Carlsberg A/S
100 Ny Carlsberg Vej
1760 Copenhagen V
CVR.no. 61056416
Tel +45 3327 3300
Fax +45 3327 4701
carlsberg@carlsberg.com

Interim results as at 30 June 2011

Russian market performance below expectations, the rest of the Group on-track

- The Carlsberg Group achieved 5% beer volume growth, net revenue growth of 8% while operating profit declined by 5% for the first six months of 2011 due to the Russian market performing below expectations in Q2. The Asian and Northern & Western European regions developed positively, in line with expectations.
- Despite an improved Russian macro economic environment, the Russian beer market declined by approximately 1% for the first six months (-2% in Q2). Over the past 18 months, consumer prices on beer have been increased by an average of 30% reflecting the duty increase. Russian consumers have not yet fully adjusted to these substantially higher price levels resulting in an extended period of declining consumption delaying the overall recovery of the Russian beer market. Furthermore, unfavourable weather conditions during the second quarter also impacted consumption negatively.
- The Group's Q2 Russian market share grew 20bp vs Q1 and reached 38.4% (source: Nielsen Retail Audit, Urban Russia). Volume share was up in the mainstream, premium and super premium segments and notwithstanding some share contraction in the large economy segment our value share increased by 50bp in the same period underpinning the objective to grow both volume and value market share. As a result of our price leadership in the industry, particularly over the past 18 months, as well as our deliberate focus on the higher value segments, our overall year-on year volume share declined. We intend maintaining our balanced approach to volume and value however we will selectively increase our emphasis on the economy segment.
- In April, the Group launched a new global positioning of the Carlsberg brand with the aim to capture the brand's full potential over the coming years. The new positioning has been well received and whilst still early in the process the initial brand performance indicators are encouraging.
- The beer markets in Northern & Western Europe grew slightly for the first six months. In Asia most beer markets reflected growth of mid- to high single-digit percentages. In Eastern Europe, the Ukrainian market continued to grow. In each of these geographies, we gained market share.
- The Group's beer volumes grew by 5% to 58.3m hl with 4% organic growth with large variations between regions. Northern & Western European volumes grew organically by 1% and Eastern Europe by 5%. Asia continued its strong growth and delivered 10% organic beer

volume growth. Adjusting for the Russian destocking in Q1 2010, Group organic beer volume growth was an estimated 1%. Group organic beer volumes were flat in Q2.

- Net revenue increased by 8% to DKK 31.3bn (DKK 28.9bn in 2010). Organic growth was 8%. Q2 net revenue grew by 4% to DKK 18.7bn (DKK 18.0bn in 2010). Organic growth was 6%.
- Price/mix increased by 4% with positive contribution from all regions. Simultaneously marketing investments also increased as per our plans as the Group embarked on several commercial initiatives across markets to support the Group's ambitions of growing both volume and value market shares.
- Operating profit was DKK 4,698m (DKK 4,966m in 2010) representing a 5% organic decline. Q2 operating profit was DKK 3,695m (DKK 4,239m in 2010). Organic decline was 11%. As expected, operating profit was impacted by higher input costs and sales and marketing investments across the Group. Eastern European operating profits were further impacted by higher logistics costs and the Russian market development being below expectations. The Asian and Northern & Western European regions delivered good organic operating profit growth in both Q1 and Q2.
- Net profit was DKK 2,228m compared to DKK 2,705m in 2010 (adjusted for the DKK 390m non-cash, non-taxable income in Q1 2010).
- The negative impact on volume from last year's unprecedented consumer price increases has been more persistent than anticipated and exacerbated by the poor weather in Russia in Q2. It is anticipated that the recently introduced regulatory changes will also have a marginal impact on the overall market development in Russia during the second half of this year. Consequently, the Group is now forecasting a low single-digit decline in the Russian market for 2011 (against previous growth expectation of 2-4%). As a result of this, the Carlsberg Group has revised its 2011 earnings expectations:
    - Operating profit before special items is now expected to be around DKK 10bn compared to DKK 10.25bn in 2010 (previous expectation of high single digit percentage growth).
    - Adjusted net profit growth is now expected to be 5-10% (previous expectation of more than 20%[1]).

Commenting on the results, CEO Jørgen Buhl Rasmussen says: "Q2 performance in Russia has been below expectations. The recovery in the beer category is taking longer than we anticipated as the Russian consumer adapts to the exceptional price increases of around 30% undertaken during the last 18 months. This impacts negatively our Russian 2011 profits and is the driver behind our revised 2011 outlook. However, with the adjustments we're making to our local portfolio, channel approach and forward pricing strategy, I'm confident that our Russian business will return to growth. At the same time, I'm pleased with the performance of the rest of the Group. In the first six months we have continued our relentless focus on driving efficiencies as well as long-term sales value growth."

[1] Reported 2010 adjusted for the DKK 598m non-cash, non-taxable income in special items related to a new acquisition accounting regulation.

Carlsberg will present the financial statements at a conference call for analysts and investors today at 9.00 am CET (8.00 am GMT). The conference call will refer to a slide deck, which will be available beforehand at www.carlsberggroup.com.

Contacts:
Investor Relations: Peter Kondrup, +45 3327 1221
Media Relations: Jens Bekke, +45 3327 1412
Ben Morton, +45 3327 1417

KEY FIGURES AND FINANCIAL RATIOS

DKK million		Q2 2011	Q2 2010	H1 2011	H1 2010	2010
Total sales volumes (million hl)						
Beer		41.1	40.4	68.5	66.1	136.5
Other beverages		6.7	6.2	11.2	10.7	22.5
Pro rata volumes (million hl)						
Beer		35.0	34.8	58.3	55.8	114.2
Other beverages		5.8	5.3	9.6	9.2	19.3
Income statement						
Net revenue		18,740	17,974	31,268	28,947	60,054
Operating profit before special items		3,695	4,239	4,698	4,966	10,249
Special items, net		-104	5	-185	354	-249
Financial items, net		-615	-302	-1,184	-817	-2,155
Profit before tax		2,976	3,942	3,329	4,503	7,845
Corporation tax		-740	-1,066	-832	-1,113	-1,885
Consolidated profit		2,236	2,876	2,497	3,390	5,960
Attributable to:						
Non-controlling interests		181	248	269	295	609
Shareholders in Carlsberg A/S		2,055	2,628	2,228	3,095	5,351
Statement of financial position						
Total assets		-	-	147,633	151,456	144,232
Invested capital		-	-	116,576	121,001	117,101
Interest-bearing debt, net		-	-	32,828	35,299	32,743
Equity, shareholders in Carlsberg A/S		-	-	64,721	64,951	64,248
Statement of cash flows						
Cash flow from operating activities		3,517	4,858	2,944	4,748	11,020
Cash flow from investing activities		-1,250	-1,866	-2,069	-2,305	-5,841
Free cash flow		2,267	2,992	875	2,443	5,179
Financial ratios						
Operating margin	%	19.7	23.6	15.0	17.2	17.1
Return on average invested capital (ROIC)	%	-	-	8.5	8.7	8.8
Equity ratio	%	-	-	43.8	42.9	44.5
Debt/equity ratio (financial gearing)	x	-	-	0.5	0.5	0.5
Interest cover	x	-	-	4.0	6.1	4.8
Stock market ratios						
Earnings per share (EPS)	DKK	13.6	17.1	14.6	20.2	35.1
Cash flow from operating activities per share (CFPS)	DKK	23.1	31.8	19.3	31.1	72.1
Free cash flow per share (FCFPS)	DKK	14.9	19.6	5.7	16.0	33.9
Share price (B-shares)	DKK	-	-	557	467	559
Number of shares (period-end)	1,000	-	-	152,551	152,553	152,539
Number of shares (average, excl. Treasury shares)	1,000	152,544	152,548	152,544	152,548	152,548

In accordance with IFRS 3 requirements, final purchase price allocations of the fair value of identified assets, liabilities and contingent liabilities in the step acquisitions and business combinations have changed comparative figures.

