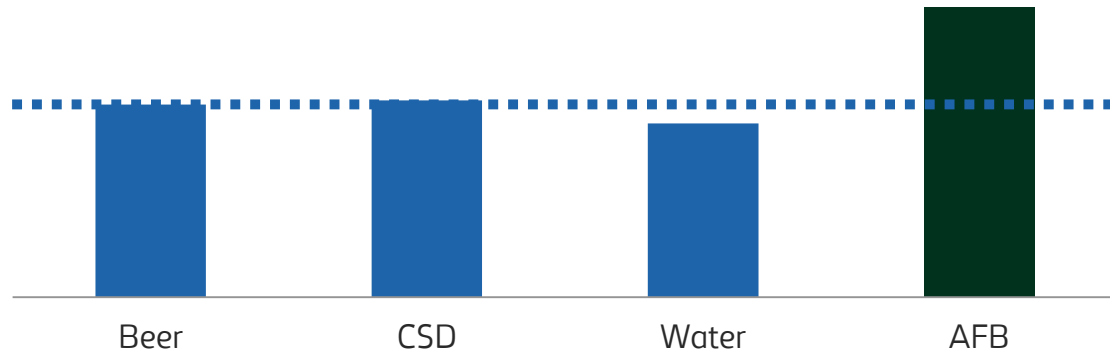

Alcohol-free line extensions grow share of occasions and protect beer's strong position in "Part of the Group"

- Beer heartland, but increasing penetration of alcohol-free - 1/3 of all serves are alcohol-free
- Strong brand positions provide the perfect platform to support alcohol-free variants
- Three priorities in 2017
 1. Launch alcohol-free line extensions with clear naming and differentiation vs. the core brand
 2. Ensure the right pack and brew line up to win
 3. Activate with advertising, influencer campaigns, events focus and heavy sampling

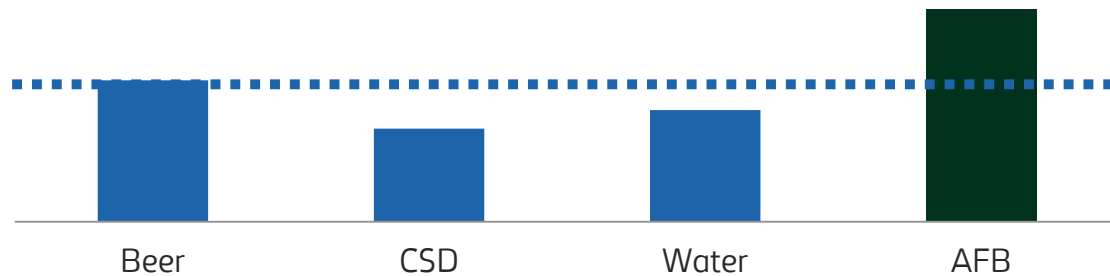


Alcohol-free delivers attractive revenue and GPaL growth

Net revenue/hl Beer: Index 100 Average Western Europe



GPaL/hl Beer: Index 100 Average Western Europe



We have established clear and positive variant communication and expanded the brew range

2016



2017



2017 launches into new flavours and beer styles are enabling us to grow penetration and address standard beer rejectors



K1664 BLANC - FRANCE

AFB growing at 10.4% vs. LY

1664 AF volume growing at 35% vs. LY



UTENOS RADLER 0 – LITHUANIA

Number 1 SKU in AFB

13% Share of segment



BALTIKA 0 WHEAT - RUSSIA

B0 57% share of AFB segment

4.6% Volume growth vs. LY

Activation shows the new reality of “Part of the Group” with a heavy focus on sampling at relevant occasions

Αν υπήρχε,
θα την απολαμβάναμε
από τότε...



Αυθεντική γεύση μπύρας
χωρίς αλκοόλ!

Απόλαυση... άνευ προηγουμένου!

www.fix-beer.gr

Ανακείμενο: 01/2020



LAISVALAIKIO
ČEMPIONAMS

GO NEAL KOHOL INTS

GO NEAL KOHOL INTS

GO NEAL KOHOL INTS

FIX ANEY - GREECE

- 32% share of alcohol-free category in first year of launch
- Driving 62% growth in category

SVYTURYS GO - LITHUANIA

- 32% volume growth in total portfolio 2017 YTD
- 50% share of total alcohol-free category
- Driving 76% growth in category

TUBORG WINNING GLOBALLY IN FUELING FUN

Tuborg has grown rapidly in Asia and in export and license markets to become our largest brand by volume

10%

volume growth
in 2016

No. 2

brand in India since
April 2017

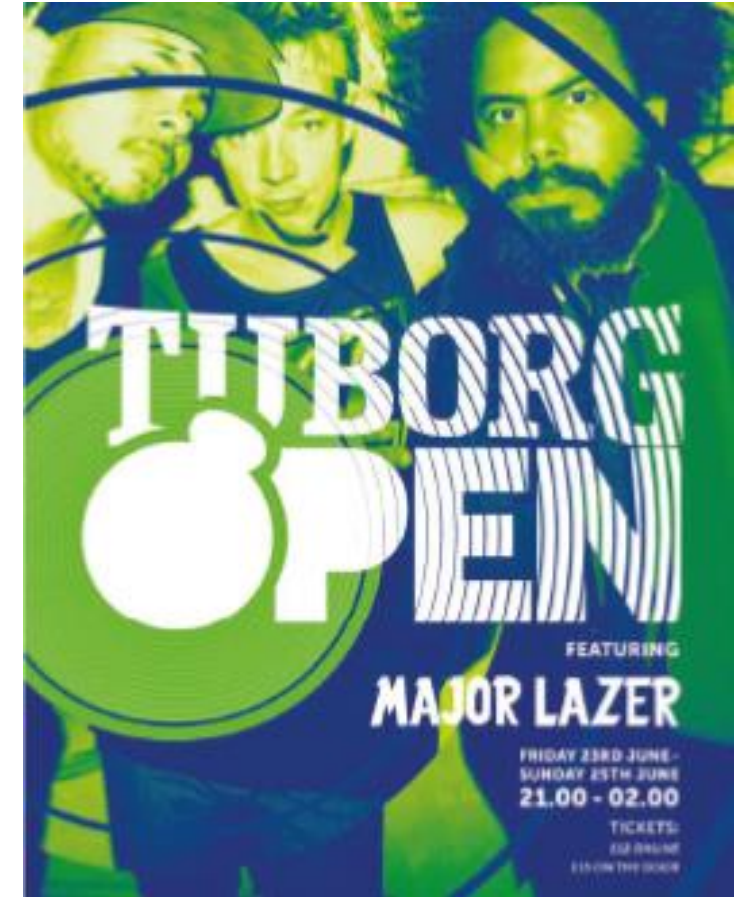
76

markets
globally

Present in



New high-impact look and feel being rolled out globally



FILM (ASIA REEL)

TUBORG OPEN



Tuborg Beat created
by Major Lazer



Global and local artists
work together to create
tracks with the beat



Journeys documented &
published. Tracks released



Culminates in single
global event

FILM (TUBORG)

China activation driving excellent results with strong local artist activation

- 88m music streams
- 29m video views
- Live event with 40k fans
- Positive impact on all target brand attributes
- Increased penetration amongst 18-24 consumers
- E-Comm sales +150%



RE-ESTABLISHING CARLSBERG IN KNOWING THE BEST



Carlsberg is delivering strong topline growth in focus markets

4%

volume growth
in 2016

7

gaining market share in 7 of
top ten markets

9%

growth in China
in H1 2017

6%

growth in export
& license
in H1 2017

20%

growth in Russia
in H1 2017



FILM (REBREW)

**To reassert our right to win in “Knowing the Best”,
we are delivering a pipeline of innovations in lager**



FILM (MADS 1883)

1883 has provided excellent opportunities for in-store activation and theatre to drive brand reappraisal



Leveraging the Laboratory will be key for the Carlsberg brand going forward

- The Carlsberg Laboratory will play a key role in driving our brand perception and quality going forward – and has been under-utilised in the past
- Plans going forward are to leverage the Laboratory with much more intensity – based on the success of Re-Brew
- The Red Barley Experiment builds on a specific ancient Asian barley in our library, that can deliver a naturally red lager



In summary ...

- Clear model for governing our portfolio that meets our unique situation and needs
- Global brand building model, that drives brand value and enables us to transfer learnings across markets
- Delivering scalable innovations and activations that create value for consumers, customers, shoppers and Carlsberg



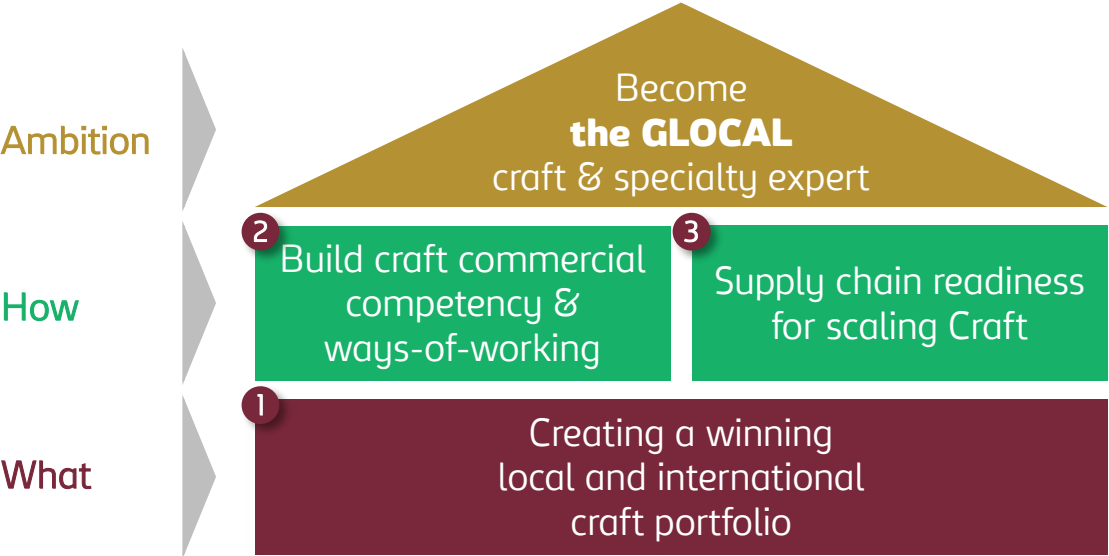
CRAFT & SPECIALITY

Winning in craft & speciality

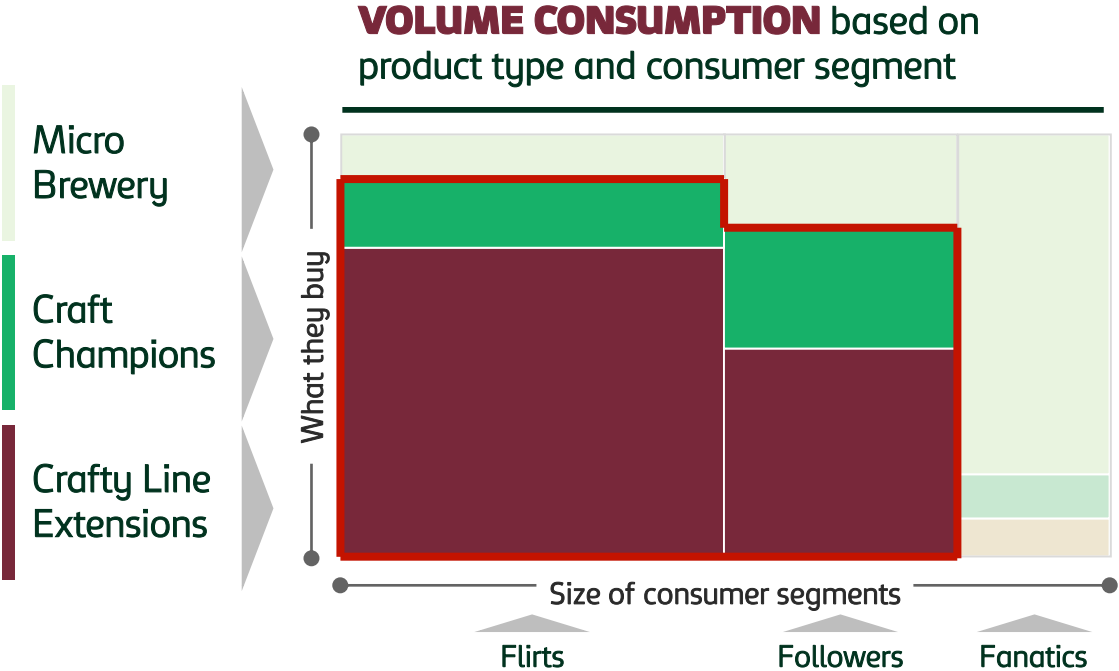
Paul T Davies, Vice President, Craft & Speciality
Copenhagen, 12 October 2017

Craft & Speciality strategy executed from 2017

THREE LINKED STRATEGIC ENABLERS



"BEER FOR THE MANY NOT FOR THE FEW"



Craft & speciality growth accelerating & delivering premiumisation



Net revenue H1 2017

+32%

Net revenue / hl
Index vs Core beer

Index 261



Net revenue H1 2017

+18%

Net revenue / hl
Index vs Core beer

Index 147



Net revenue H1 2017

+41%

Net revenue / hl
Index vs Core beer

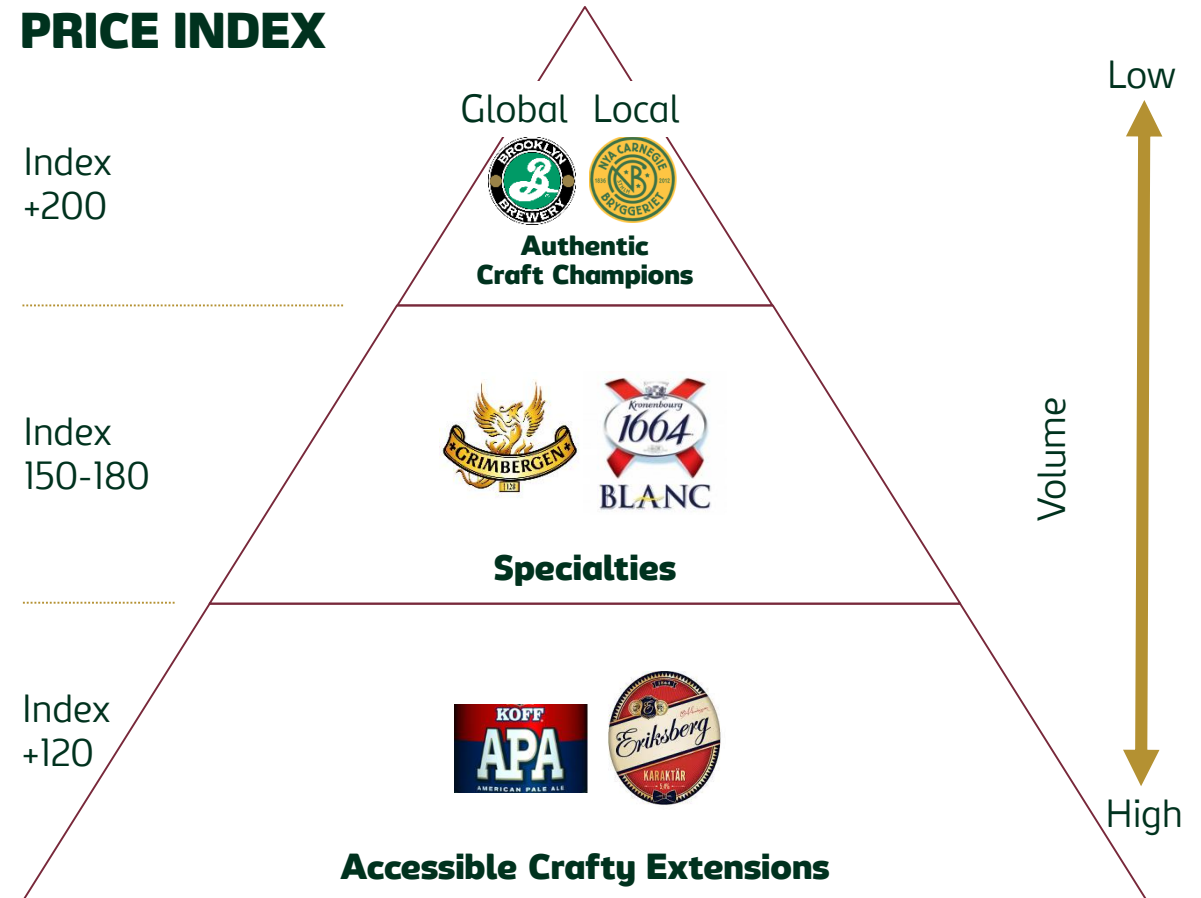
Index 514

Craft & speciality portfolio approach focuses on three segments

PORFOLIO SEGMENTS



PRICE INDEX



Global brands accelerating and entering more markets

H1 2017 REVENUE

NET REVENUE INDEX VS AVG BEER

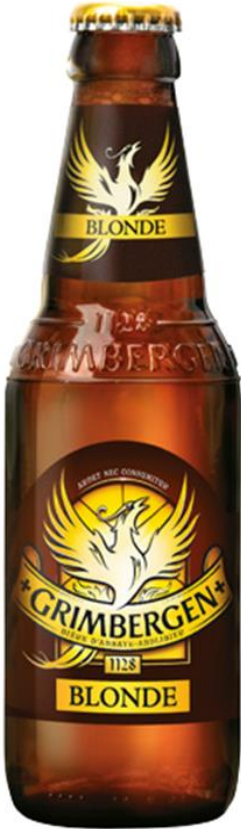
NO. OF MARKETS YTD



+41%

Index 276

44 markets



+24%

Index 224

49 markets



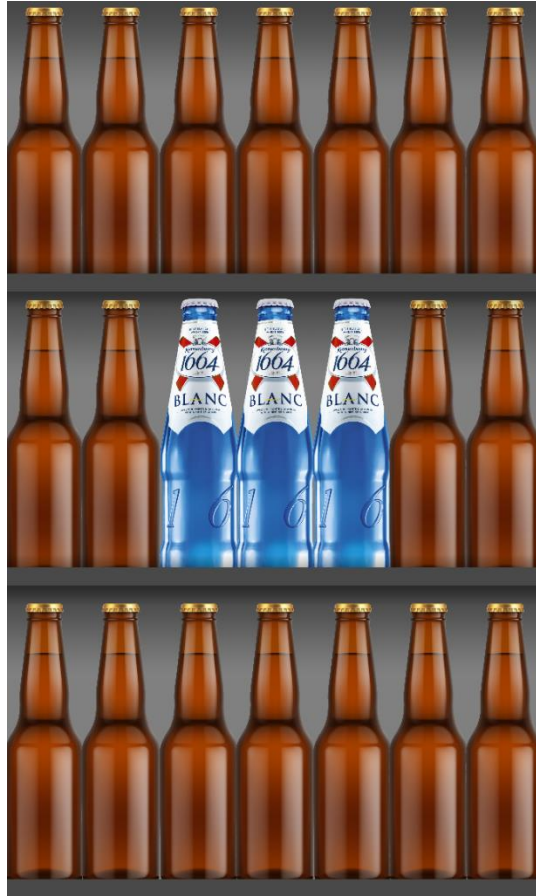
+23%

Index 466

15 markets

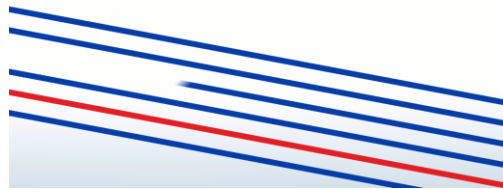
Speciality: Leveraging distinctive brand assets to build a global brand

LOOK & FEEL



BREW & SERVE

Speciality: 1664 Blanc aims to own blue across all touch points



Speciality: 1664 Blanc performance driven by strong execution in Asia

4

4 out of top 5 markets in Asia

No. 1

China no. 1 global market:

596

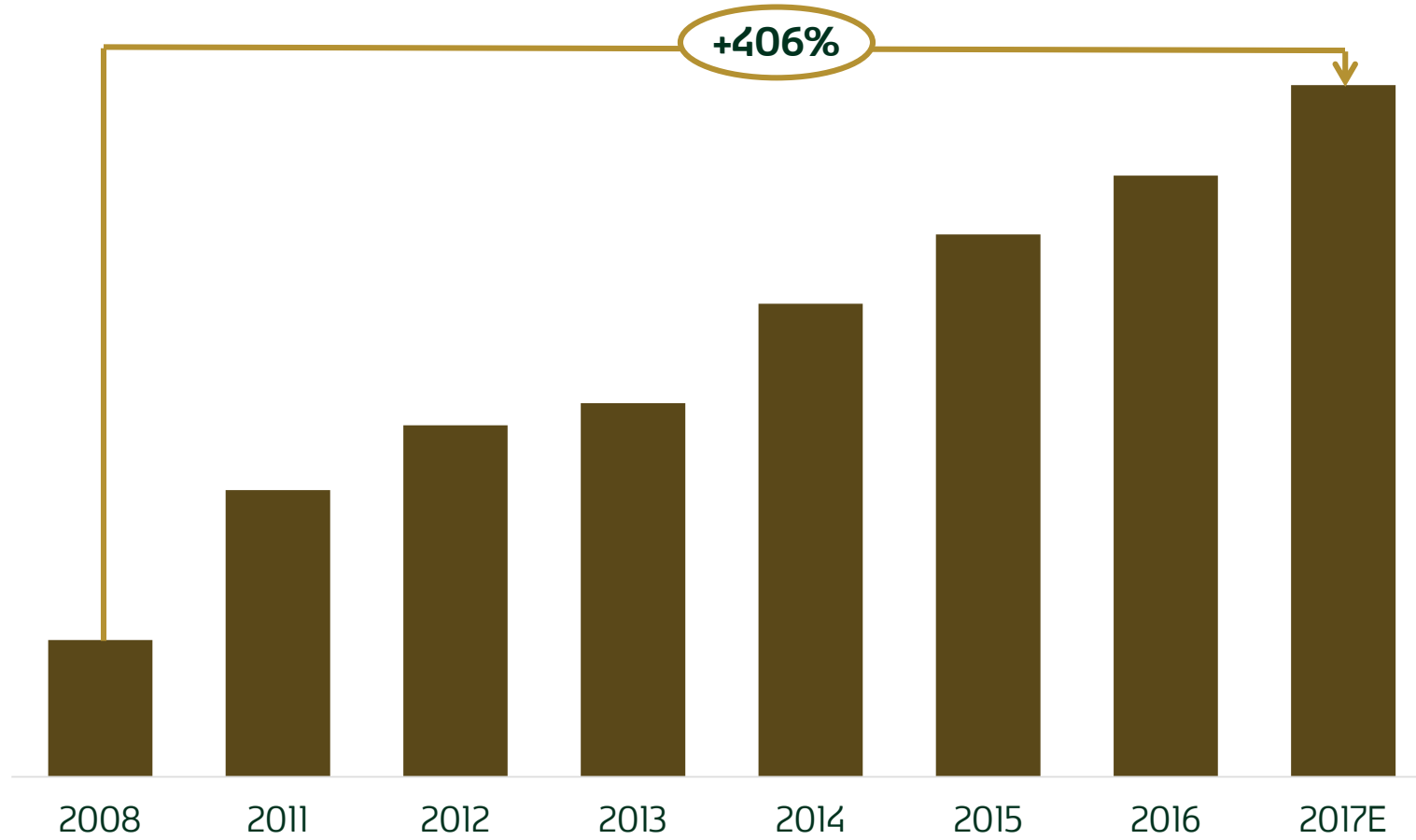
Net revenue index
596 vs local avg.