RUSSIA REGULATORY CHANGES AND THE CARLSBERG GROUP'S ACTIONS

In July, the Russian President signed a new law that includes restrictions on where and how to sell alcoholic products. While some definitions and technical issues are yet to be clarified, our current assessment of the key elements to impact the brewing industry is:

- As of July 2011, alcoholic products with more than 5.0% alcohol content in so-called 'non-stationary outlets' will be prohibited. As of January 2013, this will be expanded to all alcoholic products (above 0.5% alcohol content).
- As of July 2011, the sale of alcoholic products with more than 5.0% alcohol content in the off-trade during the night (from 11pm until 8am) will be prohibited. As of January 2013, this will be expanded to all alcoholic products (above 0.5% alcohol content).
- As of July 2012, advertising of alcoholic products in television, radio and outdoor media etc will be prohibited.

The Carlsberg Group anticipates the new regulation will accelerate certain trends already evident in the Russian market place. Consequently, Carlsberg has started to implement a range of actions which are aimed at speeding up existing plans within the Group.

The step-wise introduction of the restrictions imposed on the sale of beer from non-stationary outlets will accelerate the changes already taking place in the Russian beer sales channel structure. The kiosk and pavillon channels have gone from above 26% of total off-trade beer sales in 2008 to an estimated 20-22% of today. A number of the outlets in these channels are already stationary. Off-trade accounts for around 90% of total market.

The Carlsberg Group continuously amends its route-to-market in accordance with the changing off-trade environment. The new law will increase our emphasis on the growing sales channels, such as the modern trade and grocery outlets, including further enhancing and building our key account management capabilities and customer and channel marketing efforts as well as structural changes in our sales set-up.

An estimated 20-25% of beer sold in non-stationary outlets is above 5.0% alcohol content. We are adjusting our portfolio in this channel to reflect the new legislation. Our kvas products are not impacted by the new legislation.

A proportion of volumes sold in non-stationary outlets is consumed in close proximity to the outlet. The Group expects that the prohibition on sale of beer above 0.5% alcohol content as well as the step-wise implementation of the ban on sale of beer in the off-trade during night time is likely to accelerate the development of an established on-trade through new outlets and the conversion of current non-stationary outlets. This development could be positive for the beer category as the on-trade in Russia is significantly underdeveloped compared to other European markets. Preparing for the increased importance of the on-trade channel, the Group plans to start reallocating more resources to the on-trade channel.

The marketing restrictions will change how sales and marketing resources are allocated. For the next 12 months, the Group's above-the-line marketing spend will remain important while a significant part of it will transfer into other types of media and events as well as into below-the-line activities after 12 months. The restrictions will accelerate the additional efforts we recently have put into channel marketing and in-store execution. Our strong Russian brand portfolio with leading national and local brands and our number one position in every price segments will remain a competitive advantage in a market with more marketing restrictions and with increasing penetration of modern trade.

EARNINGS EXPECTATIONS

2011 earnings expectations

For the Northern & Western European and Asian regions, the first six months delivered according to plan.

In Eastern Europe, the beer market in Russia did not reach the expected growth for the first six months nor in July. For 2011, the Group reduces its Russian volume outlook due to 1) it has taken longer than expected for the Russian consumers to adapt to the significantly higher price levels driven mainly by tax increases; 2) Q2 was more negatively impacted by unfavourable weather conditions than anticipated at the time of the Q1 results announcement in early May; 3) the changed Russian regulation may have a slightly negative impact on Russian market dynamics in the rest of the year.

In total, the above mentioned factors have reduced our Russian volume expectations and gross profit expectations.

In a significant part of our Northern & Western European region, the weather in July was unusually wet which has had a negative impact on consumer off-take. Plans are being implemented to mitigate this impact.

Consequently, the Group has revised its full-year earnings expectations for 2011.

The key assumptions for 2011 outlook are:

- Low single-digit decline in the Northern & Western European beer markets
- A low single-digit decline in the Russian beer market (previously "Russian market growth of 2-4%")
- Continued growth in key beer markets across Asia
- Increased cost of sales due to higher input costs
- Marketing investments as percentage of sales at slightly higher levels than in 2010, although H2 adjustments may occur in response to uncertain global macro conditions

Despite market share growth in Russia in Q2 versus Q1 in all segments other than economy, the Group no longer expects to gain year-over-year volume market share in Russia in 2011 and, consequently, the Group will not be able to meet previous expectations of market share growth in 2/3 of our businesses in 2011. However, supported by the continued focus on building brand equity, redirecting resources towards the growing sales channels in Russia, and selectively increasing our emphasis on our brands in the economy segment, we remain confident that we will reverse the current Russian volume share decline.

Consequently, for 2011 the Carlsberg Group expects:

- Operating profit before special items at around DKK 10bn compared to 10.25bn in 2010 (previously "high single digit percentage growth")
- Adjusted net profit growth of 5-10%[2] (previously "adjusted net profit growth of more than 20%")

The Group's 2011 expectations do not take into account any significant change in consumer sentiment caused by a further deterioration in the macro economic environment.

Medium-term Russian outlook

While the Group had anticipated additional restrictions to be implemented and channel changes to happen over time, the recently signed legislation will accelerate this trend. On the other hand, as requested on many occasions in the past, the legislation offers some transition time enabling us to prepare and adapt our approach. The Group will continue the on-going work through the Union of Russian Brewers and directly with Russian authorities with the objective to ensure a balanced regulation for low-alcoholic products such as beer.

The new regulation coming into effect as of now and up until early 2013 will require our customers and consumers to adapt to the changed environment. In any case, the Group strongly believes that our Eastern European business offers attractive medium- to long-term volume and value growth opportunities. This will be driven by economic growth and as low-alcoholic products, such as beer, continue to capture share of throat from higher alcoholic products. The pure alcohol consumption in Russia will decline but nevertheless remain above the average European level for a long time.

Based on a revised understanding of the current price elasticity and our pricing plans, the Group expects the Russian market to revert to modest growth during 2012. Notwithstanding the known regulatory and duty changes as well as the current global macro uncertainty, all the fundamental drivers and characteristics for the beer category are intact and in place to support medium term market growth for beer and other low alcoholic beverages at the expense of spirits.

[2] Reported 2010 adjusted for the DKK 598m non-cash, non-taxable income in special items related to a new acquisition accounting regulation.

H1 2011 BUSINESS DEVELOPMENT

		Change				Change
DKK million	2010	Organic	Acq., net	FX	2011	Reported
Q2						
Beer sales (million hl)	34.8	0%	1%		35.0	1%
Net revenue	17,974	6%	0%	-2%	18,740	4%
Operating profit	4,239	-11%	0%	-2%	3,695	-13%
Operating margin (%)	23.6				19.7	-390bp
H1						
Beer sales (million hl)	55.8	4%	1%		58.3	5%
Net revenue	28,947	8%	0%	0%	31,268	8%
Operating profit	4,966	-5%	1%	-1%	4,698	-5%
Operating margin (%)	17.2				15.0	-220bp

While performance of the Northern & Western European and Asian regions developed as planned, the Group's results were negatively impacted by the unforeseen Russian beer market decline.

Group organic beer volumes grew 4%. Including acquisitions, net, the increase was 5% to 58.3m hl (55.8m hl in 2010). Adjusting for the Russian destocking impact in Q1 2010 of an estimated 1.5m hl, the Group's organic beer volume growth would have been an estimated 1%. Pro rata Group volumes of other beverages were 9.6m hl (9.2m hl in 2010) helped by weak comparisons from last year's strikes in Denmark and Finland.

Q2 organic beer volumes showed continued high Asian growth at 13% and 3% organic beer volume growth in Northern & Western Europe; however this was off-set by lower Eastern European volumes driven by a Russian market development below expectations. Pro rata Group volumes of other beverages grew organically by 10% to 5.8m hl in Q2 and consequently, total beverage volume increased organically by 1% for the quarter.

Marketing investments as a percentage of sales grew slightly as the Group continued to invest in brands and activities aiming at driving market share development balanced with a positive price/mix. An important initiative for the Group was the new global positioning of the Carlsberg brand that was launched on April 5. A number of activities took place during Q2 and this will continue as the new positioning is being rolled out across markets throughout 2011 using a wide variety of multimedia and marketing communication channels.

In addition, the Group introduced a number of new products and line extensions across its markets in all regions. Two important innovations were the light, refreshing and stylish premium beer Copenhagen and the refreshing, fermented premium non-beer product Beo which is the Group's first product within this category. Both products have been launched in a few markets in the Nordics this year.

Net revenue grew by 8% to DKK 31,268m (DKK 28,947m in 2010) with a strong 8% organic revenue growth (total volume 4% and 4% price/mix), currency impact 0% and net acquisition impact of 0%. Organic net revenue growth for Q2 was 6% (total volume 1% and 5% price/mix), currency impact of -2% and net acquisition impact of 0%.

Cost of sales per hl grew as expected by 6% due to higher input costs in all regions with higher increase in malt costs being the main contributor. The impact was particularly pronounced in Eastern Europe. As a result of the positive organic price/mix and efficiency improvements, the Group managed to off-set the impact and gross profit per hl increased by approximately 2% but with gross profit margin declining by 150bp to 50.3%.

Due to the planned higher sales and marketing investments and in Eastern Europe also higher logistics costs, especially higher fuel costs, operating expenses grew organically by 8% (approximately 4% per hl).

Group operating profit declined by 5% to DKK 4,698m (DKK 4,966m in 2010) with an organic decline of 5%, currency impact of -1% and +1% net effect from acquisitions. Operating margin was 15.0%, mainly because of lower margins in Eastern Europe. Q2 operating profit declined by 13% (11% organic decline). The profit decline was driven by the weak volumes in Eastern Europe, the expected higher input costs in all regions, planned higher sales and marketing investments across the Group and higher logistics costs in Eastern Europe.

NORTHERN & WESTERN EUROPE

		Change				Change
DKK million	2010	Organic	Acq., net	FX	2011	Reported
Q2						
Beer sales (million hl)	14.6	3%	-1%		14.9	2%
Net revenue	10,199	5%	-1%	2%	10,824	6%
Operating profit	1,892	6%	-1%	2%	2,031	7%
Operating margin (%)	18.6				18.8	20bp
H1						
Beer sales (million hl)	24.3	1%	-1%		24.3	0%
Net revenue	17,508	2%	0%	2%	18,135	4%
Operating profit	2,298	6%	-1%	2%	2,464	7%
Operating margin (%)	13.1				13.6	50bp

The overall regional beer market grew slightly for the first six months. The Group managed to gain volume and value market share with notable improvements in markets like Poland, Denmark and Greece.

Several commercial initiatives were taken across the region. The Beo and Copenhagen launches and the new Carlsberg positioning were important activities. In addition, line extensions of Somersby were introduced, the brand was rolled out in more markets, Tuborg Lime Cut was introduced in new markets and a 5 litre non-returnable keg was introduced for 1664 in France.

Organic beer volume growth was 1% (+3% for Q2) for the six months. The markets contributing mostly to the volume growth were Poland, Denmark and the Baltic states. Reported beer volumes were flat due to the disposal of the Dresden brewery on January 1, 2011. Although comparisons to last year also included the World Cup impact, the Q2 volume growth was positively impacted by weak comparisons due to the strikes in Denmark and Finland last year as well as sell-in to Easter which was in Q1 last year while it was in Q2 this year.

Net revenue grew organically by 2% (+5% in Q2). Reported growth was 4% to DKK 18,135m (DKK 17,508m). Net revenue for beer increased by 4% (1% volume, 2% price/mix, 2% currency and -1% acquisition).

The positive price/mix was achieved despite a negative country mix with Poland growing strongly as well as a negative impact from the continued channel shift from on-trade to off-trade in the region. The positive price/mix was driven by the Group's continued efforts to drive value in the beer category through its value management efforts and low single-digit price increases in most markets.

In 2011, the efforts to drive value are further supported by the SKU harmonisation in the northern part of the region which, in addition to the complexity reduction and further integration of the supply chain, will strengthen our ability to meet specific price points and pack sizes preferred by customers and consumers.

The UK market fell by 7% in the first six months as market volumes in Q2 2010 were positively impacted by the World Cup. While the Group's on-trade market share continued to increase, the overall market share declined slightly to 15.7% due to tough comparables resulting from last year's successful activation related to the World Cup. In line with plan, the Leeds brewery was closed in June and the Northampton brewery was expanded.

The French market grew approximately 4% in the first six months supported by favourable weather conditions. The Group gained market share with the premium brands 1664, Grimbergen and Carlsberg, but overall market share declined slightly as the mainstream brand Kronenbourg lost share. Despite strong promotional pressure in the market, the Group managed to improve price/mix for beer by approximately 3%. Driven by efficiency improvements and cost control, the French business continued to improve profitability despite tough comparisons with last year where profits from a brand disposal positively impacted Q2 2010.

In a growing Polish market (+5%), the Group's Polish business continued to perform very well and the Group's market share reached 16.7%. The improvements are mainly driven by strong performance of the Harnas and Kasztelan brands and continued growth in the modern trade. Volumes, revenue and profits grew strongly for the six months.

Operating profit grew by 7% to DKK 2,464m (DKK 2,298m in 2010) of which 6% were organic growth (6% for Q2). While gross margins declined slightly due to higher input costs, operating profit margin grew by 50bp to 13.6%. Most markets reported organic operating profit growth with particularly strong organic earnings growth in markets such as Poland, Sweden and the Baltics.

In May, Switzerland implemented the Business Standardisation Programme (BSP) as the first market in the Group. BSP will be implemented in all markets in Northern & Western Europe in the coming years.

EASTERN EUROPE

DKK million	2010	Change Organic	Change Acq., net	Change FX	2011	Change Reported
Q2						
Beer sales (million hl)	15.3	-6%	0%		14.3	-6%
Net revenue	6,294	5%	0%	-7%	6,188	-2%
Operating profit	2,276	-21%	0%	-5%	1,677	-26%
Operating margin (%)	36.2				27.1	-910bp
H1						
Beer sales (million hl)	22.6	5%	0%		23.6	5%
Net revenue	8,680	16%	0%	-4%	9,757	12%
Operating profit	2,597	-13%	0%	-4%	2,167	-17%
Operating margin (%)	29.9				22.2	-770bp

The Eastern European markets saw improved macro-economic conditions. However, following the 200% excise duty increase in January 2010, the average Russian retail beer prices have increased by approximately 30% and contrary to the conclusions of our price modelling and sensitivity analyses carried out in preparation for the price increases, it has taken longer than anticipated for the Russian consumers to adjust to this new price level of beer. Additionally, market volumes in Q2 were negatively impacted from lower temperatures and more rainfall. Consequently, the Russian market contracted by 1% for the first six months (-2% in Q2).