53%

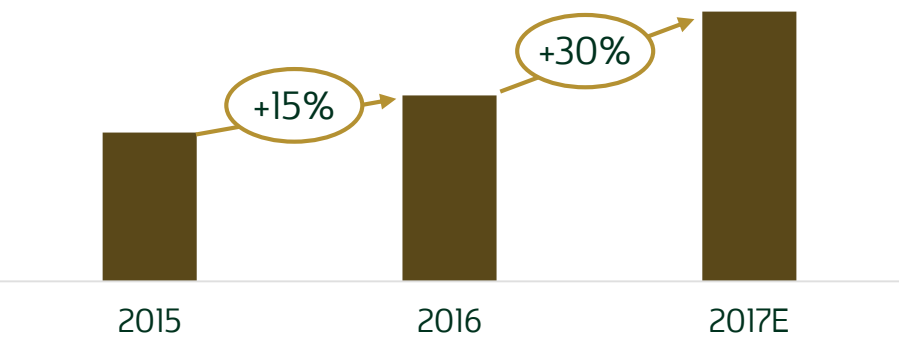
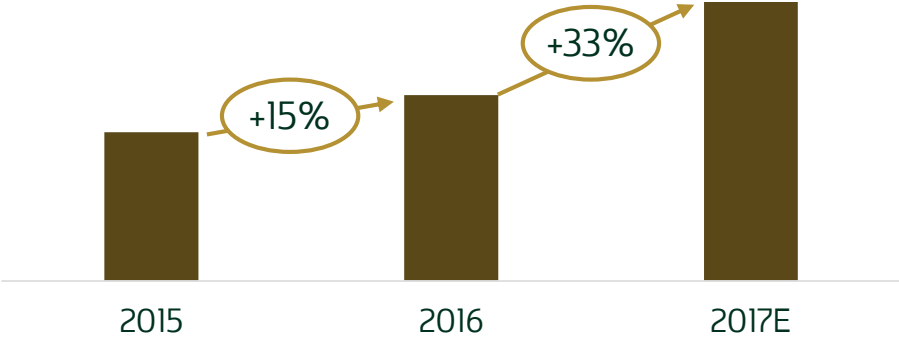
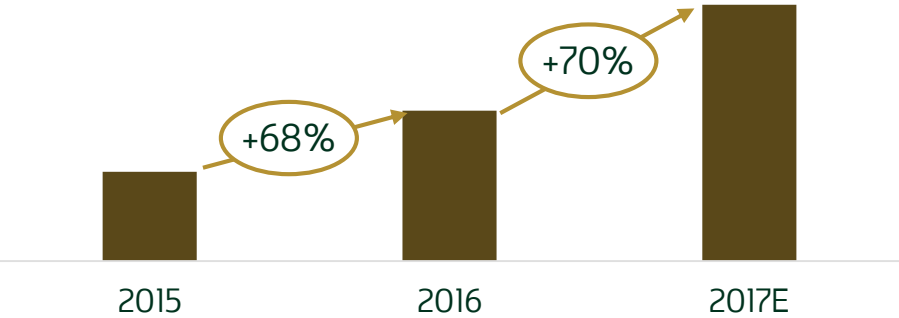
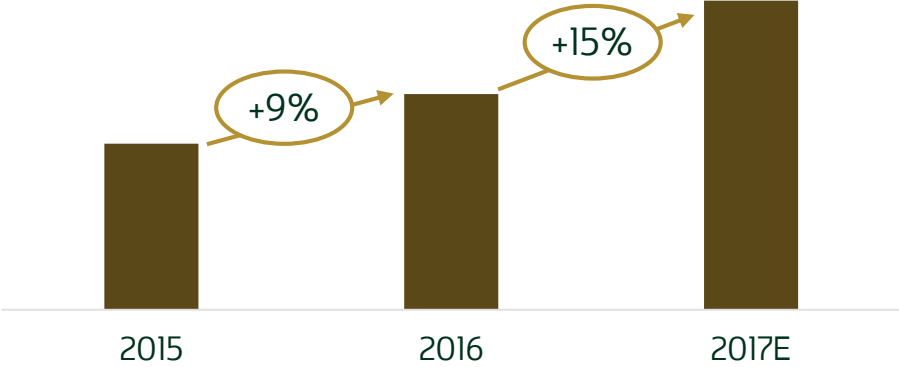
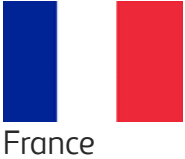
Net revenue
H1 2017



Speciality: Grimbergen has grown over 400% since 2008



Speciality: Grimbergen growth accelerating in key markets



Authentic craft: Play in global & local segments selectively

IMPORTED CRAFT



LOCAL CRAFT CHAMPIONS

1. Build

2. Buy



3. Organic

Authentic craft: Two approaches to market entry

1. ACROSPIRES JV = BUILD OR BUY



2. STAND ALONE = DEVELOP ORGANICALLY



Authentic craft: We have defined our approach to craft

CARLSBERG'S WAY OF DOING AUTHENTIC CRAFT

Carlsberg's Way of Doing Craft



1 CRAFT COM HANDBOOK

Target audience:

- Brew Masters and Management Teams of all Craft Breweries

Format:

- Handbook / shared drive
- 3 hour workshop as part of Connexio meeting

Content:

- Operational guide covering quality, technology, cleaning, health & safety, procurement process etc
- Full training sessions
- Craft COM audits
- Implementation owned by Craft Brewery Director

2 MARKETING HANDBOOK

Target Audience:

- Local Craft Brand Managers, Marketing Directors, Regional Commercial Team members

Format:

- Handbook
- 1 hour webinar

Content:

- How to build Craft Brands ie "Look & Feel", "Brew & Serve" & "Doing" including innovation, pricing & promotional strategy, channel strategy & top room/restaurant
- Plus high level overview of operational model and process and service handbook

3 PROCESS & SERVICE HANDBOOK

Target audience:

- Local legal & finance teams

Format:

- 1/2 hour webinar as part of legal network meetings

Content:

- Main focus on process and service handbook: How to set up and operate a local craft brewery & restaurant
- Plus high level overview of marketing handbook and operational model

11 

CARLSBERG'S WAY OF DOING AUTHENTIC CRAFT

Operational Handbook: clarity regarding brewery operating model and governance

	CSC managed	Acrospires	Independent	Other (< 10KHL)
Supply Chain	<ul style="list-style-type: none"> Principles defined in Craft COM (Carlsberg Operating Model) incl. a section on Procurement principles Craft COM developed by Group ManTech and Group Procurement and governed by Group Production 		<ul style="list-style-type: none"> To follow the same model as CSC led and Acrospires breweries are fully integrated 	<ul style="list-style-type: none"> Part of Craft COM (technical equipment, H&S and Quality) to apply Support from CSC to implement Annual audits
Innovation & Scaling	<ul style="list-style-type: none"> Principles and processes: Craft Commiso network Innovation light for Hero and regular SKU's Independent for Beta Brews Governed by Group 			<ul style="list-style-type: none"> Operating independently on a daily basis Soaking of beta brews
Marketing	<ul style="list-style-type: none"> Principles defined in Developed and gov. Commercial 			
Legal / tax	<ul style="list-style-type: none"> For P1 countries only allowed to buy / sell through CSC (small batches can be bought through P1s) Non-P1 countries can sell independently Carlsberg Policy for Governance of Group companies applies 			

12

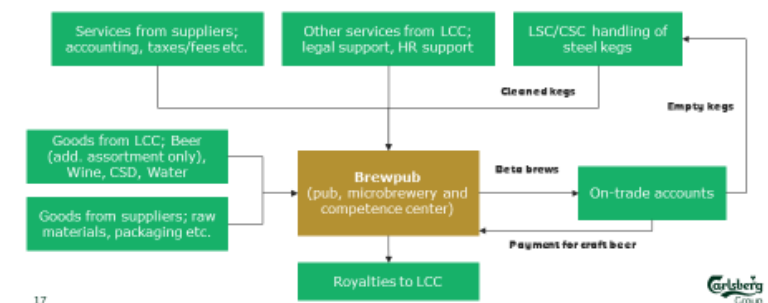
CRAFT BREWERIES - OPERATING MODEL DISCUSSION


Recommended setup for breweries < 10 kHL

Brewpubs set up as a separate stand alone entities, 100% owned by the holding company in the relevant local market. Formally to be treated as a "third party" with support from the local commercial company

Principles

- Brewpub purchase all goods such as raw materials, packaging etc. directly from suppliers. Piggyback on deals
- Brewpub purchase beer (additional assortment), wine, CSD and water from CSC/LSC as a regular customer
- Brewpub sell and distribute beer directly to a selected group of on-trade accounts, payment directly to Brewpub
- Brewpub pay brand royalties to LCC for utilizing relevant brands
- LCC/LSC provide services to Brewpub: HR and legal support when necessary + supply/handling of steel kegs. SLA to be developed.
- Brewpub purchase required support services externally: accounting services, debt collection, handling of taxes/fees, other
- NOTICE: All Brewpub employees to be hired in Brewpub, not LCC or holding company

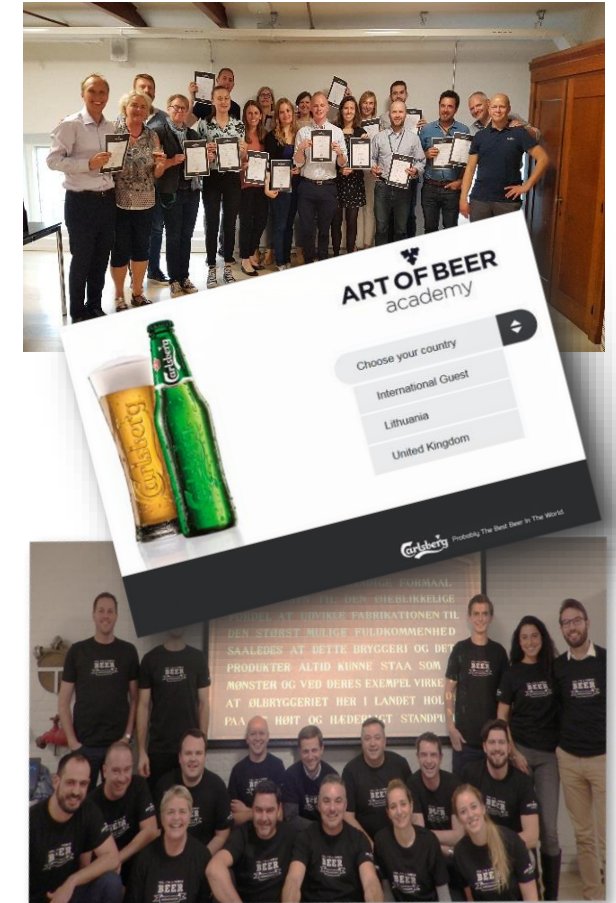


17 

Building beer capability: to date we have trained **1,200+** colleagues in the “Art of Beer”

MARKET		2017				2018	
		Q1	Q2	Q3	Q4	Q1	Q2
WI	NO, SE, CG	[Bar chart showing training progress for WI markets]					
	FR, UK, LT						
W2	DK, FI, PL, HQ, ELUD, GE	[Bar chart showing training progress for W2 markets]					
	CR, SB, BLG, EST, LV						
W3	GR, IT, RU (M+StP), UKR, PO,	[Bar chart showing training progress for W3 markets]					
	ASIA HQ, ML/SP, CH, IND/NPL						

...with more to come in 2018



WESTERN EUROPE

Driving margins in Western Europe

Michiel Herkemij, Executive Vice President, Western Europe
Copenhagen, 12 October 2017

Our Western Europe footprint

1-2 position in 12 markets

NORDICS

Denmark, Sweden, Norway, Finland
 #1 in the market (#2 in Finland)
 31-54% national market share
 5 breweries



SWITZERLAND

Feldschlösschen
 #1 in the market
 41% national market share
 1 breweries



FRANCE

Kronenbourg
 #2 in the market
 28% national market share
 1 breweries



POLAND

Carlsberg Polska
 #3 in the market
 17% national market share
 3 breweries



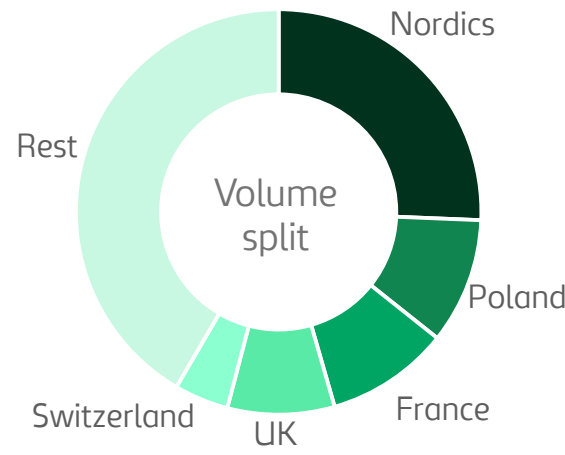
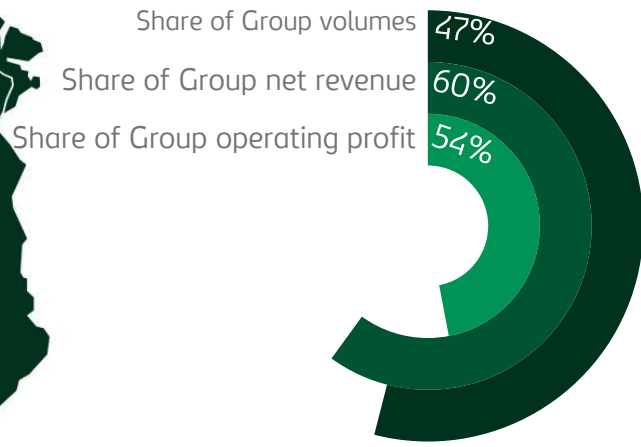
UK

Carlsberg UK
 #4 in the market
 12% national market share
 1 breweries



OTHER MARKETS

Italy, Germany, Portugal, Baltics, South East Europe
 #1-2 in six markets with
 17-47% national market share
 12 breweries

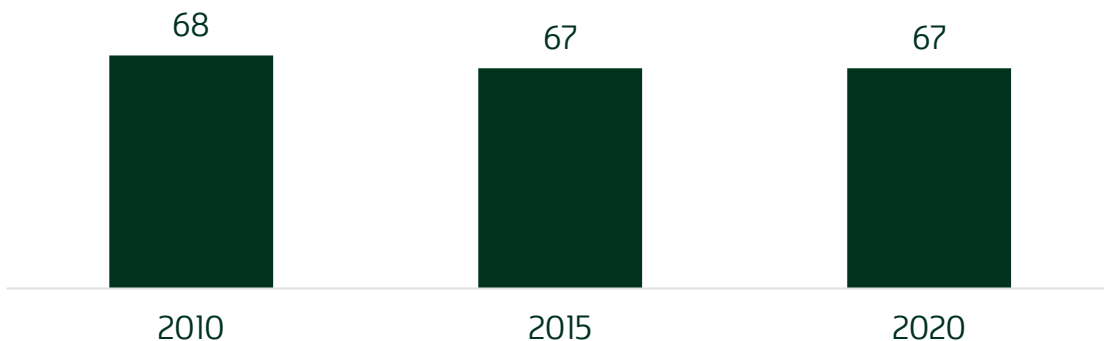


A mature and competitive region that can still give growth opportunities

HIGH AND STABLE PER CAPITA CONSUMPTION

- Per capita consumption seems to be stabilising
- Forthcoming years expectation is flat

Per capita beer consumption in Europe (liters)



☑ Positive

Consumers seek variety and are willing to pay more

- Growing premiumisation and craft agendas
- More complex beer environment

Huge profit pool to tap into

- Seizing any growth potential across Western Europe translates into meaningful profit impact

☒ Negative

Challenging operating environment

- Beer markets becoming darker
- Alcohol taxes continue to grow
- Less sugar and alcohol drift

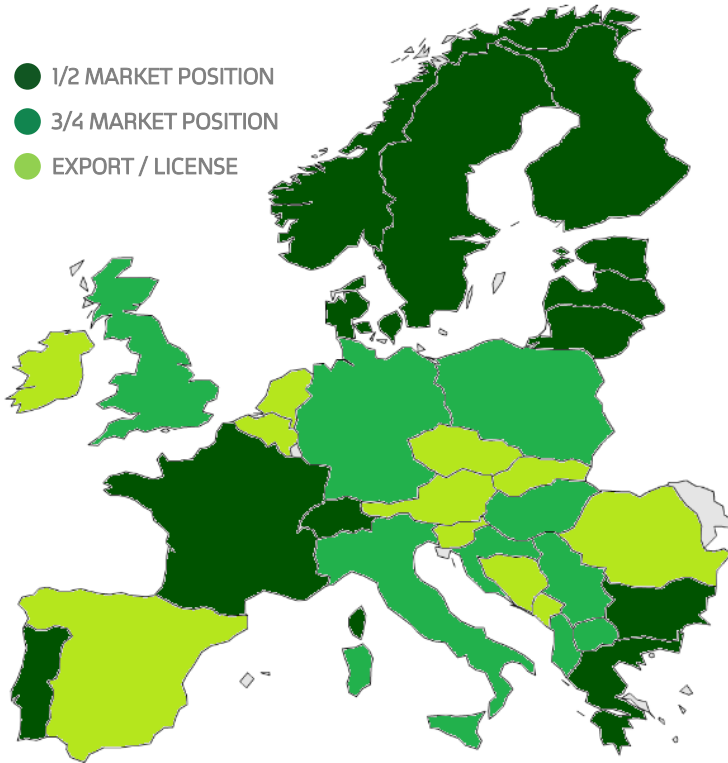
High maturity and competitiveness level

- The extra incremental potential in Western Europe is more difficult to capture

Strong footprint, great beer brands, strong presence in adjacent categories

Strong footholds to leverage but also room for growth

- 1/2 MARKET POSITION
- 3/4 MARKET POSITION
- EXPORT / LICENSE



Leading positions in mainstream

- Strong leading position in mainstream, growing share of premium products.
>30% of value in European mainstream

Local brands driven

- Dominating position of local power brands, in perfect sync with consumer trends today.
> 50% of gross brand contribution derived from local power brands

Strong route to market

- High share of direct distribution leveraged to drive adjacent CSD products.
> 40% of gross channel contribution comes from direct store distribution