Most of the other markets in the region had positive growth in Q2 and the Group's beer volumes grew organically by 5% for the six months. Adjusted for the Russian destocking of an estimated 1.5m hl in Q1 2010, volumes would have declined organically by an estimated 2%. In Q2, beer volumes declined organically by 6%.

The Group's Russian shipments grew by 6% (-9% for Q2). Adjusted for the destocking, the Group's Russian shipments would have declined by an estimated 2%. The Group's in-market-sales ("off-take") declined by 2% for the six months and by 5% for Q2.

The Group's Russian market share in Q2 was 38.4% vs 38.2% in Q1[3] (source: Nielsen Retail Audit, Urban Russia). We increased our volume share by 50bp in mainstream, 170bp in premium and 250bp in super premium. On the other hand, our share contracted by 150bp in the large economy segment reflecting our determination to balance volume and value share growth, implying that our value share grew by 50bp in the same period. Having led on prices for 18 months as well as our deliberate focus on the higher value segments, our year-on-year volume market share declined. Going forward, we will maintain our balanced volume versus value approach but we

[3] The external data provider, Nielsen, has updated its retail universe by May 2011 to include a larger proportion of modern trade. Historical data has been restated accordingly.

will selectively increase our emphasis on the economy segment enabling us to reverse the volume share decline experienced in the segment.

Our Ukrainian business continued to gain market share in a market that grew 5% for the six months. The continued market share development was supported by several commercial activities in 2011 like the new Carlsberg positioning, the re-launch of the Slavutich brand in May, the launch of Somersby cider and a line extension of the Kvas Taras brand. While net revenue grew organically by 22%, operating profit margin declined due to the higher input costs, higher logistics expenses and higher sales and marketing investments.

Net revenue grew 12% to DKK 9,757m (DKK 8,680m in 2010) with a 16% organic growth. Price/mix for beer was +11% positively impacted by price increases, distorted comparisons following the excise tax increase in January 2010 and a positive mix in Russia and Ukraine. The positive mix in Russia was impacted positively by stronger volumes in the mainstream, premium and super premium segments and packaging mix. Q2 organic net revenue growth was 5% and price/mix was +11%. However, due to weaker currencies vs the DKK across the region, reported net revenue declined by 2%.

Organic operating profit declined by 13% with a 17% reported decline to DKK 2,167m (DKK 2,597m in 2010). Operating profit margin was 22.2% (29.9% in 2010). While gross profit per hl increased slightly, gross profit and operating profit margin declined due to higher input costs and higher operational expenses, including higher sales and marketing investments and higher logistic costs.

Q2 operating profit declined organically by 21% due to the volume decline and the higher costs mentioned above.

ASIA

		Change				Change
DKK million	2010	Organic	Acq., net	FX	2011	Reported
Q2						
Beer sales (million hl)	4.9	13%	5%		5.8	18%
Net revenue	1,492	16%	7%	-10%	1,688	13%
Operating profit	291	9%	7%	-8%	314	8%
Operating margin (%)	19.5				18.6	-90bp
H1						
Beer sales (million hl)	8.9	10%	7%		10.4	17%
Net revenue	2,726	16%	7%	-2%	3,298	21%
Operating profit	514	11%	8%	0%	614	19%
Operating margin (%)	18.9				18.6	-30bp

The majority of our Asian beer markets continued to show strong growth in the first six months of the year.

Organic beer volume growth was 10% for the first six months (13% for Q2). Including acquisitions, beer volumes grew by 17% to 10.4m hl. Most markets reported organic volume growth for the six months with Vietnam being the only exception mainly due to adverse weather conditions in the beginning of the year. The positive impact from acquisitions was due to the increased ownership in Chongqing Brewery Co Ltd. in China and Gorkha Brewery in Nepal during 2010 and South Asian Breweries (India) in 2011.

Organic beer volume growth in China was 9% for the six months which was in line with the market. Driven by the premiumisation efforts within our local brands and strong performance of our international portfolio, the Group achieved a positive price/mix resulting in organic net revenue growth of approximately 14%.

The Indian business continued to perform very strongly with beer volumes almost doubling for the first six months, supported by continued strong performance of Tuborg and the introduction of Carlsberg Elephant earlier this year. The Group's Indian market share is now approximately 6%.

Organic volume growth in Indochina (Vietnam, Laos and Cambodia) was around 7% due to very strong performance of our businesses in Cambodia and Laos while volumes in Vietnam declined due to an unusually cold beginning of the year and a challenging Vietnamese macro economic environment.

The Malaysian business performed in line with expectations and continued to deliver good performance despite tough comparisons from last year's successful World Cup activations.

Organic net revenue growth was 16% (16% in Q2). The acquisition impact from the increased ownership in Nepal and India added 7% to reported revenue growth, whereas negative currency impact from China, Cambodia and Vietnam impacted negatively. In total, reported net revenue growth was 21%.

Organic operating profit grew by 11% (9% in Q2) with a reported growth of 19% (8% in Q2) to DKK 614m (DKK 514m in 2010). Operating profit margin was 18.6% (18.9% in 2010) impacted negatively by slightly higher input costs for the region.

In May, the Carlsberg Group increased the ownership in its Indian business, South Asian Breweries Pte Ltd to 90%.

In August the Group expanded its presence in China through the establishment of the joint-venture Chonging Xinghui Investment Co., Ltd. The Group is now directly and indirectly involved in 42 breweries in China.

CENTRAL COSTS (NOT ALLOCATED)

Central costs were DKK 548m (DKK 424m in 2010). The increase was primarily due to higher marketing costs including costs for the new Carlsberg positioning. Central costs are incurred for ongoing support of the Group's overall operations and strategic development and driving efficiency programmes. In particular, they include the costs of running the headquarters and central marketing (including sponsorships).

OTHER ACTIVITIES

In addition to beverage activities, Carlsberg has interests in the sale of real estate, primarily at its former brewery sites, and the operation of the Carlsberg Research Center. These activities generated operating profit of DKK 1m (DKK -19m in 2010).

Monetising the value of redundant assets which are no longer used in operations, including the Copenhagen brewery site, remains an important opportunity to provide additional capital to the Group and enhance return on invested capital. Two large Danish investors have indicated that they will participate in the development of the Copenhagen brewery site, holding 25% and 20% respectively while Carlsberg will hold 25%. The final contract is yet to be completed and is conditional on finding investors to take up the remaining 30%.

COMMENTS ON THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The present interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and Danish regulations governing presentation of interim reports by listed companies.

The interim report has been prepared using the same accounting policies as the consolidated financial statements for 2010. The consolidated financial statements for 2010, note 41, holds a complete description of the accounting policies.

The effect of purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities in business combinations have changed the comparative figures in accordance with IFRS 3 requirements.

INCOME STATEMENT

Net special items amounted to DKK -185m against DKK 354m in 2010, and relate mainly to costs in connection with the restructuring measures in Sweden, Denmark, Norway and UK, in total DKK 93m, and a non-cash loss on disposal of Sorex Holding SAS (logistic business in France) of DKK 86m. In 2010, special items were positively affected by a fair value revaluation of DKK 390m of the shareholding in Xinjiang Wusu Beer Group (step acquisition).

Net financial items amounted to DKK -1,184m against DKK -817m in 2010. Interest costs accounted for DKK -849m, compared with DKK -993m in 2010 and reflect lower net debt and lower average funding cost. Other net financial items were DKK -335m (DKK 176m in 2010). The change is primarily due to currency adjustments in Eastern Europe and that 2010 was impacted by net positive currency and fair value adjustments.

Tax totalled DKK -832m against DKK -1,113m in 2010. The effective tax rate was 25%.

Consolidated profit was DKK 2,497m, against DKK 3,390m in 2010.

Carlsberg's share of net profit was DKK 2,228m, against DKK 3,095m in 2010.

STATEMENT OF FINANCIAL POSITION

At 30 June 2011, Carlsberg had total assets of DKK 147.6bn (DKK 144.2bn at 31 December 2010).

Assets

Intangible assets totalled DKK 87.7bn against 87.8bn at 31 December 2010. The change comprises minor additions from acquisition of non-controlling interests countered by currency impact.

Property, plant and equipment decreased to DKK 31.9bn (DKK 32.4bn at 31 December 2010), mainly driven by currency impact.

Financial assets amounted to DKK 7.9bn (DKK 8.1bn at 31 December 2010). The decrease is primarily a result of currency adjustments.

Current assets totalled DKK 20.1bn against DKK 15.5bn at 31 December 2010 due to the increase of inventory and trade receivables following the normal seasonality.

Liabilities

Total equity was DKK 69.5bn, of which DKK 64.7bn can be attributed to shareholders in Carlsberg A/S and DKK 4.8bn to non-controlling interests.

The difference in equity compared to 1 January 2011 was DKK -0.1bn and is mainly due to profit for the period of DKK 2.5bn, currency adjustments of approximately DKK -0.9bn, payment of dividends to shareholders of DKK -0.9bn and share buy backs of DKK -0.5bn.

Total liabilities were DKK 78.1bn (DKK 74.6bn at 31 December 2010). Non-current liabilities decreased by DKK 0.7bn compared with 31 December 2010 while current liabilities excluding the current portion of borrowings were DKK 27bn, up DKK 3.9bn compared to 31 December 2010 following the normal seasonality.

CASH FLOW

Free cash flow was DKK 875m against DKK 2,443m for 2010.

Cash flow from operating activities in the first six months of 2011 was DKK 2,944m against DKK 4,748m for the same period of 2010. Operating profit before depreciation and amortisation was DKK 6,553m against DKK 6,876m in 2010.

The change in working capital was DKK -1,280m due to seasonality. The focus on reducing the average trade working capital throughout the year continues and trade working capital to net revenue (MAT) was 1.9% at the end of Q2 2011 compared to 2.1% after Q1 this year and 2.6% end 2010. The continued reduction of trade working capital to revenue in Q2 was in spite of unusually high accounts receivables and inventories in Switzerland due to the recent pilot implementation of the BSP. This isolated impact will be reversed over the next few months. When comparing to the first six month last year it is important to keep in mind that the change in working capital was significantly positively impacted by the unusually high level of receivables in Russia at year-end 2009 prior to the 200% increase in taxes.

Paid net interest etc. amounted to DKK -1,549m against DKK -1,362m for the same period of 2010. The increase is explained by settlement of financial instruments as interest payments were reduced due to lower net interest bearing debt.

Cash flow from investing activities was DKK -2,069m against DKK -2,305m in the first six months of 2010. Operational investments were DKK -2,209, 613m higher than in 2010. The increase was in line with plans and mainly related to network and production optimisation and sales investments. Financial investments were DKK 133m (DKK -1.1bn in 2010). The positive cash flow in 2011 primarily comes from the sale of the Dresden brewery in Germany and Sorex Holding SAS in France, countered by an additional investment in India. 2010 was impacted by the acquisition of shares in Xinjiang and a prepayment/deposit for the acquisition of additional 12.25% in Chongqing. Investments in other activities amounted to DKK 7m (DKK 346m in 2010).

2010 free cash flow was positively impacted by the sale of real estate assets amounting to DKK 382m.

FINANCING

At 30 June 2011, the gross interest-bearing debt amounted to DKK 36.8bn and net interest-bearing debt amounted to DKK 32.8bn. The difference of DKK 4bn is other interest-bearing assets, including DKK 2.7bn in cash and cash equivalents.

Of the gross interest-bearing debt, 88% (DKK 32.5bn) is long term, i.e. with maturity more than one year from 30 June 2011, and consists primarily of facilities in EUR.

Committed credit facilities are more than sufficient to refinance maturing short-term debt.

FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2011

The financial year follows the calendar year, and the following schedule has been set for 2011:

9 November 2011	Interim results for Q3 2011

Carlsberg's communication with investors, analysts and the press is subject to special restrictions during a four-week period prior to the publication of interim and annual financial statements.

DISCLAIMER

This company announcement 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 market 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.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have discussed and approved the interim report of the Carlsberg Group for the period 1 January – 30 June 2011.

The interim report which has not been audited or reviewed by the Company's auditor has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Carlsberg Group's assets, liabilities and financial position at 30 June 2011, and of the results of the Carlsberg Group's operations and cash flow for the period 1 January – 30 June 2011.

Further, in our opinion the management's review (p. 1-17) gives a true and fair review of the development in the Group's operations and financial matters, the result of the Carlsberg Group for the period and the financial position as a whole, and describes the significant risks and uncertainties pertaining to the Group.

Copenhagen, 17 August 2011

Executive Board of Carlsberg A/S

Jørgen Buhl Rasmussen President & CEO	Jørn P. Jensen Deputy CEO & CFO

Supervisory Board of Carlsberg A/S

Povl Krogsgaard-Larsen Chairman	Jess Søderberg Deputy Chairman	Hans Andersen
Flemming Besenbacher	Richard Burrows	Kees van der Graaf
Niels Kærgård	Ulf Olsson	Bent Ole Petersen
Peter Petersen	Lars Stemmerik	Per Øhrgaard

FINANCIAL STATEMENT

This statement is available in Danish and English. In the event of any discrepancy between the two versions, the Danish version shall prevail.

The Carlsberg Group is one of the leading brewery groups in the world, with a large portfolio of beer and other beverage brands. The flagship brand – Carlsberg – is one of the best-known beer brands in the world and the Baltika, Carlsberg, and Tuborg brands are among the six biggest brands in Europe. More than 41,000 people work for the Carlsberg Group, and its products are sold in more than 150 markets. In 2010, the Carlsberg Group sold more than 135 million hectolitres of beer, which is about 40 billion bottles of beer.

Find out more at www.carlsberggroup.com.