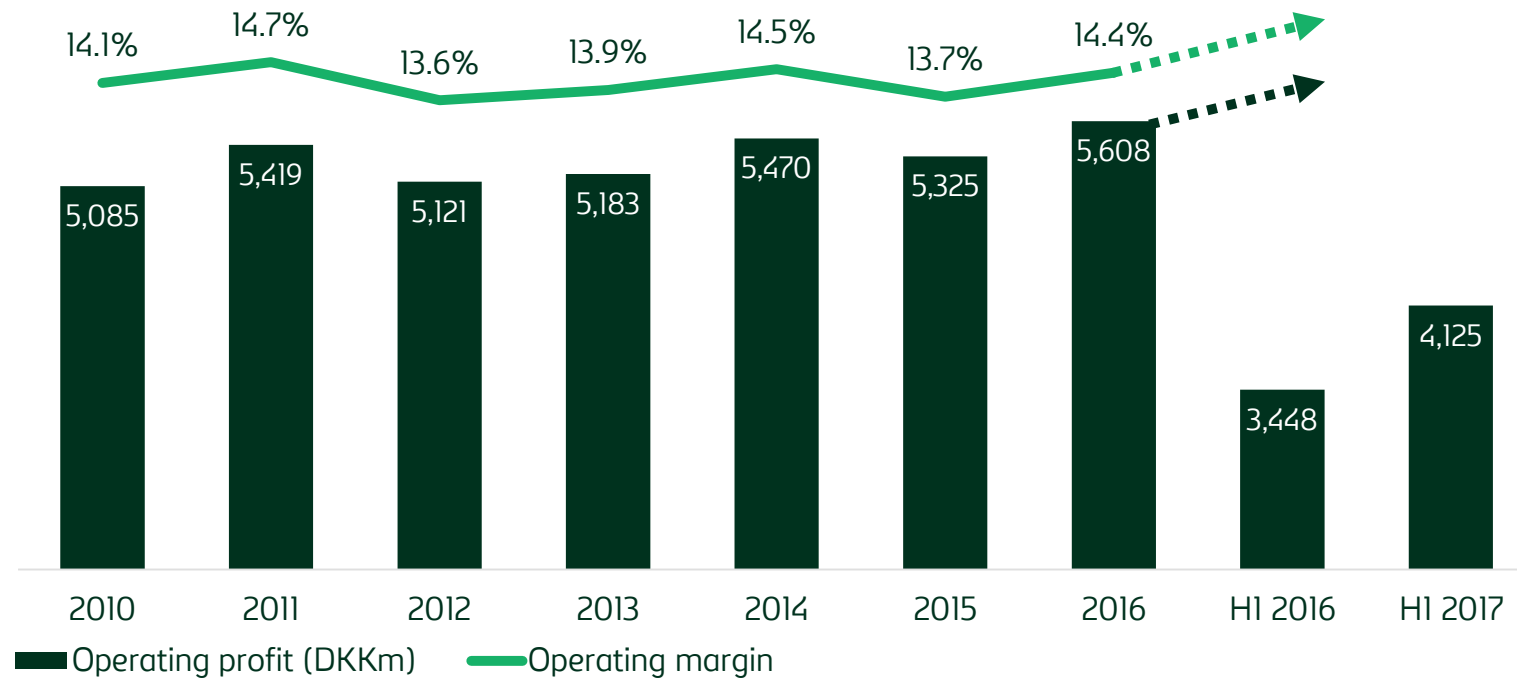
Differentiated channel mix

- Playing in various on-trade vs. off-trade setups, depending on market
Off-trade market share ranging from 15-54%

Focus on the right priorities to break the deadlock of operating profit stagnation

2017 IS FIRST YEAR OF SAIL'22

Operating profit and margin



SAIL'22 priorities in Western Europe

PREMIUMISATION

- Restore core local power brand equity
- Accelerate craft & specialty
- Build strong presence in alcoholic-free beer
- On-trade
 - Regain on-trade momentum
 - Drive DraughtMaster

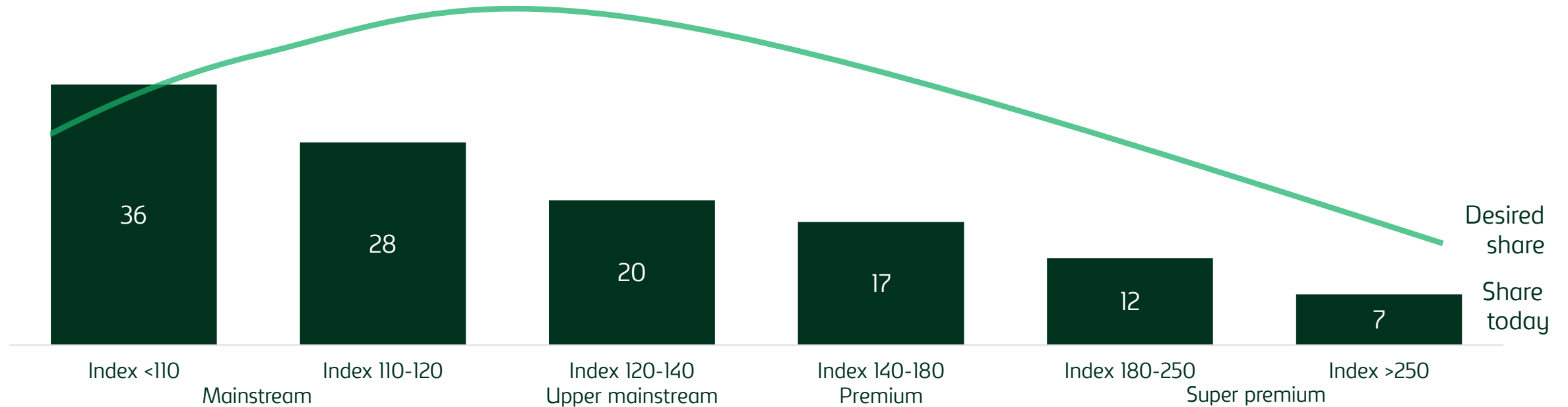
CRITICAL ENABLERS

- Value Management/FIT
 - Focus on execution
- Cost saving initiatives
 - Drive SG&A costs down and accelerate supply chain savings
- Change our Behaviours
 - Embed our joint behaviours to create a winning culture



Premiumisation is pivotal for all strategic initiatives in Western Europe

Carlsberg Group share of value across main Western Europe markets (2015 data)



Key levers to reach desired curve

Core beer

Craft & speciality

Alcohol-free beer

On-trade

Core Beer: Right investment decisions led to successful re-launches of chosen local power brands

#1 Build winning premium offer with own brands

#2 Rebalance investments with priority on focus brands

#3 Strengthen brand fundamentals

UK re-launch of Carlsberg export

- +10,000 off-trade distribution points
- +20% retail sales value
- +10% price per litre
- 4 year high international free trade listings



POLAND re-launch of Okocim

- Brand renovation execution
- 360 communication with increased media budget
- Brew: All malt lager variant
- Focus of sales force on Okocim



FILM

Core Beer: Right investment decisions led to successful re-launches of chosen local power brands

#1 Build winning premium offer with own brands

#2 Rebalance investments with priority on focus brands

#3 Strengthen brand fundamentals

BULGARIA Launch of Pirinsko Unpasteurized

- Renovation for Pirinsko Brand
- 360 media support
- 7k hl in year 1 / 20k hl in year 2
- 3% returnable glass bottle volume growth in a market declining 8%



SWEDEN re-launch of Falcon

- Improved brew
- New positioning and visual identity
- 360 degree communication and increased consumer facing investment
- Positive first results



Craft & speciality: Focus on winning in scalable segments while not neglecting the nicheness

#1 Scale crafty line extensions

#2 Win with imported specialities: Grimbergen and 1664 Blanc

#3 Establish authentic craft champions

SWITZERLAND launch of Feldschlösschen crafty line extensions

- Approx. 21,000 hl sold since launch in March
- Gross profit/hl of Feldschlösschen crafty range at index 133 vs Feldschlösschen original
- Im packs will be sold by the end of the year



NORWAY launch of E.C. Dahls

- Successful launch of E.C. Dahls
 - 11,000 pre-bookings E.C. Dahls brewery pub
 - 9,000 followers on facebook
- “Happy many” concept: driving scale through numerous premium brands, e.g. Brooklyn, Nya Carnegie etc



FILM

Alcohol-free beer: Actively shape the category as future pocket of growth

#1 Drive alcohol free line extensions

#2 Leverage stand alone brands for white spot demand spaces

#3 Prepare and develop Daytime refreshment

DENMARK launch of Nordic

- AFB segment growing +14.5% driven by Carlsberg Nordic (+54% growth)
- Carlsberg Nordic value market share of AFB segment: 50.3% YTD (+9%)
- Carlsberg Nordic is the 7th best selling 6-pack across the total beer category

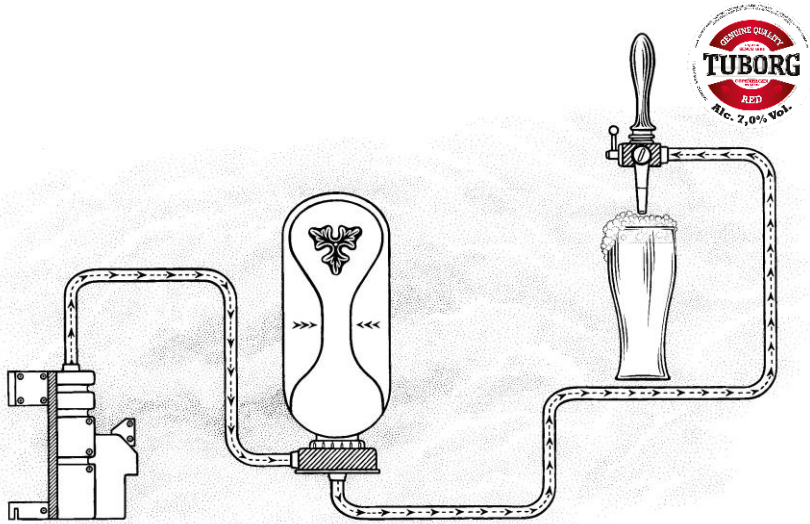


FRANCE launch of Tourtel

- Excellent repeat rate of 52%
- Tourtel Twist is in the top 1% of FMCG innovations since 1999
- Volumes of 149k hl in 2016 with strong growth plan to double the size in three years



On-trade: DraughtMaster key enabler to regain on-trade momentum ...



Variety in sizes and 31 days shelf life allow for multiple taps / tap rotation enabling premiumisation



No added CO₂ enhances freshness and beer experience while being environment friendly



One-way kegs and improved cleaning system to decrease costs

FILM

Roll-out of DraughtMaster following plan and showing good results

#1

Establish on-trade as true platform to build our brands

#2

Focus on draught & accelerate Draught Master

#3

Focus on urban areas

ITALY business turnaround fuelled by draughtmaster

- 95% customer loyalty
- +10% revenue uplift (+6% volume and +4% mix)
- 20% space saved vs steel keg and CO₂ keg storage
- Poretti – one the top 15 fastest growing beer brands in Europe in 2016

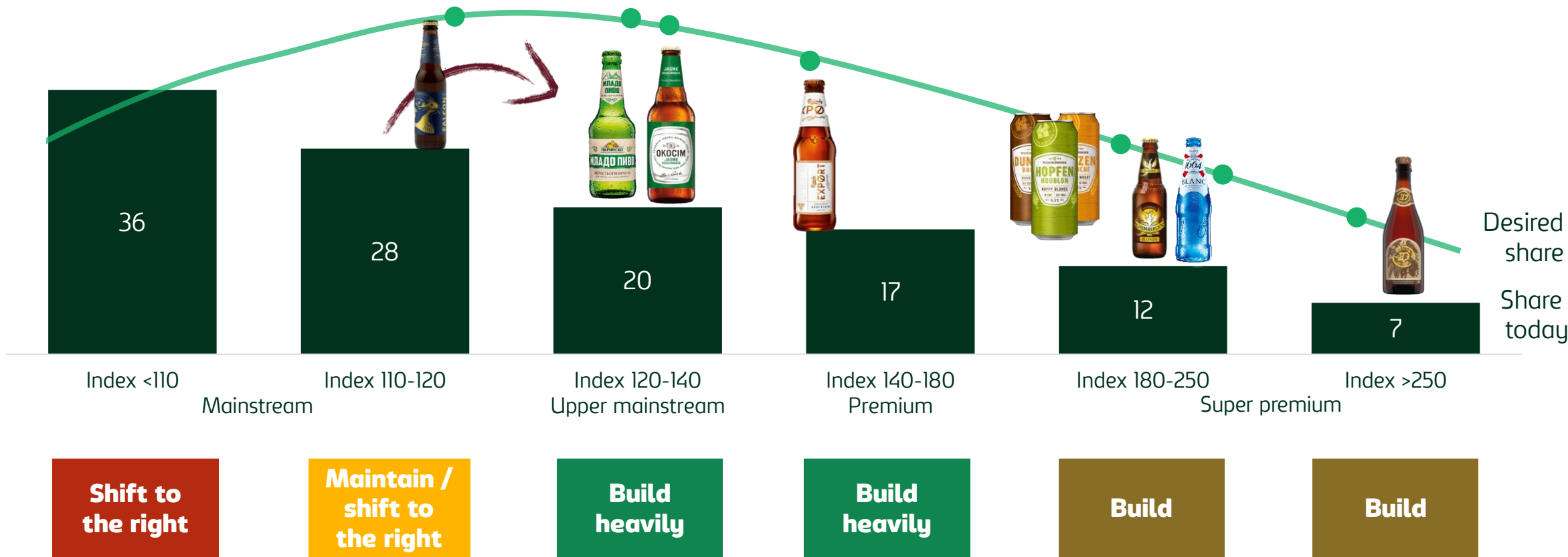


DENMARK successful start targetting full conversion from steel

- Full conversion of steel kegs to DraughtMaster in 2-2½ years
- Roll-out on track vs plan
- Strong customer acceptance
- Uplift in brand mix with premium priced brands



Premiumisation initiatives within core beer and craft & speciality stimulate the right side of the curve



Value management supporting positive price/mix development in a challenging pricing environment

#1 Embed Brand & customer P&L

#2 Drive pricing to stop value decline

#3 Value-based KPIs & incentives

STRUCTURE

Move from ad-hoc/annual pricing tactics to multi-year pricing strategy

INSIGHTS

Develop analytics & tools to define optimal discount structure, promo levels and tactics per channel/brand

EXECUTION

Ensure implementation feasibility and continuously follow through / measure

CAPABILITY

Structure & Train organisation and define KPIs to support



Price



Assortment



Promotion



Trade terms

Funding the Journey: Relentless focus on bottom-line becoming part of Western Europe DNA

#1 Deliver OCM

#2 Reduce complexity

#3 Supply chain efficiencies

OPERATING COST MANAGEMENT

- Headcount reduction exercise in 2016 with focus on tracking
- Rigorous OCM approach
- Savings on indirect projects e.g. cars, media



SUPPLY CHAIN EFFICIENCY

- Cost saving initiatives across procurement, production and logistics
- Tighter portfolio management and complexity reduction approach



Changing our behaviours: Strong team as a foundation for delivering

- #1** Anchor 3A across region
- #2** Embed Compass (Code of Ethics & Conduct)
- #3** Bring Purpose alive and integrate sustainability strategy

- Strong focus on performance based culture ...
- Reinforcement of sustainability agenda ...
- Strong behavioural and cultural push ...

... Delivering tangible increase in employee engagement results



**ALIGNMENT
ACCOUNTABILITY
ACTION**

75% Employee engagement
+4%

70% My company is making the necessary changes to compete effectively
+5%

67% Senior management provides a clear sense of direction
+8%

In summary, Western Europe is on track to improve results and drive positive margin development

- SAIL'22 priorities allow the region to break free from long lasting operating profit deadlock
- Premiumisation agenda is key
- Big focus on execution and scrutiny around bottom-line are key drivers
- Rigorous focus on costs
- Dawn of successful change is visible across the whole region
- Western Europe will continue delivering on its current strategy, level of confidence is high



SUPPLY CHAIN

Building a world class
integrated supply chain

Philip A. Hodges, Executive Vice President, Group Supply Chain
Copenhagen, 12 October 2017

Integrated supply chain main objectives: enable growth, optimise cost and assets, master processes

Enable commercial growth agenda

Optimise cost and asset utilisation

Master cross-functional processes

Quality, health & safety, environment



Measured against a balanced scorecard

A winning culture: AAA

Building a world-class integrated supply chain

From: Patches of excellence



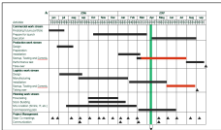
Health & safety routines



In-plant quality



Cutting down SKUs



Capacity solver projects



Top tier in customer service



World class brewing using Carlsberg Operating Manual



Traditional procurement levers



Reducing environmental costs

To: Global, integrated, end2end



ZERO accidents culture



On-shelf and beer-in-hand quality



Holistic portfolio management



Strategic customer driven supply network development



Maintain top-tier in customer service



E2E efficiencies using COM driven Lean/6Sigma



Total cost of ownership



Environmental leadership



Health & safety: Inspiring a cultural change

Lost-time accident rate



- Eliminate unsafe situations¹
 - 2016 47,000 reported
 - YTD 2017 62,000
- Signage and visualisation at every site
- On premises traffic segregation

¹ Situations = unsafe conditions + behaviours + near misses

- Five life saving rules
 1. Lock-out/tag-out
 2. Safe driving
 3. Working at height
 4. Machine interlocks
 5. Confined space entry

OUR AMBITION



ZERO
ACCIDENTS
CULTURE



**THE FATHER
OF QUALITY LAGER BEER
1847**

Building on Jacobsen's heritage and extending beyond the brewery: From managing to eliminating defects

IN-BREWERY QUALITY CONTROL

Internally focussed



FOCUS AREAS

- O₂
- Co₂
- Sulfites
- Right first time
- Chemical analysis
- Microbiological

END-TO-END QUALITY

Cross-functional partnering



SUPPLIER

- Pack
- Raw

BREWERY

- O₂
- Co₂
- Sulfites
- Right first time
- Chemical analysis
- Microbiological

CONSUMER

- Off-trade on-shelf
- On-trade in-hand

Together with Commercial, transitioning from SKU reduction to holistic portfolio management

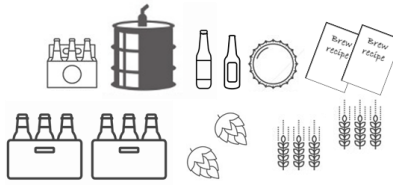
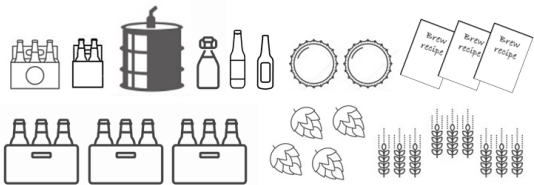
Right brands/
sub-brands



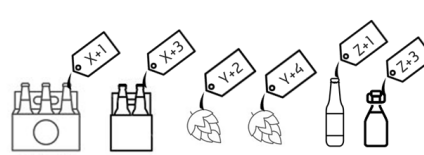
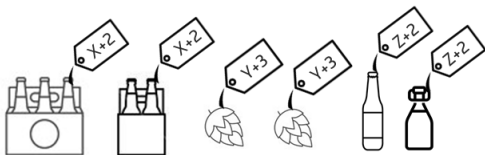
Right SKUs



Optimised &
harmonised
liquids and
packaging



Cost/price for
complexity



We will face increased fragmentation due to craft & specialities, alcohol-free beer line extensions ...

OUR RESPONSE

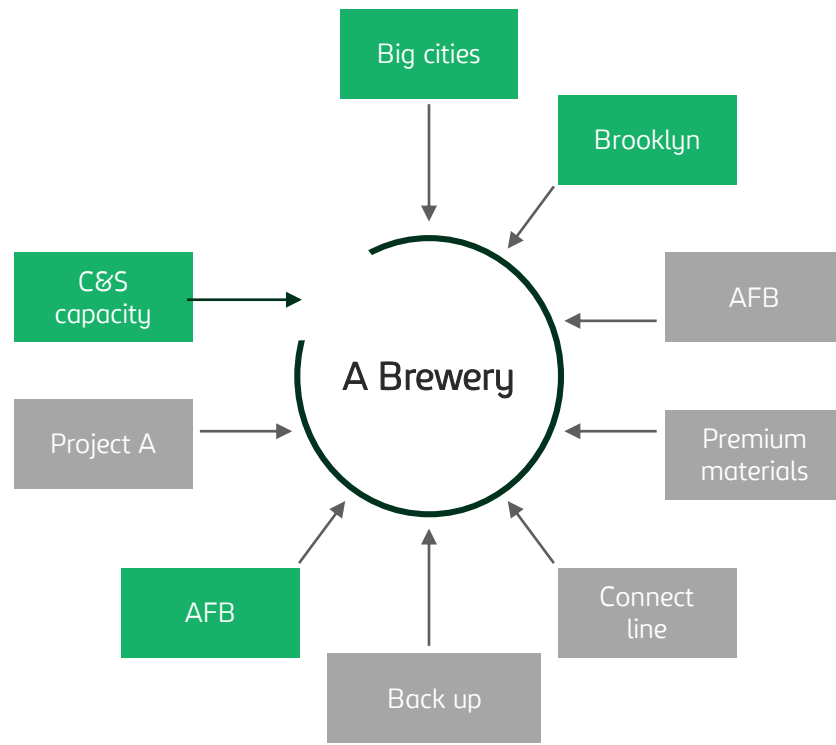
- PLAN FOR IT – right technologies in right places
- MANAGE IT – flexible processes
- CHARGE FOR IT – correctly cost complexity



Develop customer driven supply network; adapt network to consumer demands and increase utilisation

FROM: PROJECT MANAGEMENT

Many capacity solving projects



TO: NETWORK MANAGEMENT

Optimising our network to meet future demands

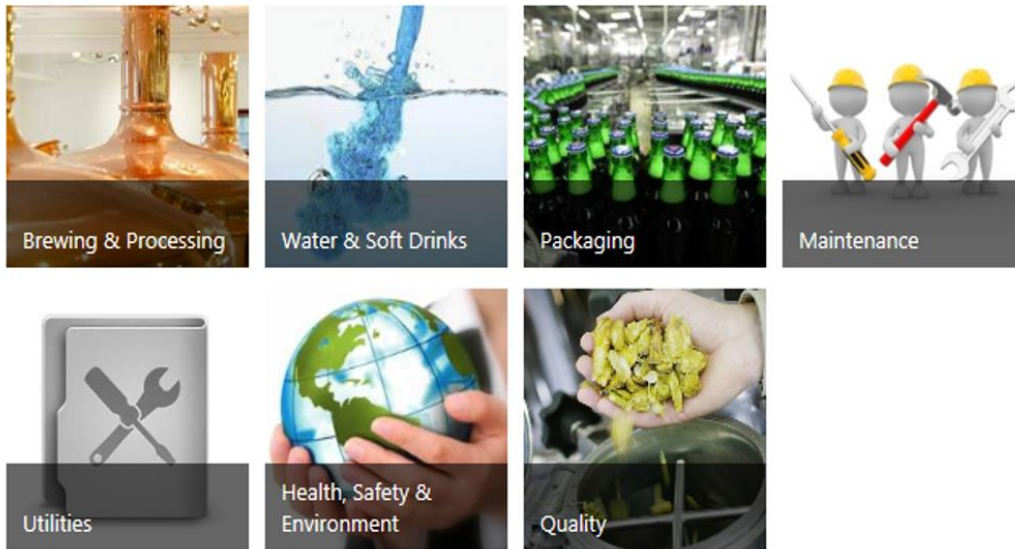
- Long-term strategic forecast demand of: liquid, brand, format
- Define plant 'role' and line configuration
- Establish fit for purpose technology
- Design optimal network
- Execute against plan



Build on Carlsberg expertise and develop centrally driven Lean/6Sigma culture

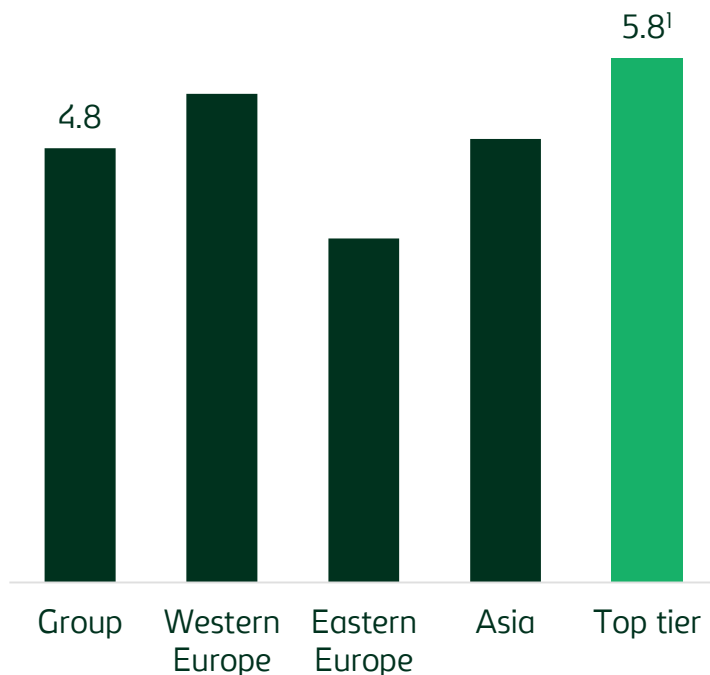
CARLSBERG OPERATING MANUAL MANDATED BEST PRACTICE

- Differences between breweries' performance indicate potential for improvement
- Strong correlation between performance and Lean/6Sigma score
- Benchmarking internally and externally
- Loss tree analysis

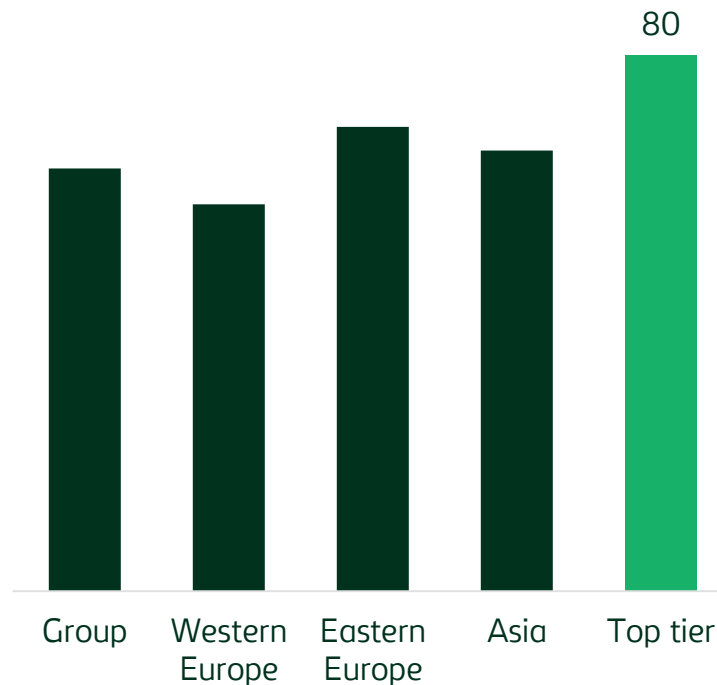


Build on top tier brewing and processing and catch up in filling & packing through E2E efficiency

Brewing and processing yield losses



OEE % benchmark²



INITIATIVES

Product portfolio

- Eliminating unwanted complexity
- Brew streams and packaging materials harmonisation, standardisation

Planning accuracy

- Sales forecasting
- Production scheduling

Production execution

- Focus on filling & packing hall
- Centrally led, harmonised lean/6sigma roll-out

¹ Top tier benchmark quoted from Alectia brewing industry benchmarking report 2016. Losses% benchmarking Carlsberg Group and regional results based on 2016 Actuals.

² OEE – Overall Equipment Efficiency. Represents efficiency in usage of assets as well as operational resources. Carlsberg Group OEE based on FY 2016 Actuals result (weighted average of 3 regions). Industry (beverage) OEE benchmark quoted from BCG benchmarking report on beverage industry Top 10 percentile.

In procurement, maintain excellence in direct materials and increase opportunities in indirect spend

DIRECT MATERIALS



DISRUPTION

- Based on green field “should cost” models

ADJUST THE SPECS

- Improve level of defects
- OEE
- Reduced scrap

OPTIMAL STOCK LEVEL

- Raw and pack materials vs. planned sales forecast

Net savings¹ in % of direct materials

2016 - 2018 2019 - 2020 2021 - 2022

INDIRECT SPEND



SOURCE TO PAY

ON LINE CATALOGUES

FULFILMENT CENTRE

STRONG BUSINESS LINKAGE

Absolute indirect spend savings

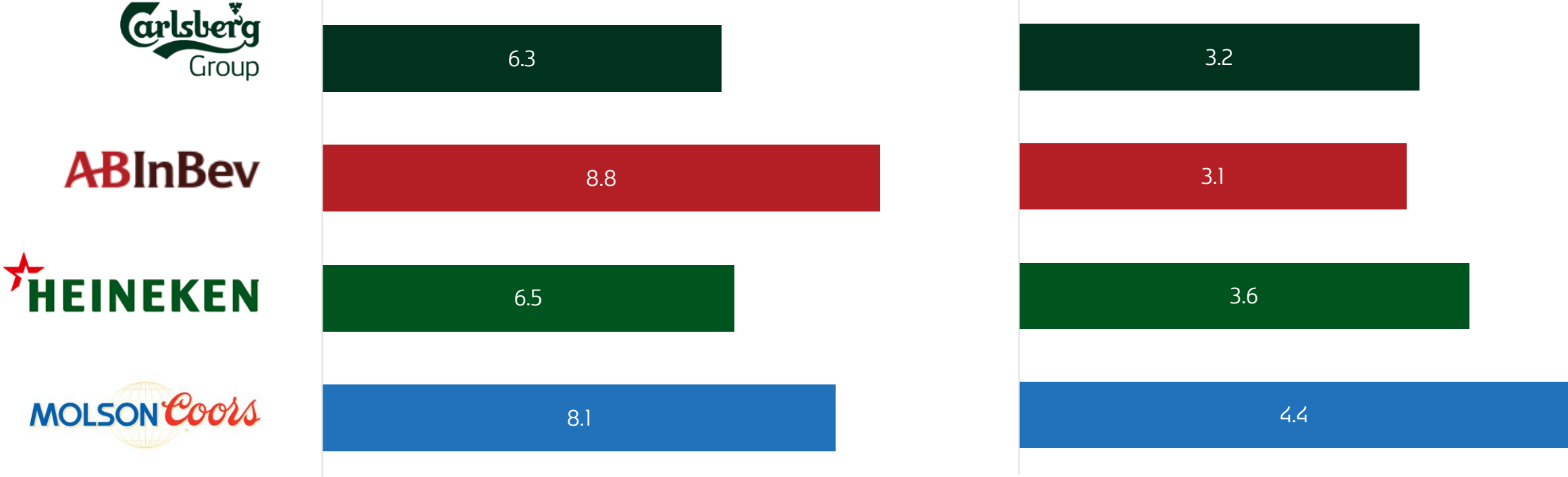
2016 - 2018 2019 - 2020 2021 - 2022

¹ Excluding key commodities

Carlsberg is already one of the global leaders on carbon and water

2016 carbon emission kg/hl

2016 water consumption hl/hl



Note:
1. Source: Company annual report & CSR report.
2. Actual performance depends on intensity of efficiency programs, geographies of business and product mix. No data available on other groups' product mix.
3. No data published and no sustainability targets known for China SNOW and Tsingdao.

Carlsberg has set the most ambitious long-term environmental goals

CARBON FOOTPRINT



2022

- 50% reduction in carbon emissions at our breweries
- 15% reduction in beer-in-hand carbon footprint

2030

- 0% carbon emissions at our breweries
- 30% reduction in beer-in-hand carbon footprint

WATER WASTE



2022

- 25% reduction in water usage at our breweries
- Explore going below 2.0 hl/hl at all high-risk breweries

2030

- 50% reduction in water usage at our breweries
- Partner to safeguard shared water resources in high-risk areas

We measure ourselves through a Balanced Scorecard



In summary, building a world-class integrated supply chain ...

... ENABLING GROWTH ...



... AND DELIVERING NET SAVINGS



EASTERN EUROPE

Transform to win in Eastern Europe

Jacek Pastuszka, Executive Vice President, Eastern Europe
Copenhagen, 12 October 2017

Eastern Europe is the smallest region in the Group but with strong market positions

1-2 position: 5 markets

BELARUS

Alivaria Brewery
#1 in the market
29% market share
1 brewery



RUSSIA

Baltika Breweries
#1 in the market
35% market share
8 breweries



UKRAINE

Carlsberg Ukraine
#1 in the market
31% market share
3 breweries



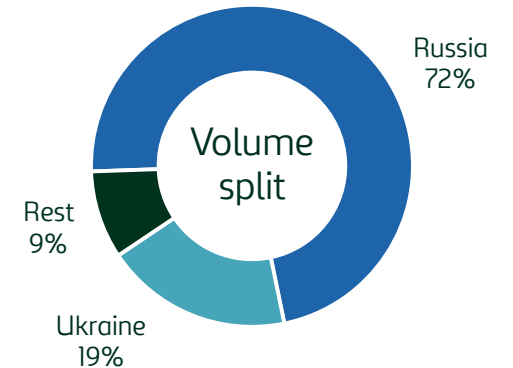
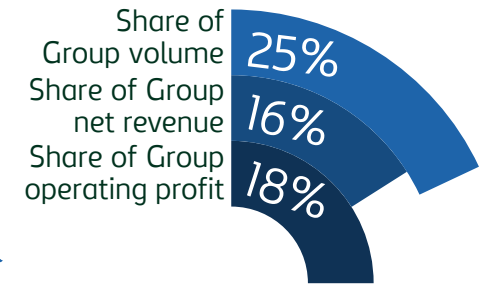
AZERBAIJAN

Carlsberg Azerbaijan
#1 in the market
75% market share
1 brewery



KAZAKHSTAN

Carlsberg Kazakhstan
№ 2 in the beer market
37% market share
1 brewery



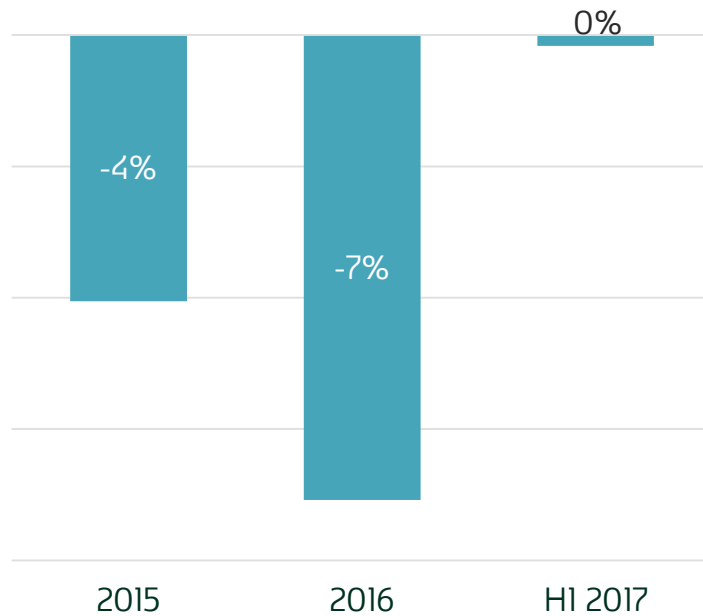


UKRAINE

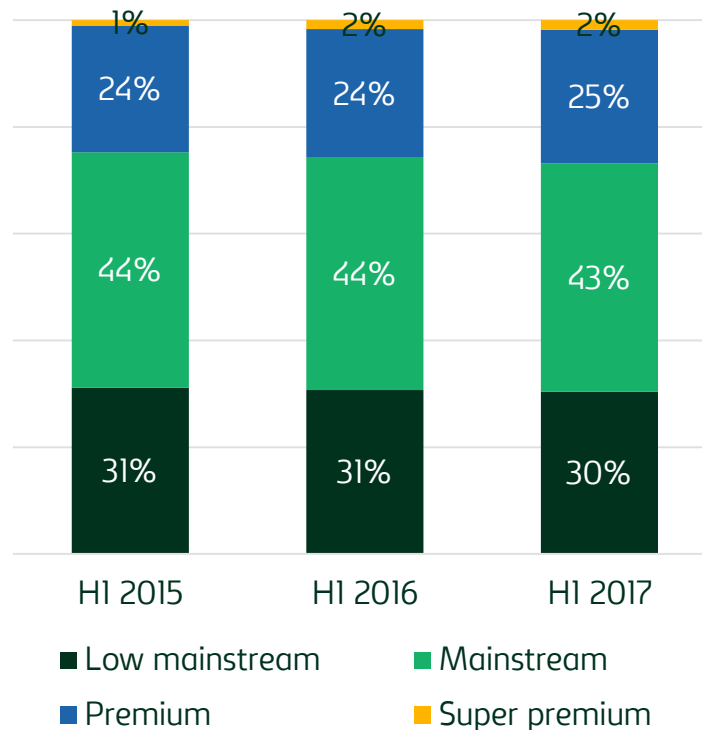
Carlsberg Ukraine holds a no. 1 position in a challenging market

UKRAINE
 #24 by volume globally
 #20 by value in Europe
 42 l per capita

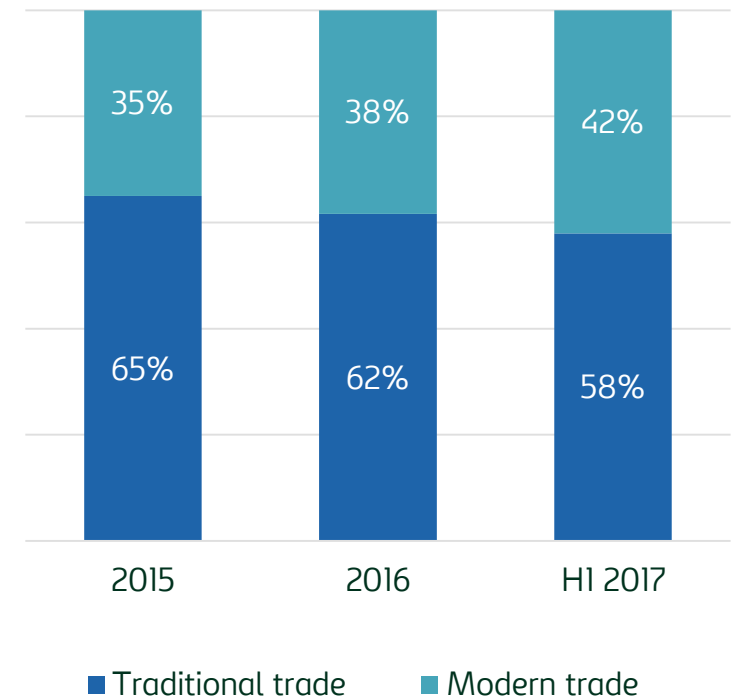
Beer market development



Price segment shows indication of uptrading

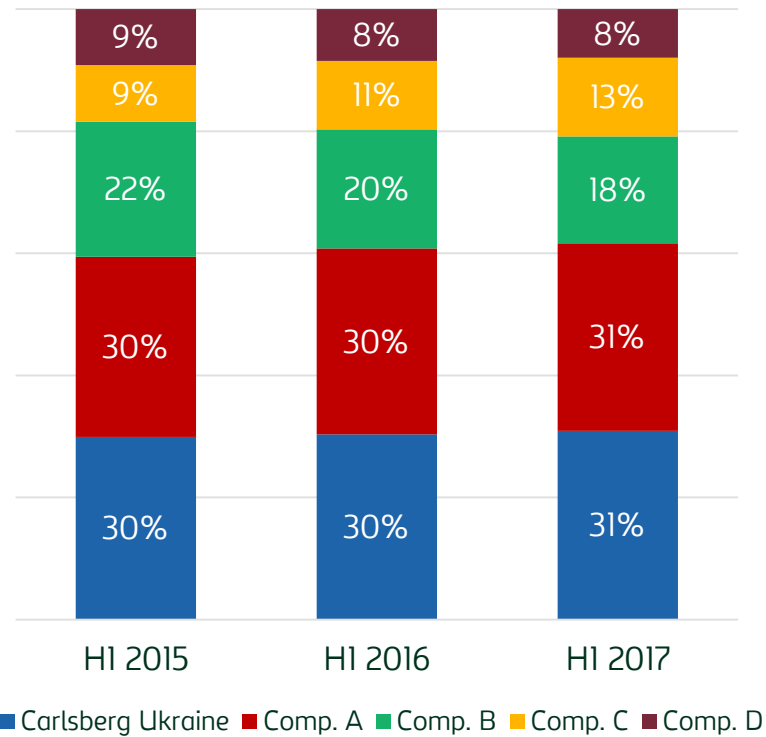


Stable growth of modern trade

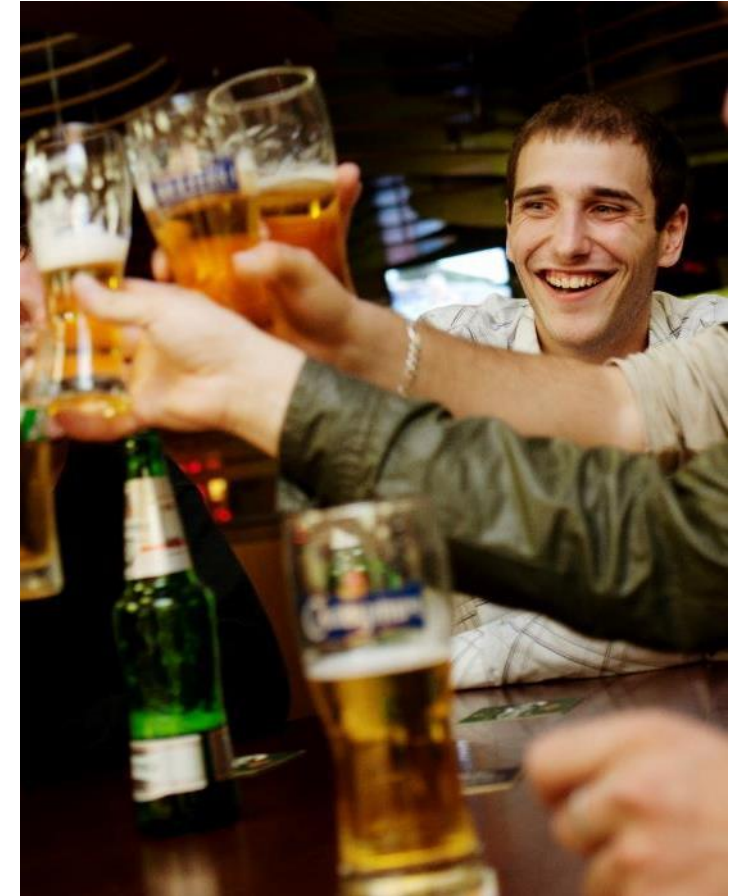
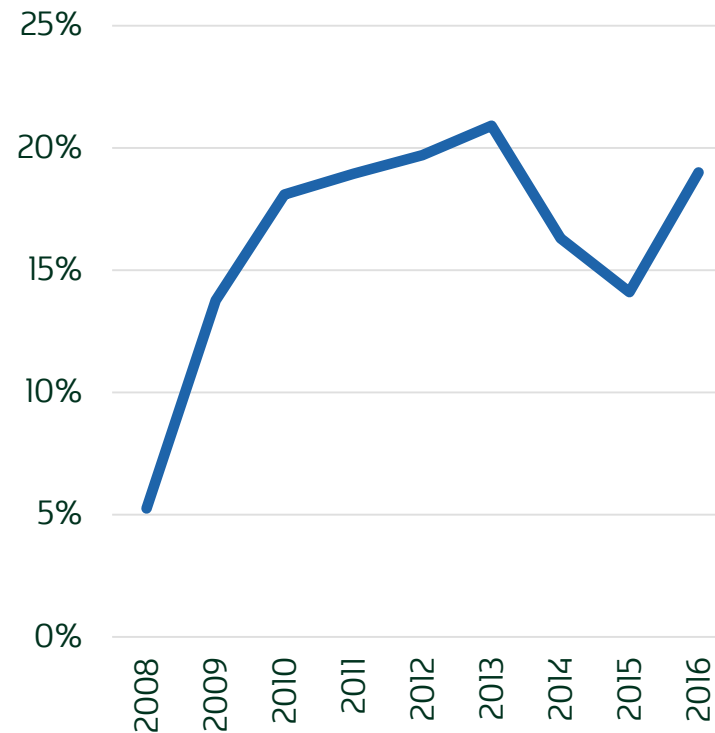