INCOME STATEMENT

DKK million	Q2 2011	Q2 2010	H1 2011	H1 2010	2010
Net revenue	18,740	17,974	31,268	28,947	60,054
Cost of sales	-9,023	-8,231	-15,555	-13,954	-28,982
Gross profit	9,717	9,743	15,713	14,993	31,072
Sales and distribution expenses	-5,083	-4,639	-9,120	-8,234	-17,158
Administrative expenses	-1,057	-1,056	-2,067	-2,014	-4,040
Other operating income, net	85	153	139	167	227
Share of profit after tax, associates	33	38	33	54	148
Operating profit before special items	3,695	4,239	4,698	4,966	10,249
Special items, net	-104	5	-185	354	-249
Financial income	89	630	314	1,133	1,085
Financial expenses	-704	-932	-1,498	-1,950	-3,240
Profit before tax	2,976	3,942	3,329	4,503	7,845
Corporation tax	-740	-1,066	-832	-1,113	-1,885
Consolidated profit	2,236	2,876	2,497	3,390	5,960
Profit attributable to:					
Non-controlling interests	181	248	269	295	609
Shareholders in Carlsberg A/S	2,055	2,628	2,228	3,095	5,351
Earnings per share	13.6	17.1	14.6	20.2	35.1
Earnings per share, diluted	13.4	17.1	14.6	20.2	35.0

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q2 2011	Q2 2010	H1 2011	H1 2010	2010
Profit for the period	2,236	2,876	2,497	3,390	5,960
Other comprehensive income:					
Foreign exchange adjustments of foreign entities	-600	3,533	-943	9,408	5,947
Value adjustments of hedging instruments	-198	-397	112	-1,036	-768
Value adjustments of securities	-	-	-	-	1
Retirement benefit obligations	-162	-247	-182	-263	-167
Other	-5	-2	-44	-5	11
Corporation tax	85	60	3	202	47
Other comprehensive income	-880	2,947	-1,054	8,306	5,071
Total comprehensive income	1,356	5,823	1,443	11,696	11,031
Total comprehensive income attributable to:					
Non-controlling interests	161	532	188	1,002	1,043
Shareholders in Carlsberg A/S	1,195	5,291	1,255	10,694	9,988

STATEMENT OF FINANCIAL POSITION

DKK million	30 June 2011	30 June 2010	31 Dec 2010
Assets			
Intangible assets	87,731	90,388	87,813
Property, plant and equipment	31,858	34,345	32,420
Financial assets	7,858	6,550	8,057
Total non-current assets	127,447	131,283	128,290
Inventories and trade receivables	14,143	13,618	9,878
Other receivables etc.	3,235	3,981	2,910
Cash and cash equivalents	2,698	2,503	2,735
Total current assets	20,076	20,102	15,523
Assets held for sale	110	71	419
Total assets	147,633	151,456	144,232
Equity and liabilities			
Equity, shareholders in Carlsberg A/S	64,721	64,951	64,248
Non-controlling interests	4,800	5,488	5,381
Total equity	69,521	70,439	69,629
Borrowings	32,459	36,979	32,587
Deferred tax, retirement benefit obligations etc.	14,263	15,060	14,791
Total non-current liabilities	46,722	52,039	47,378
Borrowings	4,347	1,731	3,959
Trade payables	11,942	11,059	9,385
Deposits on returnable bottles and crate	1,434	1,451	1,279
Other current liabilities	13,633	14,696	12,424
Total current liabilities	31,356	28,937	27,047
Liabilities associated with assets held for sale	34	41	178
Total equity and liabilities	147,633	151,456	144,232

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

DKK million	Share capital	Currency translation	Hedging reserves	A-f-S invest-ments	Total reserves	Retained earnings	Total capital and reserves	Non-controlling interests	Total equity
	Shareholders in Carlsberg A/S								2011
Equity at 1 January 2011	3,051	-6,049	-1,154	147	-7,056	68,253	64,248	5,381	69,629
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	2,228	2,228	269	2,497
Other comprehensive income									
Foreign exchange adjustments of foreign en	-	-861	-	-	-861	-	-861	-82	-943
Value adjustments of hedging instruments	-	-115	227	-	112	-	112	-	112
Retirement benefit obligations	-	-	-	-	-	-182	-182	-	-182
Other	-	-	-	-	-	-45	-45	1	-44
Corporation tax	-	25	-59	-	-34	37	3	-	3
Other comprehensive income	-	-951	168	-	-783	-190	-973	-81	-1,054
Total comprehensive income for the period	-	-951	168	-	-783	2,038	1,255	188	1,443
Acquisition/disposal of treasury shares	-	-	-	-	-	-37	-37	-	-37
Share buy back	-	-	-	-	-	-	-	-485	-485
Share-based payment	-	-	-	-	-	22	22	-	22
Dividends paid to shareholders	-	-	-	-	-	-763	-763	-110	-873
Acquisition of non-controlling interests	-	-	-	-	-	-4	-4	-174	-178
Total changes in equity	-	-951	168	-	-783	1,256	473	-581	-108
Equity at 30 June 2011	3,051	-7,000	-986	147	-7,839	69,509	64,721	4,800	69,521

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

DKK million	Shareholders in Carlsberg A/S								2010
	Share capital	Currency translation	Hedging reserves	A-f-S invest-ments	Total reserves	Retained earnings	Total capital and reserves	Non-controlling interests	Total equity
Equity at 1 January 2010	3,051	-10,578	-1,384	146	-11,816	63,594	54,829	4,660	59,489
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	3,095	3,095	295	3,390
Other comprehensive income									
Foreign exchange adjustments of foreign en	-	8,700	-	-	8,700	-	8,700	708	9,408
Value adjustments of hedging instruments	-	-934	-102	-	-1,036	-	-1,036	-	-1,036
Retirement benefit obligations	-	-	-	-	-	-263	-263	-	-263
Other	-	-	-	-	-	-4	-4	-1	-5
Corporation tax	-	119	10	-	129	73	202	-	202
Other comprehensive income	-	7,885	-92	-	7,793	-194	7,599	707	8,306
Total comprehensive income for the period	-	7,885	-92	-	7,793	2,901	10,694	1,002	11,696
Share-based payment	-	-	-	-	-	-19	-19	-	-19
Acquisition/disposal of treasury shares	-	-	-	-	-	27	27	-	27
Dividends paid to shareholders	-	-	-	-	-	-534	-534	-534	-1,068
Acquisition of non-controlling interests and enti	-	-	-	-	-	-46	-46	360	314
Total changes in equity	-	7,885	-92	-	7,793	2,329	10,122	828	10,950
Equity at 30 June 2010	3,051	-2,693	-1,476	146	-4,023	65,923	64,951	5,488	70,439

STATEMENT OF CASH FLOWS

DKK million	Q2 2011	Q2 2010	H1 2011	H1 2010	2010
Operating profit before special items	3,695	4,239	4,698	4,966	10,249
Adjustment for depreciation, amortisation and impairment losses	905	978	1,855	1,910	3,987
Operating profit before depreciation, amortisation and impairment losses[1]	4,600	5,217	6,553	6,876	14,236
Adjustment for other non-cash items	94	228	209	329	493
Change in working capital	498	1,206	-1,280	-6	716
Restructuring costs paid	-51	-91	-145	-208	-446
Interest etc. received	-29	-10	13	35	255
Interest etc. paid	-1,021	-1,019	-1,562	-1,397	-2,344
Corporation tax paid	-574	-673	-844	-881	-1,890
Cash flow from operating activities	3,517	4,858	2,944	4,748	11,020
Acquisition of property, plant and equipment and intangible assets	-1,172	-864	-1,989	-1,428	-3,326
Disposal of property, plant and equipment and intangible assets	25	29	71	49	181
Change in trade loans	-168	-135	-291	-217	-430
Total operational investments	-1,315	-970	-2,209	-1,596	-3,575
Free operating cash flow	2,202	3,888	735	3,152	7,445
Aquisition and disposal of entities, net	28	-284	113	-507	-477
Acquisition of associated companies	-17	-2	-17	-2	-2,041
Disposal of associated companies	-	-3	-	-3	-
Acquisition of financial assets	6	-3	-15	-3	-35
Disposal of financial assets	2	4	2	4	18
Change in financial receivables	24	-619	24	-572	-233
Dividends received	19	18	26	28	93
Total financial investments	62	-889	133	-1,055	-2,675
Other investments in property, plant and equipment	-4	-12	-9	-36	-51
Disposal of other property, plant and equipment	7	5	16	382	460
Total other activities[2]	3	-7	7	346	409
Cash flow from investing activities	-1,250	-1,866	-2,069	-2,305	-5,841
Free cash flow	**2,267**	**2,992**	**875**	**2,443**	**5,179**
Shareholders in Carlsberg A/S	-14	15	-800	-553	-581
Non-controlling interests	-802	-593	-857	-590	-878
External financing	-2,854	-4,561	-422	-1,973	-3,950
Cash flow from financing activities	-3,670	-5,139	-2,079	-3,116	-5,409
Net cash flow	-1,403	-2,147	-1,204	-673	-230
Cash and cash equivalents at beginning of period	2,728	4,286	2,601	2,583	2,583
Currency translation adjustments	-44	181	-116	410	248
Cash and cash equivalents at period-end[3]	1,281	2,320	1,281	2,320	2,601

[1] Impairment losses excluding those reported in Special items.