Carlsberg Ukraine has delivered market share growth while protecting margins

Volume market share



Operating margin



Carlsberg Ukraine – Our strengths support SAIL'22 initiatives

PORTFOLIO

- Balanced international and local brand portfolio in all important segments
- Strong non-beer portfolio with kvass, Somersby and Garage
- Strong portfolio of new products

ROUTE-TO-MARKET

- Optimum location of our breweries with high level of cross-production
- Effective distribution system
- Sales support through CRM and automatic route planning and tracking
- Significant investments in coolers

STRENGTHEN THE CORE

- Enhance our premium core beer
- Win over main competitors
- Win in-store with new strategy
- Drive value management

POSITION FOR GROWTH

- Lead in craft & speciality
- Improve positions of non-beer products

OPTIMISING EFFICIENCY AND COST

- Improve operating cost management
- Increase supply chain savings

National key accounts	21
Local key accounts	106
Delivery addresses	300
Traditional trade outlets	>68,000
Modern trade outlets	>7,000
Draught outlets	>27,000
Coolers	>86,000
Universe covered	89%



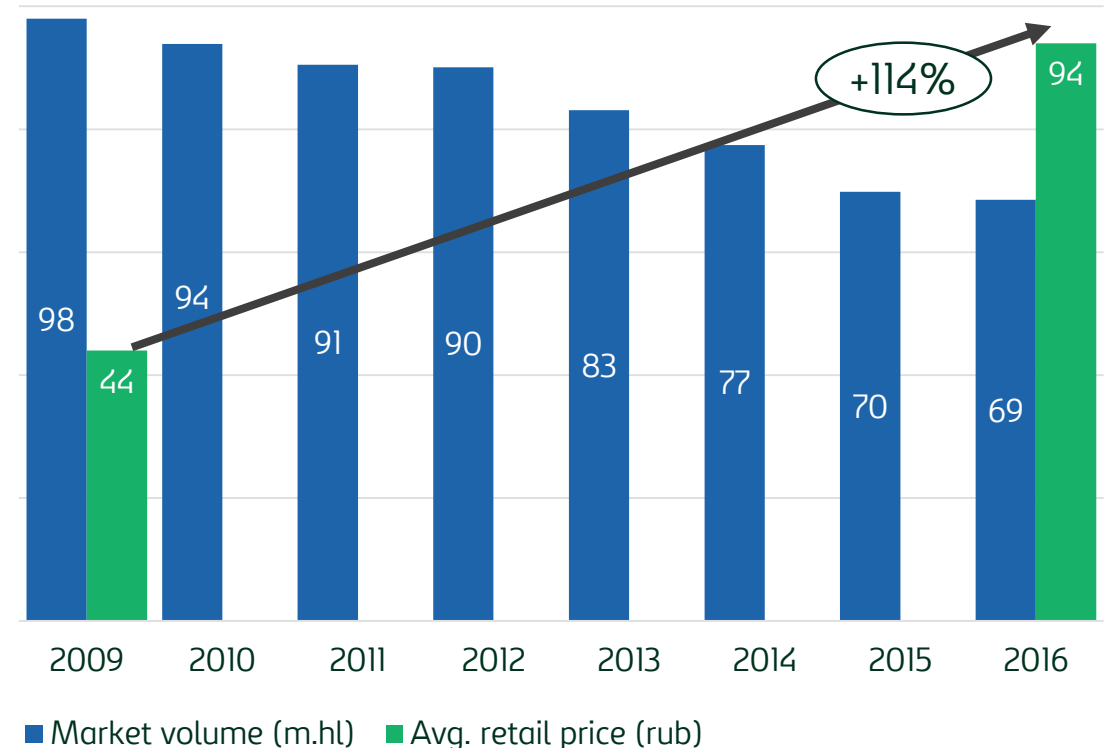


RUSSIA

Different factors driving beer market decline

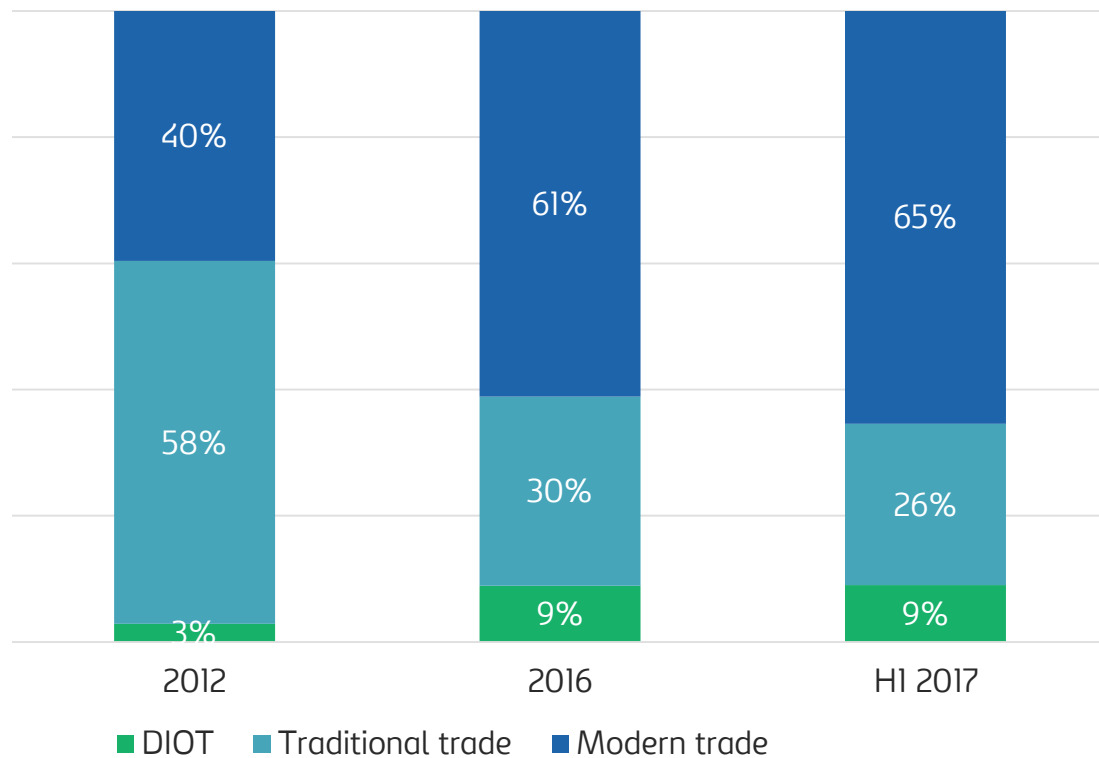
- 200% excise hike in 2010, followed by double-digit growth rates during the next years
- Macroeconomics
- Demographics
- Legal restrictions incl.
 - Beer advertising ban in H2 2012
 - Night sales and kiosk ban from H2 2013
 - EGAIS from January 2016
 - Trade law from January 2017
- Down-sizing by major players
- PET >1.5l ban as of 1 January 2017

Beer market volumes (m.hl)



A significant channel shift is taking place, led by modern trade and draught-in-off-trade (DIOT)

Volume market share by channel



A complex retail landscape of ~317,000 outlets



MODERN TRADE

Share of outlets (Jun'17)	16%
Share in Baltika volume (YTD H1'17)	46%
Share of Baltika in channel (YTD H1'17)	32%



TRADITIONAL TRADE

Share of outlets (Jun'17)	56%
Share in Baltika volume (YTD H1'17)	42%
Share of Baltika in channel (YTD H1'17)	32%



ON-TRADE

Share of outlets (Jun'17)	18%
Share in Baltika volume (YTD H1'17)	2%
Share of Baltika in channel (YTD H1'17)	N/A



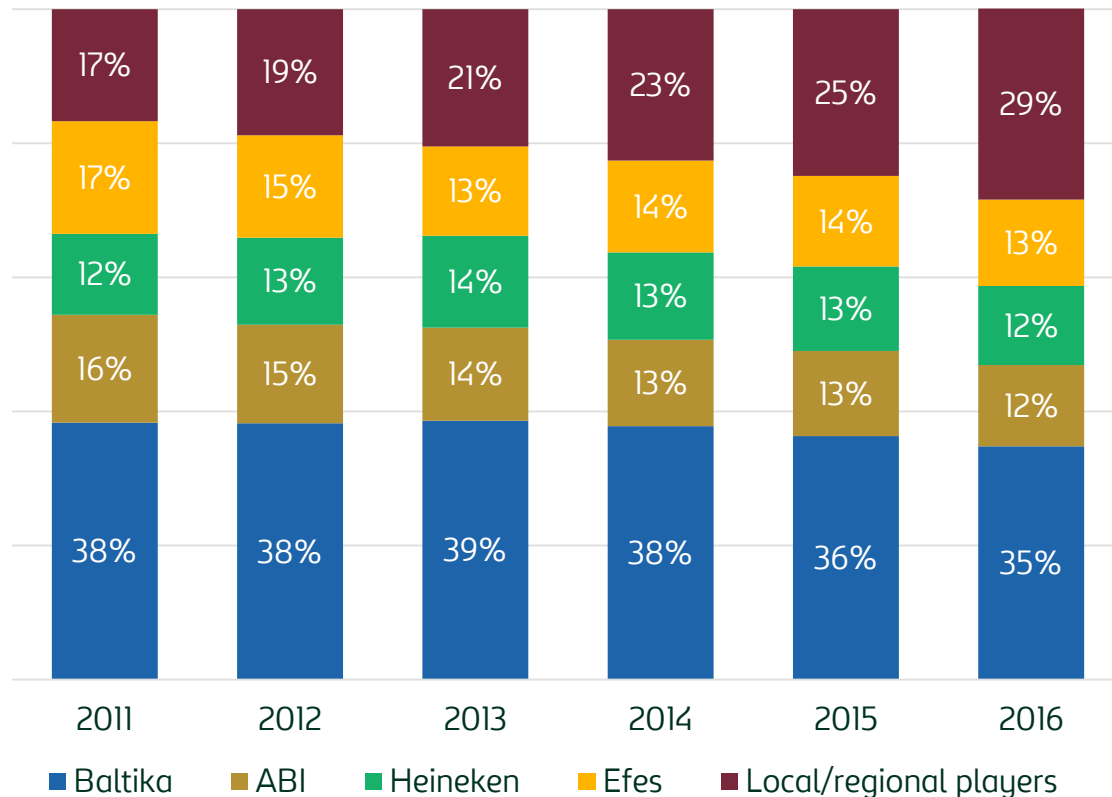
DIOT

Share of outlets (Jun'17)	10%
Share in Baltika volume (YTD H1'17)	10%
Share of Baltika in channel (YTD H1'17)	16%

Source: CRM, June 2017 & AC Nielsen, June, 2017. Note: on-trade not covered by Nielsen; modern trade & traditional trade: only packaged beer

Growth of local and regional players driven by “more local & fresh” consumer perception and lower price

Volume market share

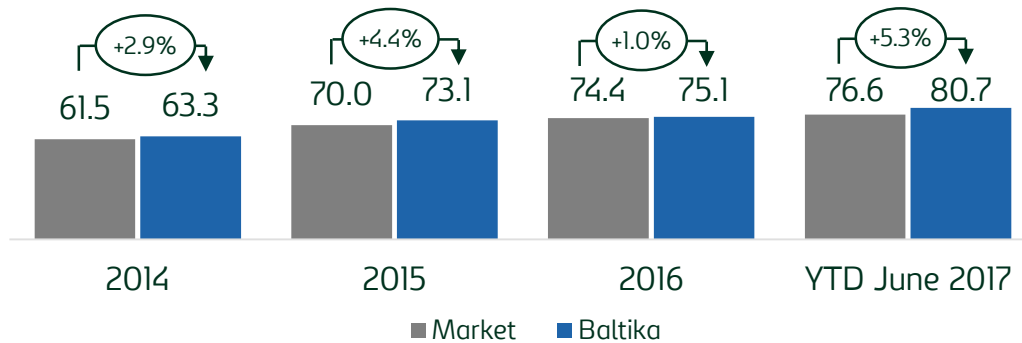


Source: Nielsen retail audit, National Urban+Rural

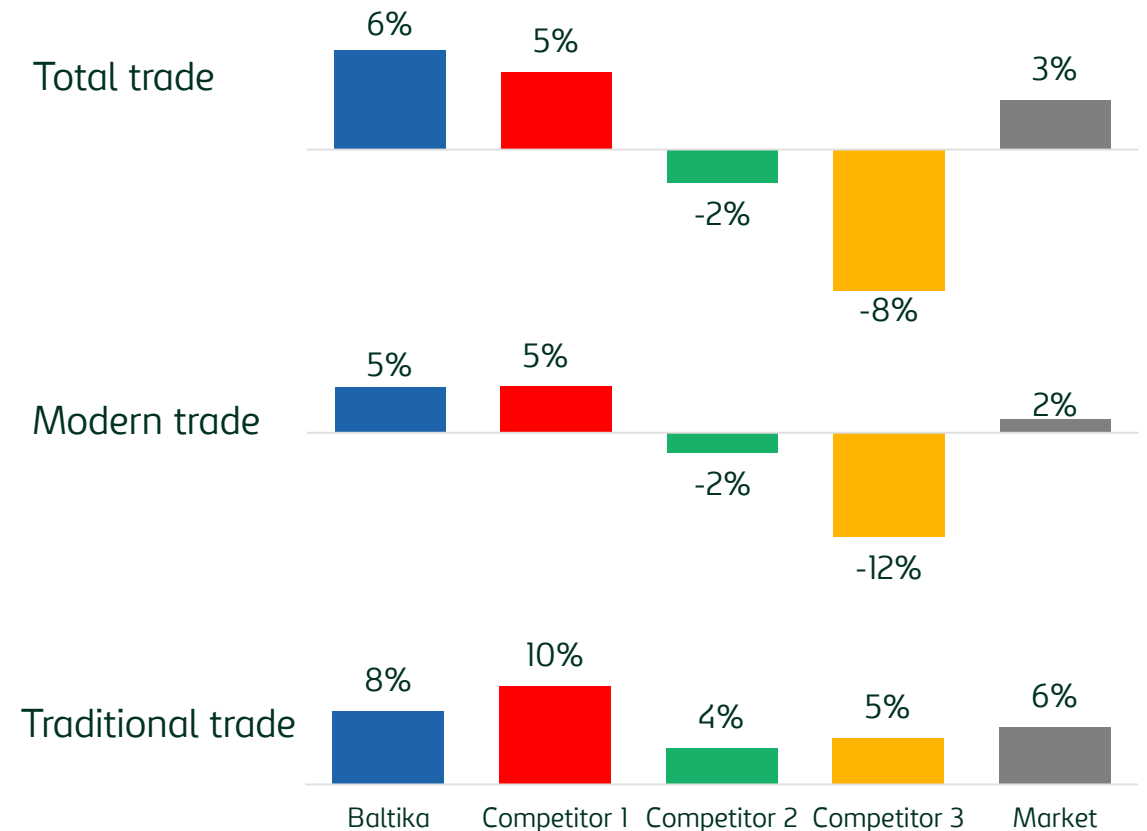
PET limitation 2017 – we adopted a value-driven approach

- Ban on +1.5l PET from 1 January 2017
 - Impacting approx. 20% of beer market
- Estimated market decline in 2017 from PET limitation: approx. 5%
- Baltika PET shelf price increased by 6% vs previous year driven by price increase and PET mix move to 1.42l resulting in...
 - Market share loss in PET segment of approx. 5%-point
 - Strong margin improvement

Shelf price dynamics of PET packaging per litre (rub)



Top 4 players weighted PET price growth (YTD)



Source: Nielsen retail audit, June 2017 (Zhigulevskoe excluded)

We fully leverage a unique national brewery footprint and route-to-market set-up

BRANDS

- More than 40 beer brands
- 8 non-beer brands
- 6 out of top-15 brands in the market
- Over 15 regional portfolios

PRODUCTION CAPACITY

- 8 breweries across the country

POINT OF SALE

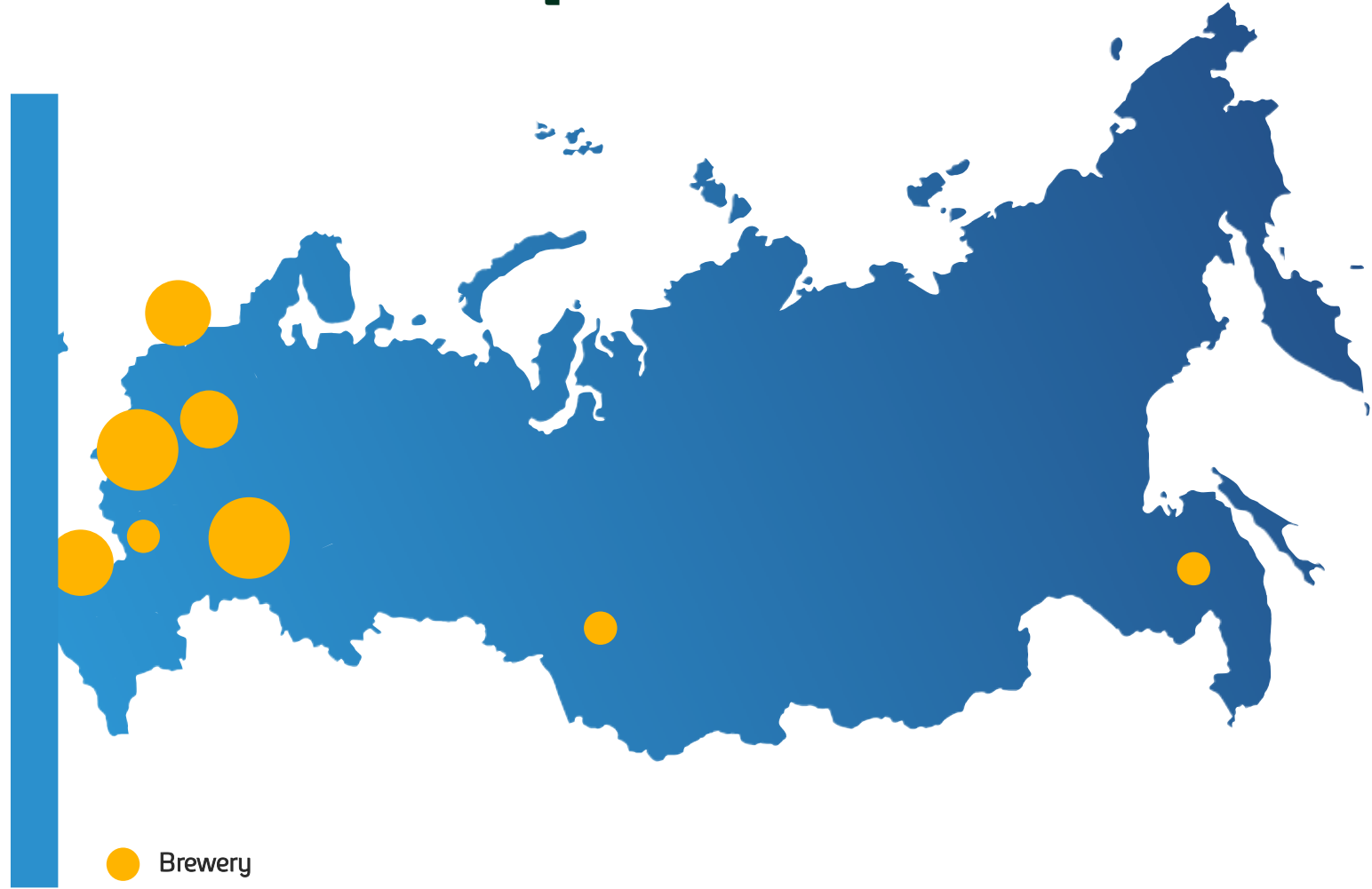
- > 175,000 traditional trade outlets
- > 50,000 modern trade outlets
- > 29,000 DIOT outlets
- > 57,000 on-trade outlets