[2] Other activities cover real estate and assets under construction, separate from beverage activities, including costs of construction contracts.

[3] Cash and cash equivalent less bank overdrafts

NOTE 1

Segment reporting by region (beverages)

DKK million	Q2 2011	Q2 2010	H1 2011	H1 2010	2010
Beer sales (pro rata, million hl)					
Northern & Western Europe	14.9	14.6	24.3	24.3	49.5
Eastern Europe	14.3	15.3	23.6	22.6	46.8
Asia	5.8	4.9	10.4	8.9	17.9
Total	35.0	34.8	58.3	55.8	114.2
Net revenue (DKK million)					
Northern & Western Europe	10,824	10,199	18,135	17,508	36,156
Eastern Europe	6,188	6,294	9,757	8,680	18,187
Asia	1,688	1,492	3,298	2,726	5,613
Not allocated	40	-11	78	33	98
Beverages, total	18,740	17,974	31,268	28,947	60,054
Operating profit before depreciation, amortisation and special items (EBITDA - DKK million)					
Northern & Western Europe	2,500	2,390	3,409	3,295	7,143
Eastern Europe	2,022	2,661	2,886	3,329	6,555
Asia	392	365	769	653	1,331
Not allocated	-294	-180	-522	-392	-817
Beverages, total	4,620	5,236	6,542	6,885	14,212
Operating profit before special items (EBIT - DKK million)					
Northern & Western Europe	2,031	1,892	2,464	2,298	5,086
Eastern Europe	1,677	2,276	2,167	2,597	5,048
Asia	314	291	614	514	1,044
Not allocated	-302	-194	-548	-424	-932
Beverages, total	3,720	4,265	4,697	4,985	10,246
Operating profit margin (%)					
Northern & Western Europe	18.8	18.5	13.6	13.1	14.1
Eastern Europe	27.1	36.2	22.2	29.9	27.8
Asia	18.6	19.5	18.6	18.9	18.6
Not allocated	...	...	...	...	...
Beverages, total	19.9	23.7	15.0	17.2	17.1

NOTE 2

Segment reporting by activity

DKK million	Q2 2011			Q2 2010		
	Beverages	Other activities	Total	Beverages	Other activities	Total
Net revenue	18,740	-	18,740	17,974	-	17,974
Operating profit before special items	3,720	-25	3,695	4,265	-26	4,239
Special items, net	-104	-	-104	5	-	5
Financial items, net	-603	-12	-615	-297	-5	-302
Profit before tax	3,013	-37	2,976	3,973	-31	3,942
Corporation tax	-750	10	-740	-1,079	13	-1,066
Consolidated profit	2,263	-27	2,236	2,894	-18	2,876
Attributable to:						
Non-controlling interests	181	-	181	248	-	248
Shareholders in Carlsberg A/S	2,082	-27	2,055	2,646	-18	2,628

DKK million	H1 2011			H1 2010		
	Beverages	Other activities	Total	Beverages	Other activities	Total
Net revenue	31,268	-	31,268	28,947	-	28,947
Operating profit before special items	4,697	1	4,698	4,985	-19	4,966
Special items, net	-185	-	-185	354	-	354
Financial items, net	-1,165	-19	-1,184	-804	-13	-817
Profit before tax	3,347	-18	3,329	4,535	-32	4,503
Corporation tax	-837	5	-832	-1,126	13	-1,113
Consolidated profit	2,510	-13	2,497	3,409	-19	3,390
Attributable to:						
Non-controlling interests	269	-	269	295	-	295
Shareholders in Carlsberg A/S	2,241	-13	2,228	3,114	-19	3,095

NOTE 3

Segment reporting by quarter

DKK million	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Net revenue								
Northern and Western Europe	10,110	8,451	7,309	10,199	10,198	8,450	7,311	10,824
Eastern Europe	5,135	4,103	2,386	6,294	6,016	3,491	3,569	6,188
Asia	1,060	1,041	1,234	1,492	1,464	1,423	1,610	1,688
Not allocated	52	21	44	-11	30	35	38	40
Beverages, total	16,357	13,616	10,973	17,974	17,708	13,399	12,528	18,740
Other activities	-	-	-	-	-	-	-	-
Total	16,357	13,616	10,973	17,974	17,708	13,399	12,528	18,740
Operating profit before special items								
Northern and Western Europe	1,700	657	406	1,892	1,949	839	433	2,031
Eastern Europe	1,550	1,092	321	2,276	1,969	482	490	1,677
Asia	197	147	223	291	309	221	300	314
Not allocated	-108	-271	-230	-194	-35	-473	-246	-302
Beverages, total	3,339	1,625	720	4,265	4,192	1,069	977	3,720
Other activities	-35	18	7	-26	-36	58	26	-25
Total	3,304	1,643	727	4,239	4,156	1,127	1,003	3,695
Special items, net	-180	-324	349	5	-462	-141	-81	-104
Financial items, net	-767	-773	-515	-302	-725	-613	-569	-615
Profit before tax	2,357	546	561	3,942	2,969	373	353	2,976
Corporation tax	-683	-42	-47	-1,066	-802	30	-92	-740
Consolidated profit	1,674	504	514	2,876	2,167	403	261	2,236
Attributable to:								
Non-controlling interests	183	121	47	248	227	87	88	181
Shareholders in Carlsberg A/S	1,491	383	467	2,628	1,940	316	173	2,055

NOTE 4

Special items

DKK million	H1 2011	H1 2010	2010
Special items, income:			
Gain in relation to sale of Dresden Brewery	11	-	-
Adjustment to gain on disposal of entities in prior year	-	74	134
Revaluation on step acquisition of subsidiary	-	390	598
Income total	11	464	732
Special items, cost:			
Impairment of trademarks	-	-	-300
Impairment of Dresden Brewery, Carlsberg Deutschland	-	-	-128
Impairment of properties and breweries, Unicer	-	-	-105
Impairment of non-current assets in connection with production structure, Carlsberg Sweden	-39	-	-
Impairment of non-current assets in connection with production structure, Carlsberg Denmark	-18	-	-
Restructuring and impairment of Arendal Brewery, Ringnes, Norway	-19	-	-
Restructuring of Fribourg Brewery, Feldschlösschen, Switzerland	-	-	-161
Restructuring of Leeds Brewery, Carlsberg UK	-17	-13	-19
Termination benefits, impairments etc. in connection with Operational Excellence Programmes and restructurings	-11	-58	-154
Costs in relation to acquisitions and disposals of entities, mainly Wusu and Chongqing	-2	-	-71
Loss on disposal of Sorex, France	-86	-	-
Other restructuring costs etc., other entities	-4	-39	-43
Cost total	-196	-110	-981
Special items, net	-185	354	-249