SALE FORCE

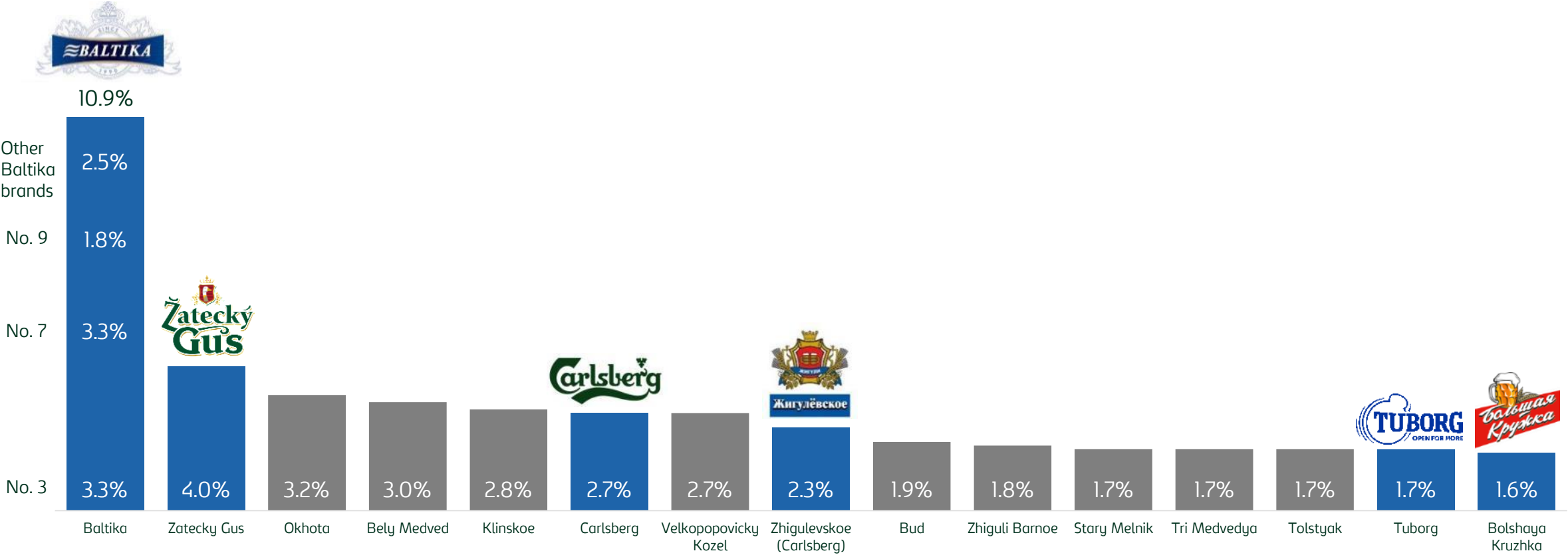
- > 5,000 sales representatives
- > 115 distributors
- > 200,000 coolers
- 90% of the universe is covered by sales force
- 97% of the universe has our products

TRANSPORT

- 217 trucks
- 147 brewers
- 2,023 cars
- 447 loaders
- 1,659 wagons
- 54 special vehicles



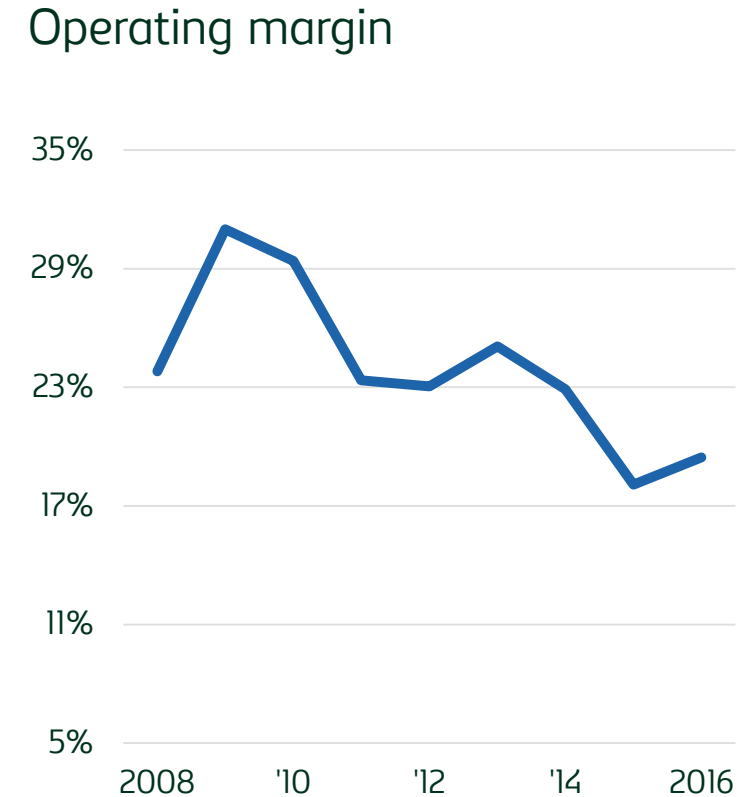
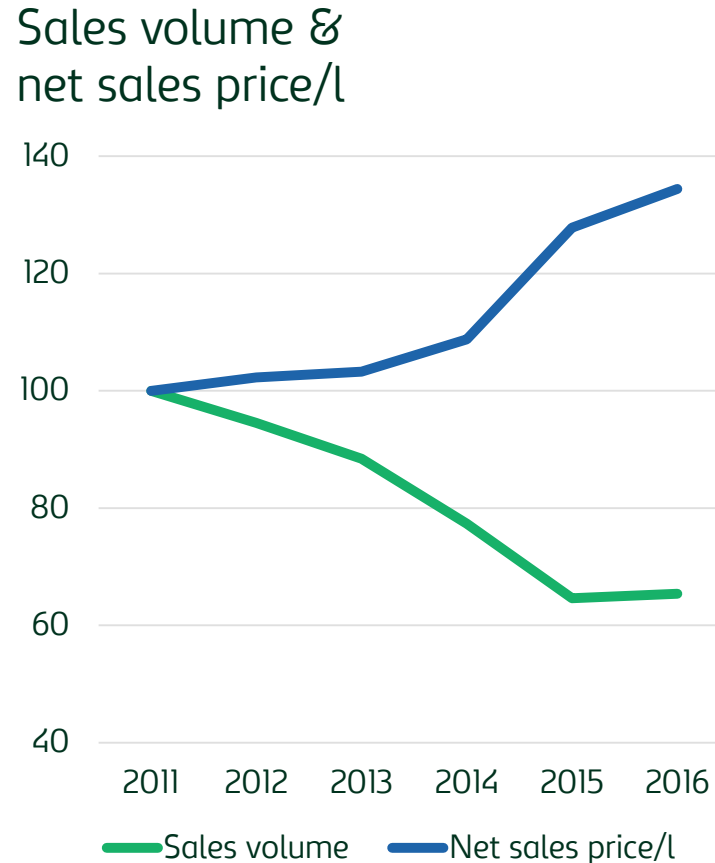
Carlsberg owns six out of top-15 national brands



Source: Nielsen retail audit, National Urban & Rural, June 2017

Maintaining strong margin driven by increasing value/hl, offsetting significant volume decline

- Net sales price up 35% during past five years
 - Value-enhancing activities
 - Price increase
- Sales volume decline mainly due to
 - Regulatory changes
 - Increasing excise duties
- Strong operating margin in spite of challenging environment
 - Extraordinary margin level in 2009-2010 driven by favourable COGS



TRANSFORM TO WIN IN RUSSIA



Phase 0
**Operational
clean-up**



Phase I
**Restoring
commercial
momentum**



Phase II
**Grow
operating
profit**

SAIL'22

Funding the Journey

Efficiency & cost

Priorities to deliver growth

- 1** **Grow the 'bucket' of billion-ruble-brands**
 - ... by strengthening the brand equity of the biggest brands
 - ... by focusing investments and resources
- 2** **Develop alcohol-free brew (AFB)**
 - ... by reinforcing Baltika leadership in AFB segment
 - ... by driving AFB volume and value growth
- 3** **Build strong regional portfolio**
 - ... by bringing regional portfolio management to the next level
 - ... by providing consumer relevant brand propositions
- 4** **Win with winning modern trade customers**
 - ... by providing best brands & SKUs in channel-relevant demand spaces
 - ... by driving category value / size with key customers
- 5** **Gaining fair share in DIOT**
 - ... by exploiting strong consumer insights to drive portfolio solutions
 - ... by diversifying portfolio to meet consumer demand in all product / price segments

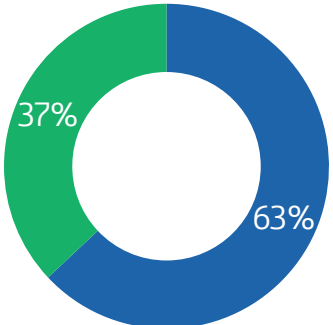
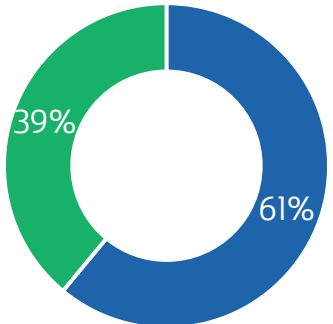


Bucket of billion-ruble-brands growing, both in volume and GBC share

11 BILLION-ROUBLE BRANDS

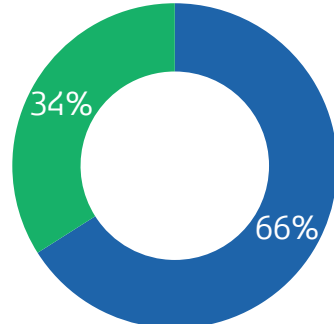


VOLUME



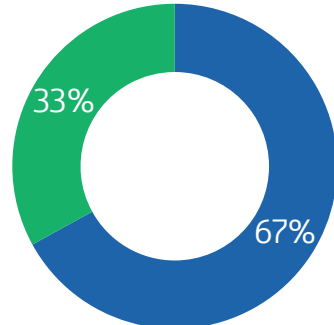
GROSS BRAND CONTRIBUTION

2016



2016

2017



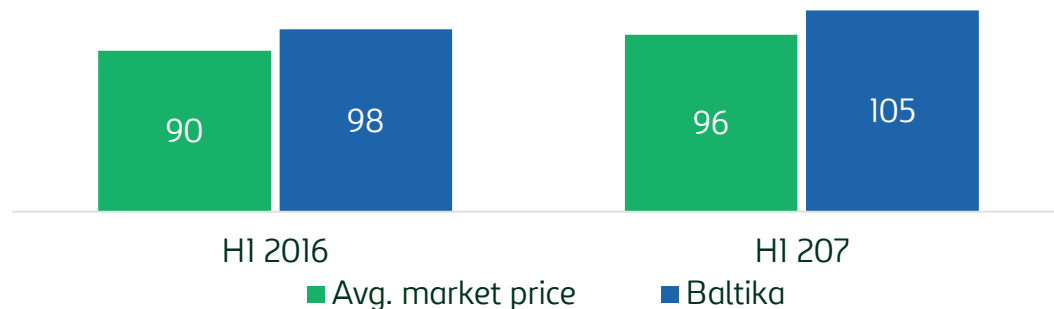
2017

■ Billion-ruble brands ■ Other portfolio

Baltika – brand no. 1 in Russia and largest brand in our Russian portfolio

- Market share leader with 10.9%
- Present with strong sub-brands in premium and main-stream segments & leading in AFB segment
- Market and company value driver with avg. price +10% vs weighted market price
- Strong bottom-line growth: GBC +19.5% (HI 2017)

Avg. retail price/litre (rub)

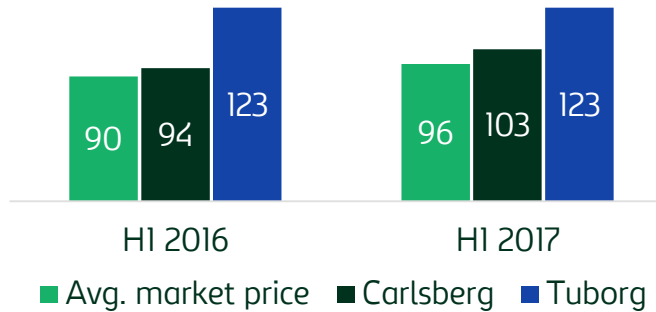


Source: Nielsen retail audit, National Urban & Rural, June 2017

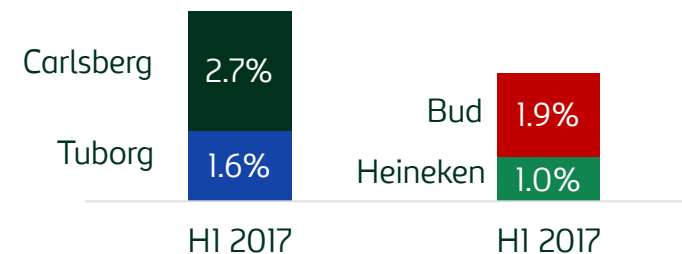
Strongest international portfolio in the market

- Carlsberg and Tuborg in top-5 international brands in the market
 - Combined market share of 4.3%
- Tuborg maintaining high value
- Carlsberg value significantly up following price repositioning
- Strong bottom-line growth: GBC +92.2% (H1 2017)

Avg. retail price/litre (rub)



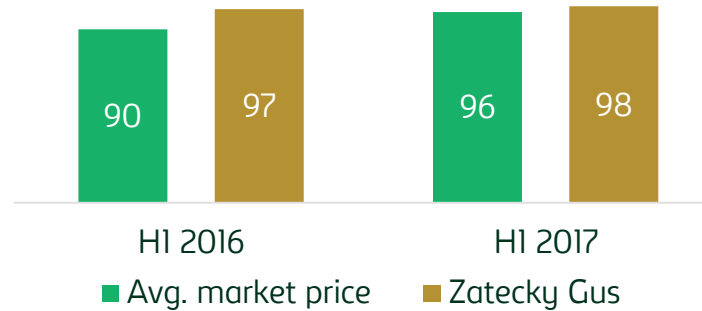
Top international brands market share



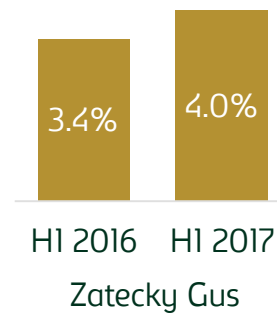
Zatecky Gus – The biggest brand in Russia with Czech proposition

- Largest single brand in the market
 - 4.0% of total market volumes and growing
- Company value driver with avg. price +2.5% vs market price
- Strong bottom line growth: GBC +18.3% (HI 2017)

Avg. retail price/litre (rub)



Market share



Baltika is the key player in alcohol-free segment with strong and high value portfolio

BALTIKA 0

- Alcohol-free beer segment leader
- Premium priced
- Strong bottom-line growth: GBC +16% (H1 2017)



Volume share of AFB segment

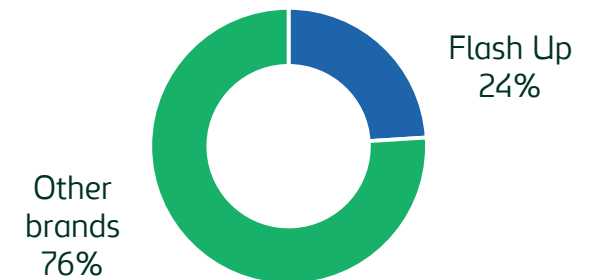


FLASH UP

- Absolute leader in affordable segment
- Strong bottom-line growth: GBC +49% (H1 2017)

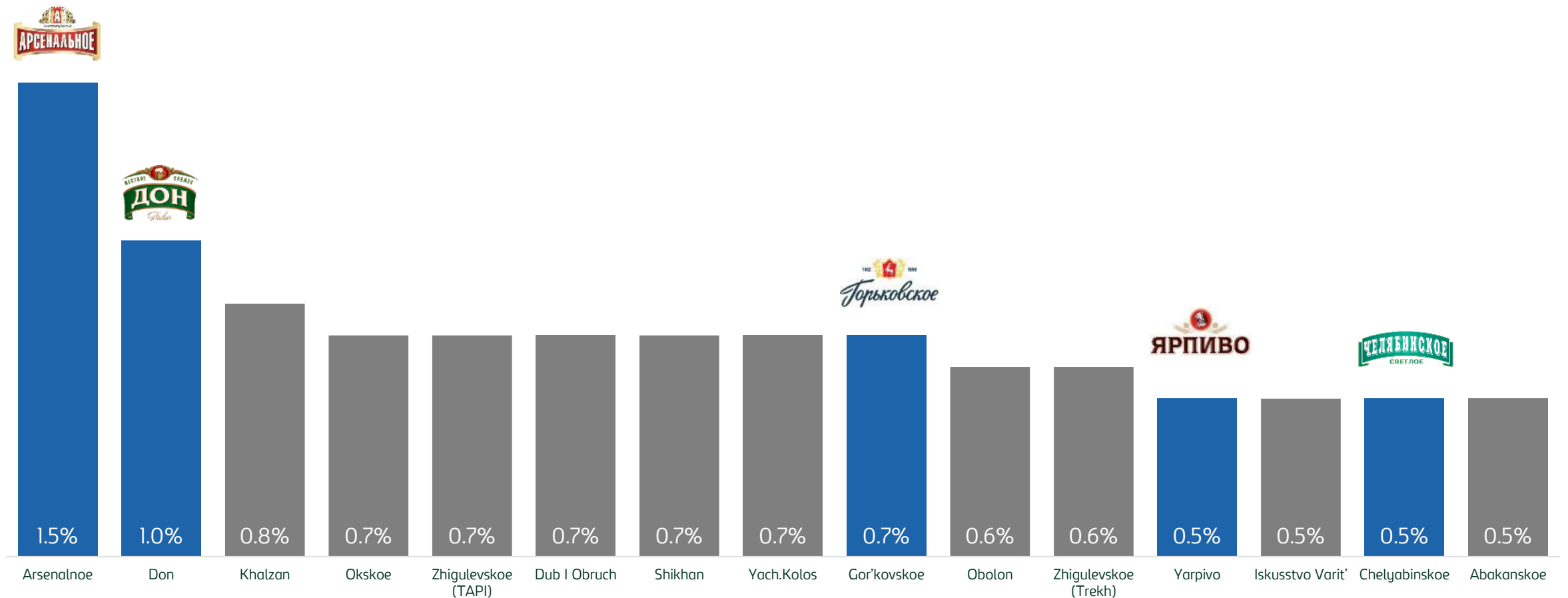


Volume share of energy drinks segment



Source: Nielsen retail audit, internal estimate

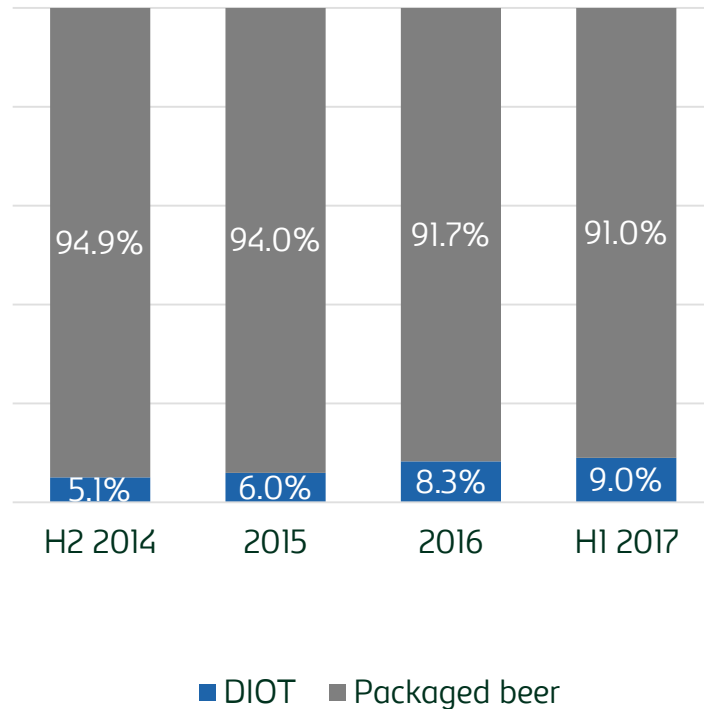
Carlsberg owns five out of top-15 regional brands



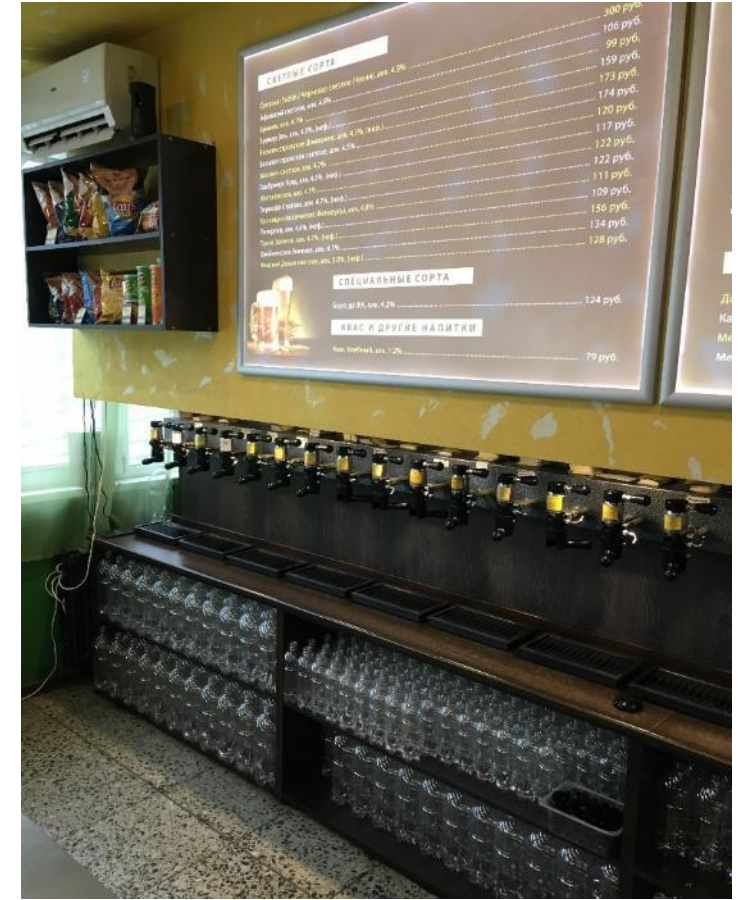
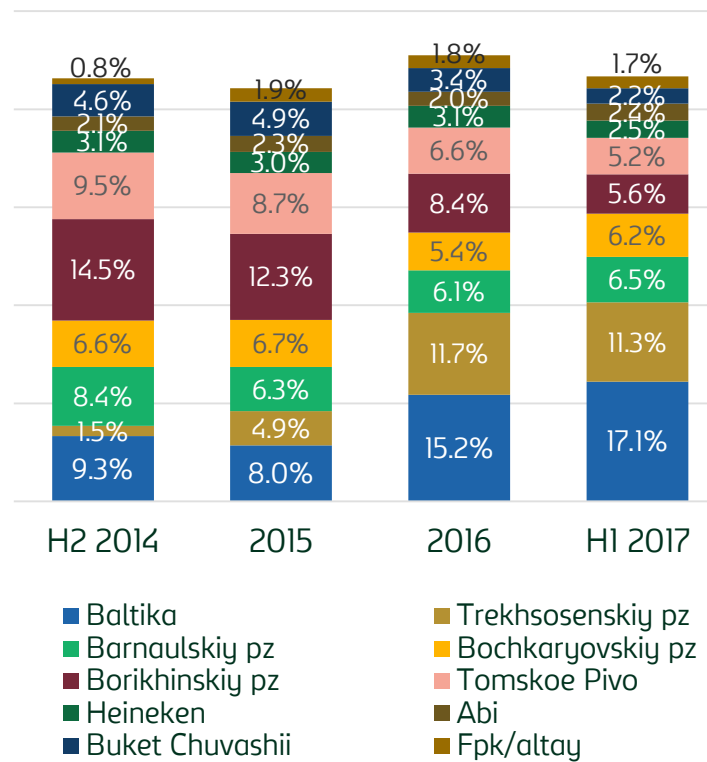
Source: Nielsen retail audit, National Urban & Rural, June 2017

DIOT demonstrates steady growth, while Baltika is leading the segment

DIOT growing share of market



Top 10 players in DIOT market share



Source: AC Nielsen, June 2017

Modern trade: Focus on the most-potential clients, applying our winning commercial capabilities

STRONG COLLABORATION WITH KEY ACCOUNTS

- High external assessments of business partnership
- Joint business plans with key accounts

COMPREHENSIVE EXPERTISE IN BEER CATEGORY

- Business intelligence: shopper/consumer studies, category/client researches, big data analysis
- Educational support of key accounts: category reviews, beer expert seminars
- Smart shopper-marketing and category development activities

EFFICIENT PORTFOLIO MANAGEMENT

- Strong portfolio (national and regional)
- Co-brands launched with key accounts
- DIOT deployment in modern trade channel

EXCELLENCE IN IN-STORE EXECUTION

- Driving on-shelf availability and visibility



Manufacturers	2017 (Rank of 24)	2016 (Rank of 15)
Bacardi-Martini	1	2
Diageo	2	3
Baltika	3	5

Draft in MT



Beer expert



Customised promo



Shop-in-shop



In summary, Baltika continues to be a strong and profitable FMCG company operating in Russia

CLEAR PLAN IN PLACE FOR OUR RUSSIAN BUSINESS

- Restore commercial momentum
- Grow operating profit

STRONG MARGIN MAINTAINED

- Driven by increasing value/hl, offsetting significant volume decline

PRIORITIES TO DELIVER GROWTH

- Grow the 'bucket' of billion-rouble-brands
- Develop alcohol-free brew
- Build strong regional portfolio
- Win with winning modern trade customers
- Gaining fair share in DIOT



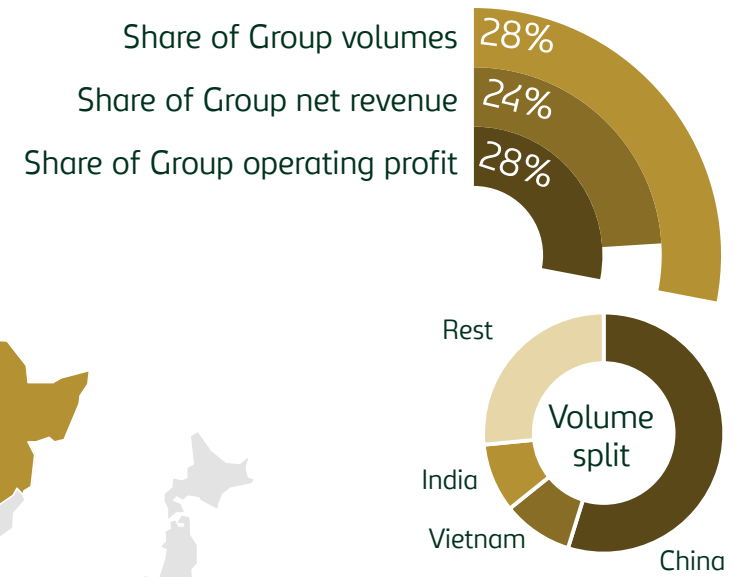
ASIA

Grow in Asia

Graham Fewkes, Executive Vice President, Asia
Copenhagen, 12 October 2017

Our Asian footprint

1-2 position in 7 markets



CHINA

(Western)
#1 in Western China
6% national market share
25 breweries



International premium brands



Core local brands

INDIA

Carlsberg India
#3 in the market
19% national market share
7 breweries



VIETNAM

Carlsberg Vietnam
#4 in the market
9% national market share
2 breweries



LAOS

Lao Brewery
#1 in the market
96% market share
2 breweries



NEPAL

Gorkha Brewery
#1 in the market
67% market share
1 brewery



MYANMAR

Myanmar Carlsberg
First brew in Q2 2015
#3 in the market
1 brewery



CAMBODIA

Cambrew
#1 in the market
c. 55% market share
1 brewery
Associated company



SRI LANKA

Lion Brewery Ceylon
#1 in the market
81% market share
1 brewery
Associated company



HONG KONG

Carlsberg Hong Kong
#2 in the market
27% market share



MALAYSIA

Carlsberg Malaysia
#2 in the market
39% market share
1 brewery

SINGAPORE

Carlsberg Singapore
#2 in the market
21% market share



Asia historical performance shows strong delivery of growth

2008-2014

- Buoyant market growth
- Phased acquisitions, management control & integrations
- Launching pan-Asia portfolio
- Establishing supply chain & sales infrastructure

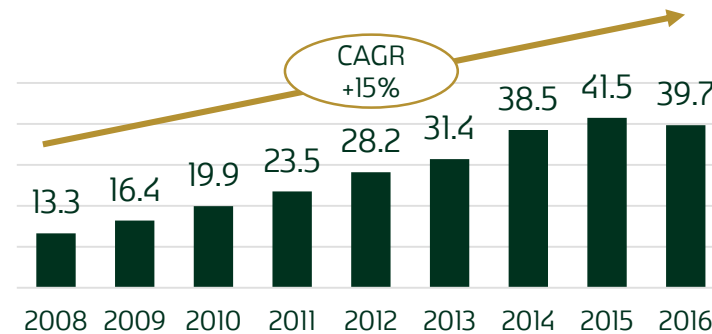
2015-16

- Slowing market momentum
- Professionalising, consolidating & right-sizing

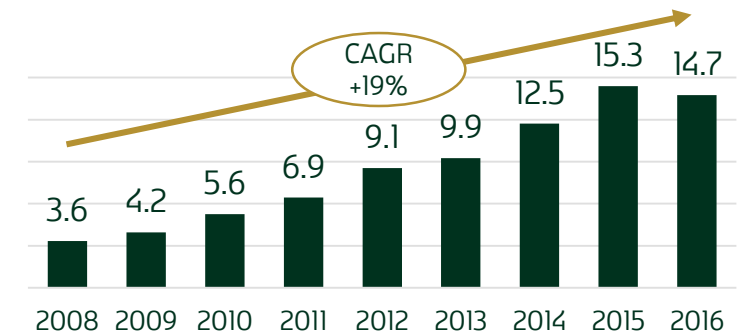
2017 ->

- Organic value growth
- Accelerate mix premiumisation

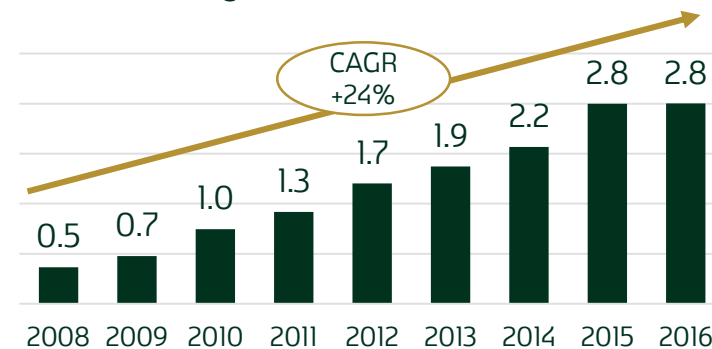
Volume (m.hl)



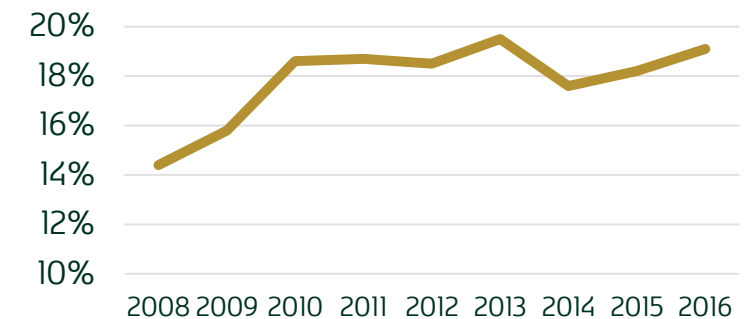
Net revenue (DKKbn)



Operating profit (DKKbn)

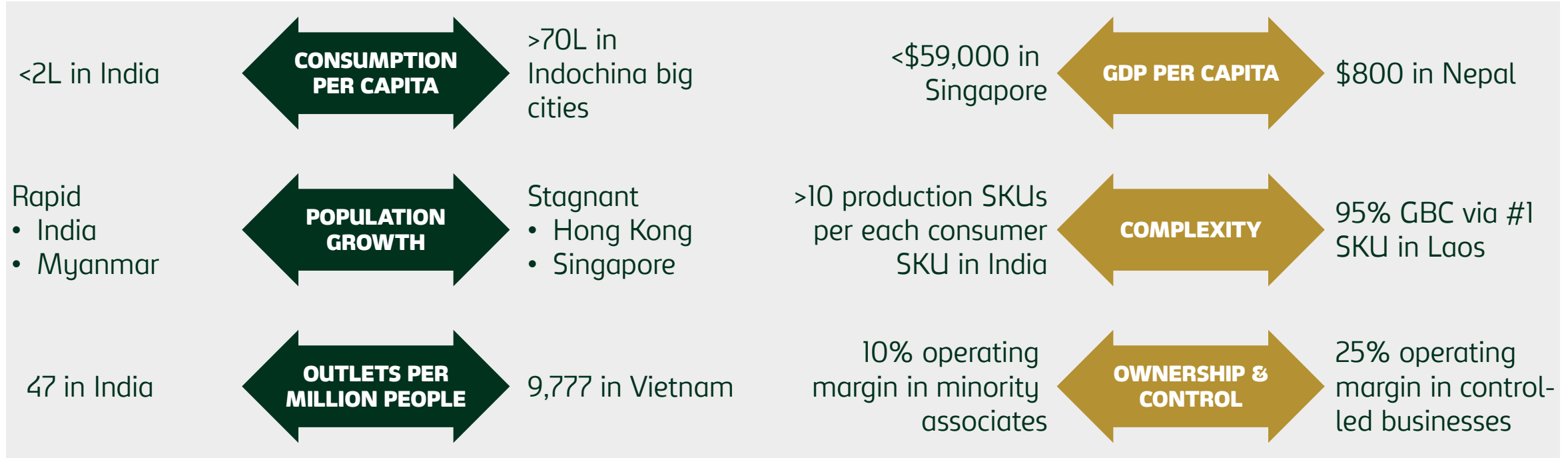


Operating margin¹



¹ Margin impacted in 2014 due to Chongqing integration

Asia remains a very diverse region

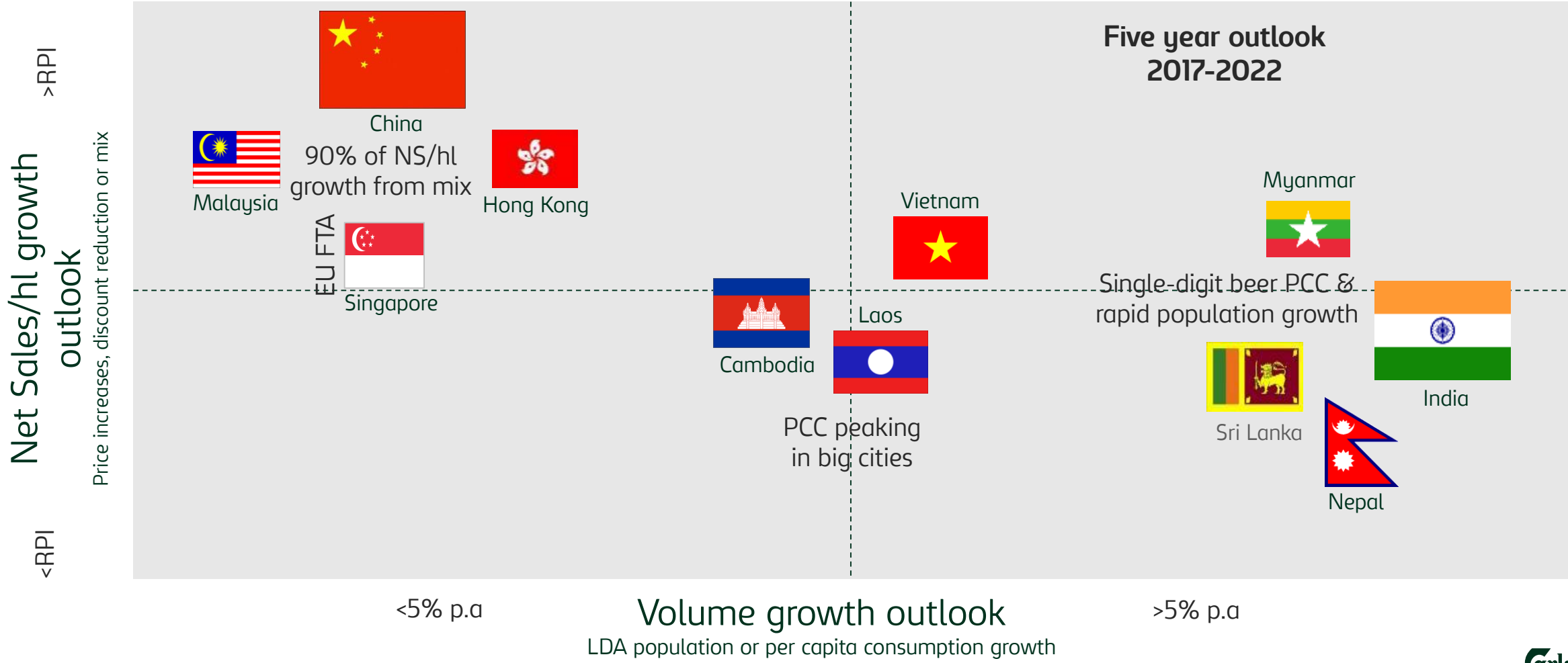


Implications

Growth opportunities & investment priorities vary by market type & lifecycle

“One size solutions” may not apply - the diversity of the region requires cluster strategies, underpinned by a few common themes

Revenue growth outlook varies by market type



SAIL'22: Grow in Asia

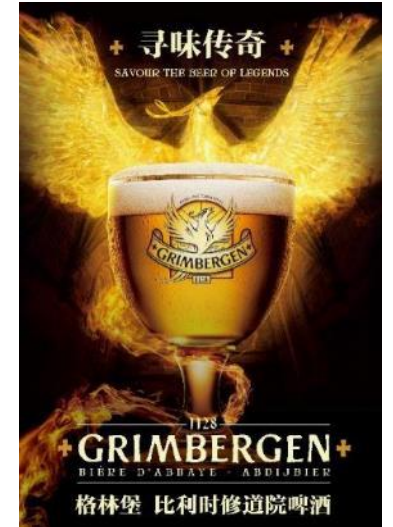
FUNDING THE JOURNEY

SAIL'22

- ... by **cost savings** and **value management** to improve our margins...
-whilst **reducing complexity** and **disposals** of non-core assets...
- ...for reinvestment in faster organic revenue growth via **mix premiumisation**
- ...to drive a **sustainable balance** of market share, GPaL margin & EBIT growth...

2017 OBJECTIVE

"To win a bigger share of sales and profit pools in Asia"



Turning strategy into results

FUNDING THE JOURNEY

2014 = Index 100

2014 **2016**

COGS % NS	100	95
SG&A % NS	100	95
Brands marketing	100	128
Premium volumes	100	118
NS/hl	100	114
Operating margin	17.6%	19.1%

SAIL*22



Funding the Journey – Examples of complexity reduction

NETWORK

Right capacity in the right places

- Exited direct operations in six China provinces & Indian states
- 22 breweries & malting plants closed or sold since Nov. 2015
- DKK 100m capex saved via equipment relocation
- Net COGS/hl -5%

PEOPLE

Right staffing levels in the right roles

- 24% reduction in FTEs
- 23% admin. FTEs centralised into shared service centres
- 8% white-collar FTEs relocated into front-office roles

PORTFOLIO

Right support for the right brands, packs & brews

- Concentrated portfolio around seven core demand spaces
- 71% A&P in top 5 brands
- ...with top 5 brands delivering 90% of net revenue growth
- Significant brew stream & bottle pool consolidation
- 238 'pain & tail' SKUs removed

Reinvesting to accelerate revenue growth

SHARE OF VOICE

... Restoring competitive share of voice with digitally connected Asian consumers

- Brand marketing +28% vs 2014
- Tighter investment focus on winning brand/market combinations
- Digital media now >40% of spend

CORE BEER

... Still >95% of Asian consumption

International premium brands

- A competitive advantage
- Index 125-170 GPaL margins



- Up-trading ladders on a tighter range of six local brands



Retail sales price index

100

125

160

CRAFT & SPECIALITY

... For a growing urban middle class with broader horizons & more adventurous tastes

- Focus on two core brands
 - K1664 Blanc in China: 1% of volume = 8% of gross brand contribution
 - Cider market leader in four new markets at index 135 GPaL margins



- Seeding phase for Grimbergen and Brooklyn

A focused & simple winning portfolio

The Carlsberg portfolio in Asia vs demand spaces

Refresh and Replenish

Knowing the Best



Carefree Time



Reward and Indulge



Unwind and Unplug

Fuelling Fun



Part of the Group

Shared Treat

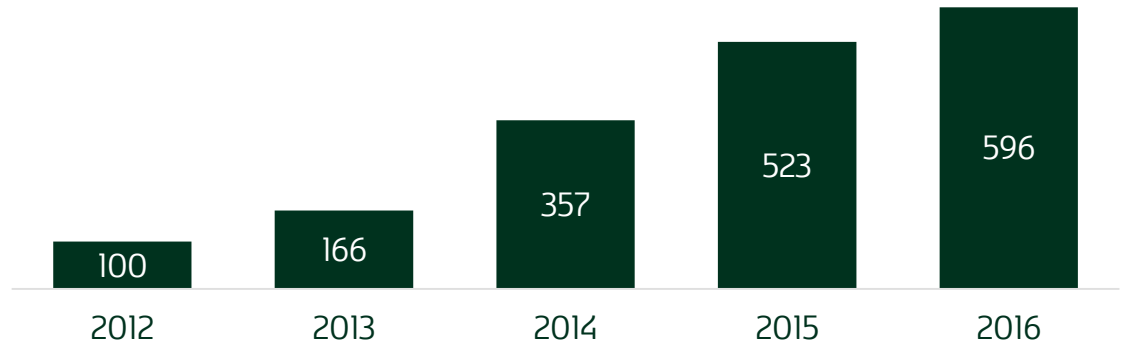


Case study: Tuborg



- “Open for Fun” with unique pull off cap
- Simple winning proposition, easily visualised, scalable & culturally adaptable
- Special appeal for a younger generation of Asian consumers with fewer social constraints
- Accessibly priced in growing sub-premium segment
- Launched in India in 2011 and China in 2012
- Promising 2016 launches in Vietnam, Cambodia, Laos and Myanmar

Tuborg volume growth
2012 = Index 100



~18% of Asian sales

No. 1 brand in Nepal

No. 2 brand in India

No. 2 international brand in China

150 Net sales price/hl index

20% of Asia GPaL in 2016¹

¹ Impacted by country mix

Case study: Carlsberg Smooth Draught



- “The smoothness of draught beer, now available in a bottle”
- More accessible smoother brew for a younger generation
- Driving incremental share gains in Malaysia and Singapore
- ~15% of portfolio mix within 18 months

Price parity per bottle to consumers and distributors

Green Label = Index 100	Smooth Draught 580ml
Price/hl to distributor	111
Excise/hl	96
Net revenue/hl	113
COGS/hl	123
GPaL/hl	135

- **580ml bottle at 4.8% abv**
- **Value-managed to drive margin premiumisation for us and our customers**

On-trade sales productivity: Project Lotus



CORE CHALLENGE

- Increase efficiency and effectiveness of 8,000 brand ambassadors
- High impact asset, if correctly deployed:
 - 76% consumers say staff recommendations can influence their drink choice
 - 50% of consumers finish a session with the brand they start with
 - Brand-building role in regulated markets
 - Recruitment, retention and sales productivity challenges to fix

PROGRAMME

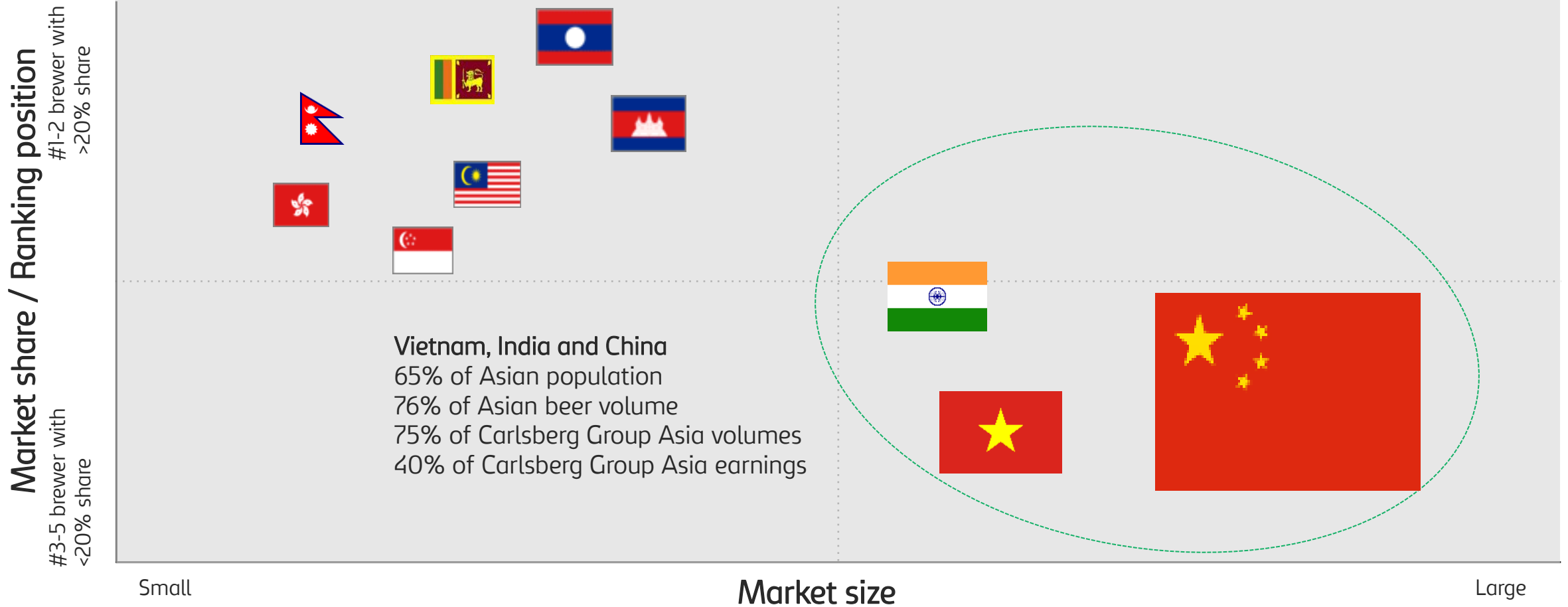
- CUP (Convert, Upsell, Premiumise) – three steps to win at the moment of truth
- Higher variable pay, linked to handheld CRM system, measuring CUP KPIs
- CSR support, incl. home transport
- ~20% of brand ambassadors relocated to higher return outlets



RESULTS

- Employee engagement scores +9%-points
- Staff retention +33%
- Sales productivity per FTE +9%
 - Tuborg sales x4 in brand ambassador outlets
 - Sales +14% in shared accounts
- Mix premiumisation +9%-points in brand ambassador outlets vs control sample

'Win in VIC' to make a difference



Vietnam focus on premiumisation and margin



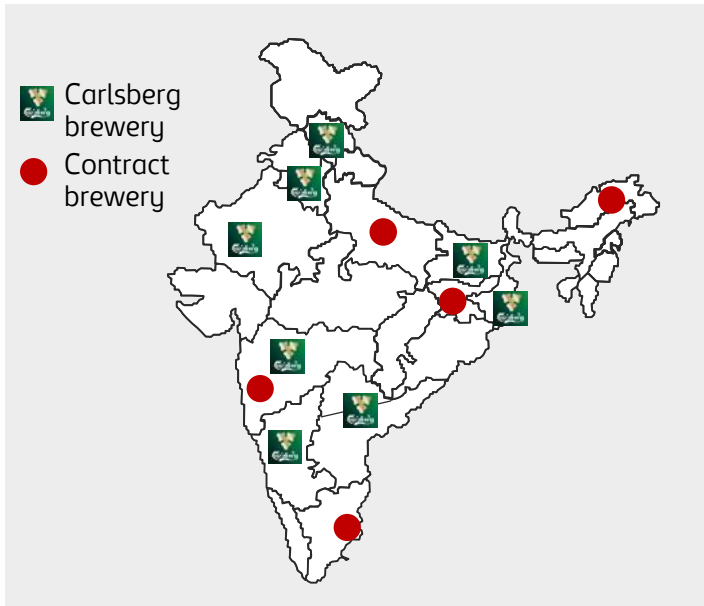
- >50% share in central Vietnam, led by Huda
- Growth focus on premium brands in big cities in northern and central Vietnam
- Tuborg launched in 2016
- Positive organic and inorganic margin opportunities from market consolidation



RESULTS 2016 VS 2013

Volume	+7%
Net Sales	+46%
Operating profit	+51%
TWC as % of net revenue	-19pp

Strong organic share growth in India



- Production footprint
 - Eight owned breweries
 - Five contract breweries

- Focus on tight, winning portfolio of preferred brands
- Share of voice / share of market index 130

RESULTS 2016 VS 2013

Volume	+132%
Net Sales	+164%
Operating profit	+181%
TWC as % of net revenue	-23pp
Market share	+11.2 ppt

- No. 2** Tuborg is the no. 2 brand in India
- 39** Cities with #1-2 positions
- 9** States with #1-2 positions
- 3** Big southern states with significant growth potential



CHINA

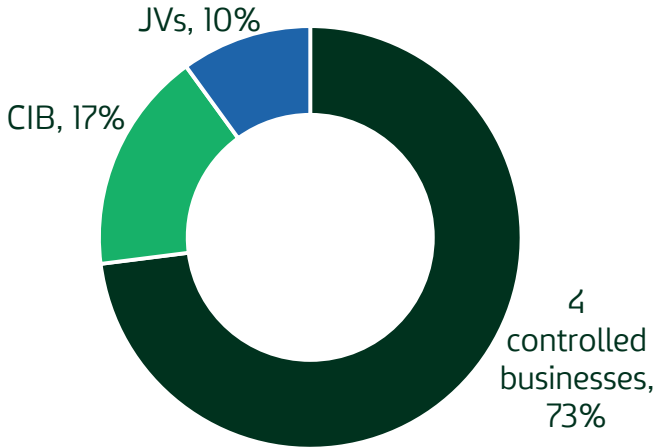
Carlsberg's evolving footprint in China

- One national HQ in Guangdong
- Four managed businesses with No.1 positions in Chongqing, Yunnan, Xinjiang and Ningxia
- Partner-run JVs in Tibet, Qinghai and Gansu
- China International Brand unit, focused on big cities



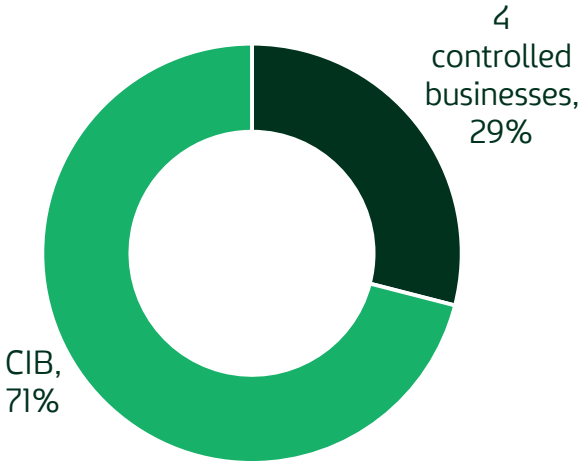
- 83% of sales concentrated in six strong-hold provinces

HI 2017 volume split



- 71% of revenue growth from China International Brand (CIB) unit and east China big cities

Share of growth, past two years

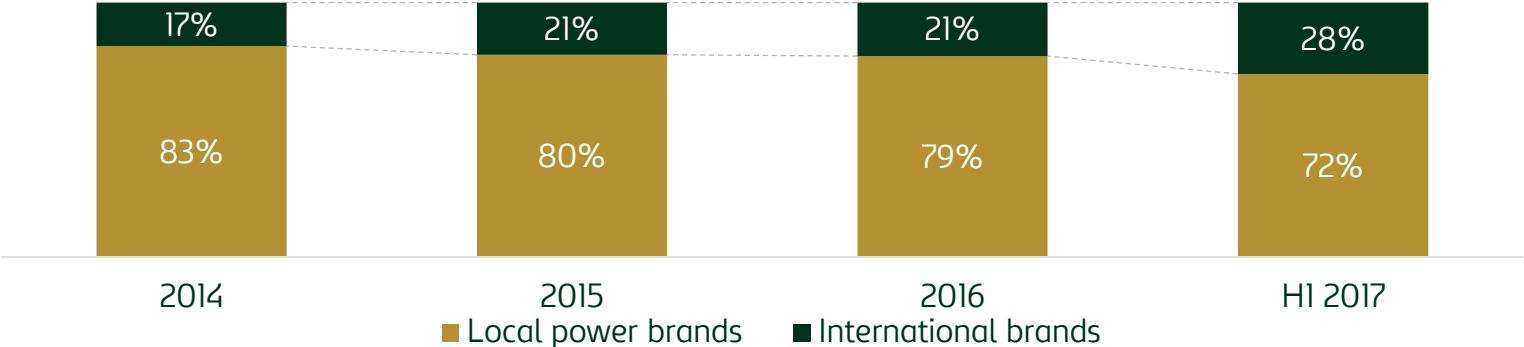


Carlsberg China has outperformed since 2014

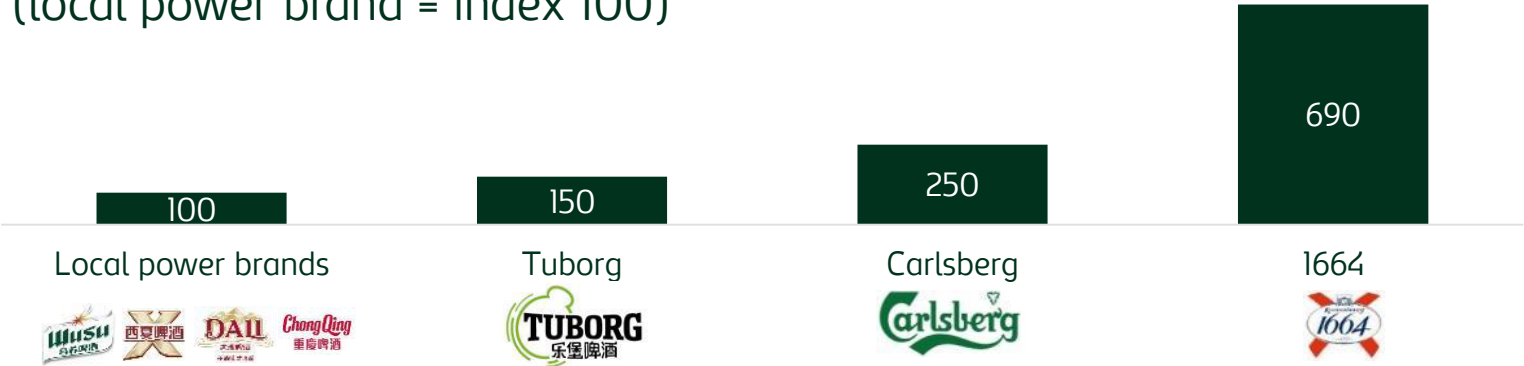
RESULTS 2016 VS 2014

Industry volume	-9%
Carlsberg Group volume	Flat
Premium volume	+22%
Net Sales	+17%
Operating profit	+37%
TWC as % of net revenue	>-30pp
FTEs	-4,500
No of sites	-18
Brewery utilisation	+29pp

Volume mix



Net revenue/hl by brand (local power brand = index 100)



Chongqing (CBC) integration case study



- 60% stake secured November 2013
- Full management control from mid-2014
- Chongqing Brewery results 2016 vs 2013

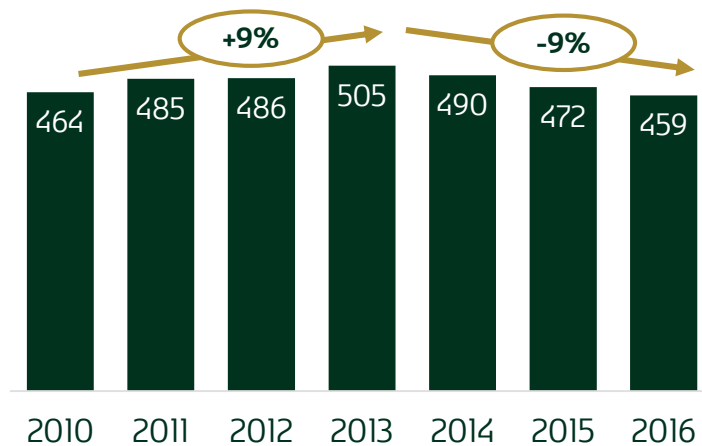
Volume sales **-10%**
 Net sales/hl **+13%**
 EBIT **+71%**
 EBIT margin **+710bp**

JANUARY 2014		TODAY
20+	Brands	7 (incl. 3 international brands)
500+	SKUs	~180
93	Primary pack types	15
23 plants & 4 offices	Plants & offices	14 plants & 1 office
1,200+	Distributors	800+
4 regions	Management	2 regions

Our growth reflects the changing China beer market

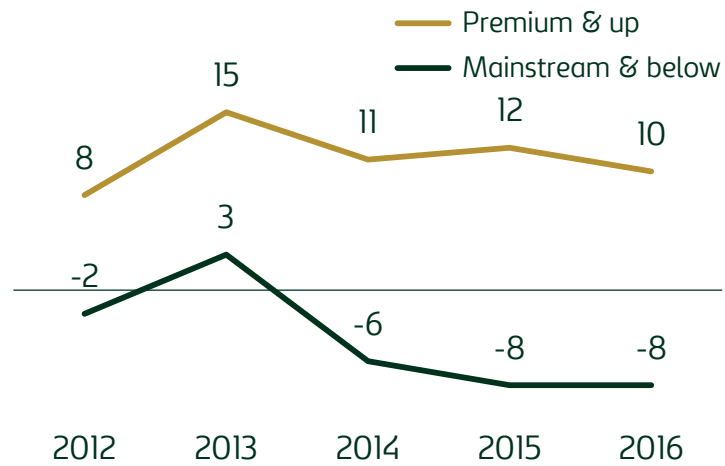
China beer consumption is slowing ...

China beer market volume (m.hl)



... but consumers are trading up ...

China beer segment growth (%)



... converting into disproportionate profit pool capture for players with the right brands and routes-to-market

Mainstream = Index 100	Retail sales price	Net sales/hl	Gross profit/hl
Super premium	500+	700	900
Premium	250+	300	500
Sub-premium	150	150	175
Mainstream	100	100	100

... WITH THE MAIN WINNERS BEING INTERNATIONAL BRANDS ...



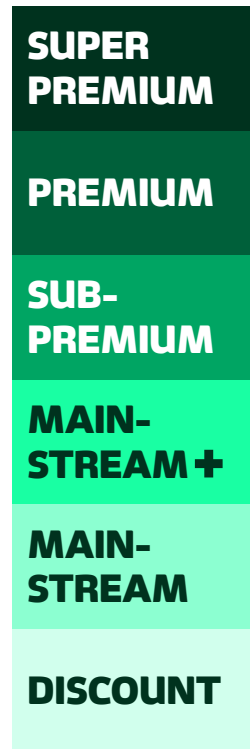
... AND SUPER-PREMIUM SPECIALITIES



Mix premiumisation driving net revenue/hl in China

Stronger and tighter portfolio

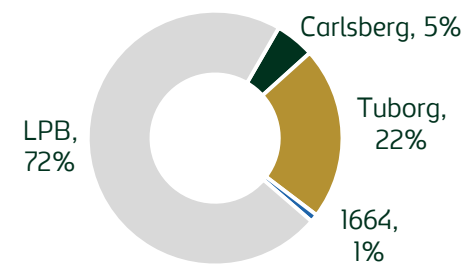
- More investment focused on top 3 brands



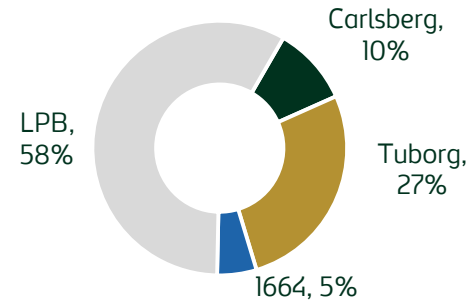
International brands driving revenue and margin gains ...

- Off-setting adverse channel mix impact on margins as modern off-trade and e-commerce grow

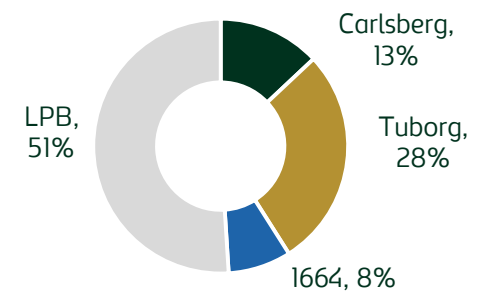
Volume share



Net revenue share



GPaL share



... whilst improving local brand margins by +100bps via up-trading ladders within the brand families

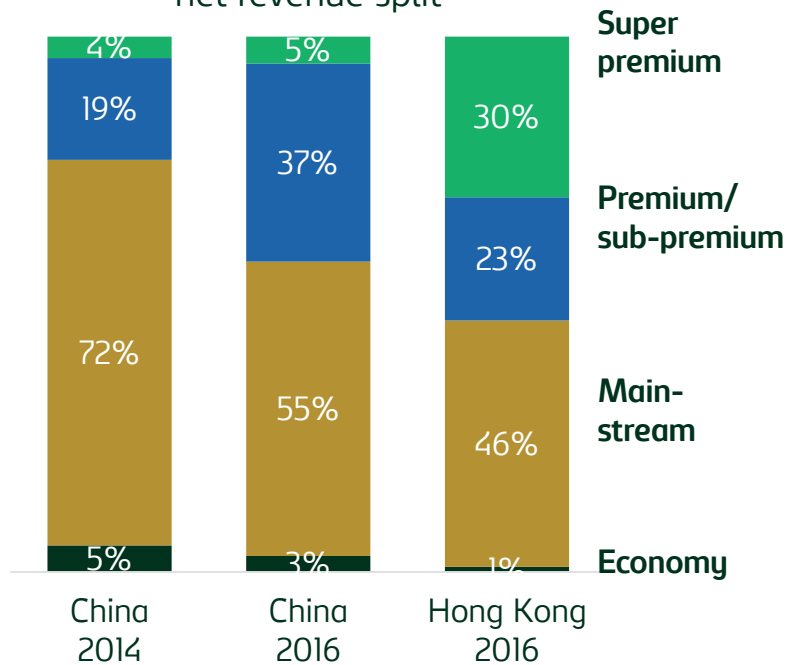


Still room for future premium growth in China

Pricing, repertoires and category innovation still lag benchmark markets ...

..... but more “granularity” required on how to unlock super-premium growth

Carlsberg Group net revenue split



INSIGHT

- More people live in big cities
- More of them will be economically prosperous (>50% classified middle-class or above)
- 100m Chinese tourists abroad and digital media are broadening tastes and horizons
- Increased interest in brands with authenticity and origin
- As more people own and take pride in their homes, in-home beer consumption will rise

ACTION

- Dedicated team and premium portfolio plans for new big cities
- Disruptive new route-to-market solutions
- Develop portfolio of differentiated craft & speciality brands without losing focus and efficiency
- Aggressive plans for modern off-trade and ecommerce stream

In summary, we have strong business in Asia, well positioned to capture volume and value growth

- An enviable footprint of market-leading businesses across Asia
- Well-integrated region with tight cost control and process discipline
- Well-exposed to a blend of category consumption growth and accelerating mix premiumisation
- Tight, winning portfolio of well-funded premium brands
- Local scale, supply chain and route-to-market networks in place to execute



Disclaimer

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of raw materials and packaging materials, cost of energy, production and distribution related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market driven price reductions, market acceptance of new products, changes in consumer preferences, launches of rival products, stipulation of fair value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.