NOTE 5 (PAGE 1 OF 2)

Debt and credit facilities

DKK million	30 June 2011
Non-current borrowings:	
Issued bonds	19,056
Bank borrowings	11,191
Mortgages	1,982
Lease liabilities	44
Other non-current borrowings	186
Total	32,459
Current borrowings:	
Current portion of other non-current borrowings	2,325
Bank borrowings	1,451
Lease liabilities	14
Other current borrowings	557
Total	4,347
Total non-current and current borrowings	36,806
Cash and cash equivalents	-2,698
Net financial debt	34,108
Other interest bearing assets	-1,280
Net interest bearing debt	32,828

All borrowings are measured at amortised cost. However, fixed-rate borrowings swapped to floating rates are measured at fair value. The carrying amount of these borrowings is DKK 2,593m

NOTE 5 (PAGE 2 OF 2)

Debt and credit facilities

DKK million Time to maturity for non-current borrowings:						30 June 2011
	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	1,653	7,429	13	-	9,961	19,056
Bank borrowings	9,606	473	1,037	75	-	11,191
Mortgages*	-	-	-	-	1,982	1,982
Other non-current borrowings and le	112	23	15	11	69	230
Total	11,371	7,925	1,065	86	12,012	32,459

DKK million	Net financial	Interest*			
Interest risk at 30 June 2011	debt	Floating	Fixed	Floating %	Fixed %
EUR	31,666	6,041	25,625	19%	81%
DKK	-2,120	-2,872	752	135%	-35%
Other currencies	4,562	2,823	1,739	62%	38%
Total	34,108	5,992	28,116	18%	82%

* After interest rate swaps

Commited credit facilities* DKK million	30 June 2011
Less than 1 year	4,755
1 to 2 years	12,508
2 to 3 years	7,925
3 to 4 years	13,351
4 to 5 years	86
More than 5 years	12,014
Total	50,639
Short term	4,755
Long term	45,884

* Defined as short term borrowings and long term committed credit facilities

NOTE 6

Net interest-bearing debt

DKK million	Q2 2011	Q2 2010	H1 2011	H1 2010	2010
Net interest-bearing debt is calculated as follows:					
Non-current borrowings			32,459	36,979	32,587
Current borrowings			4,347	1,731	3,959
Gross interest-bearing debt			36,806	38,710	36,546
Cash and cash equivalents			-2,698	-2,503	-2,735
Loans to associates			-50	-13	-24
Loans to partners			-225	-	-225
On-trade loans			-2,031	-2,147	-2,065
less non-interest-bearing portion			1,047	1,307	1,286
Other receivables			-1,668	-1,613	-1,487
less non-interest-bearing portion			1,647	1,558	1,447
Net interest-bearing debt			32,828	35,299	32,743
Changes in net interest-bearing debt:					
Net interest-bearing debt at beginning of period	34,621	37,102	32,743	35,679	35,679
Cash flow from operating activities	-3,517	-4,858	-2,944	-4,748	-11,020
Cash flow from investing activities, excl acquisition of entities	1,278	1,582	2,182	1,798	5,364
Cash flow from acquisition of entities,net	-28	284	-113	507	477
Dividend to shareholders and non-controlling interests	107	521	872	1,068	1,243
Acquisition of non-controlling interests	208	56	261	56	169
Acquisition/disposal of treasury shares	14	1	37	19	47
Acquired net interest-bearing debt from acquisition/ disposal of entities	44	-	45	36	97
Change in interest-bearing lending	-68	-121	-203	67	15
Effects of currency translation	43	682	-166	723	808
Other	126	50	114	94	-136
Total change	-1,793	-1,803	85	-380	-2,936
Net interest-bearing end of period	32,828	35,299	32,828	35,299	32,743

NOTE 7

Acquisition of entities

In 2010 Carlsberg gained control with Gorkha Brewery in Nepal which was previously recognised using the equity method.

DKK million Acquired entity	Previous method of consolidation	Previously held ownership interest	Acquired ownership interest	Total Carlsberg interest	Acquisition date	Main activity	2011 Cost
Gorkha Brewery	Equity method	49.97%	40.03%	90.00%	12 Nov. 2010	Brewery	228

The total interest in Gorkha Brewery includes put options recognised at the time of acquisition.

DKK million	Gorkha Brewery
Fair value of consideration transferred for acquired ownership interest	228
Fair value of previously held ownership interest	285
Fair value of non-controlling ownership interest	57
Fair value of entities acquired in step acquisition, total	570
Carrying amount of identified assets and liabilities recognised before step acquisition	76
Revaluation of identified assets and liaiblities recognised before step acquisition	-
Fair value of acquired identified assets, liabilities and contingent liabilities	76
Fair value of identified assets, liabilities and contingent liabilities	152
Total goodwill	**418**
Goodwill recognised before step acquisition	-
Change in total recognised goodwill	**418**
Goodwill is attributable to:	
Shareholders in Carlsberg A/S	376
Non-controlling interest	42
Total goodwill	**418**
Gain on revaluation of previously held ownership interest in entities acquired in step acquisitions:	
Carrying amount of previously held ownership interest	-76
Fair value of previously held ownership interest	285
Recycling of cumulative exchange differences	-1
Total	**208**
Elements of cash consideration paid:	
Cash	-
Cash and cash equivalents, acquired	-30
Total cash consideration paid	**-30**
Contingent consideration	228
Total consideration transferred	**198**

Acquired cash only comprises the additional consolidated share in the step acquisition due to the change from proportional consolidation to full consolidation equal to the difference between the previous ownership interest and 100% for previously proportionally consolidated entities.

DKK million	Acquired share of net assets recognised at fair value	Recognition of previously recognised net assets at fair value	Total change in net assets from acquisition
Property, plant and equipment	62	62	124
Investments, excl. deferred tax	-	-76	-76
Inventories	18	18	36
Loans and receivables, current	44	44	88
Cash and cash equivalents	15	15	30
Deferred tax assets and liabilities, net	-2	-2	-4
Borrowings	-30	-30	-60
Trade payables and other payables	-31	-31	-62
Net assets	**76**	**-**	**76**

In Q4 2010, Carlsberg gained control of Gorkha Brewery through a step acquisition. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities is still ongoing and has not yet been completed. Adjustments may therefore be made to all items in the opening balance sheet. Accounting for the acquisition will be completed within the 12-month period required in IFRS 3.

This step acquisition is a natural step for Carlsberg and in line with the strategy of obtaining full control of key operating activities. The preliminary calculation of goodwill represents staff competences as well as expectations of positive growth. Goodwill related to the non-controlling interest's share of Gorkha Brewery has been recognised as part of goodwill.

The fair value of the non-controlling ownership interest is estimated based on net present value of expected future cash flows from the entity, cost of newly acquired shareholdings in the entity, excluding control premium, and other fair value models as applicable for the transaction. The key assumptions applied for the Gorkha transaction the applied after-tax WACC was 16.8% and a terminal growth rate of 2.5%.

Acquisition of proportionally consolidated entities
In Q4 2010, Carlsberg acquired an additional 22.5% of the shares in the jointly controlled entity South Asian Breweries Pte. Ltd., India, which is recognised by proportionate consolidation. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities in the acquisition has been completed. Fair value of identified assets, liabilities and contingent liabilities less the cost of the acquisition, DKK 119m, is recognised as goodwill.

In Q2 2011, Carlsberg acquired another 22.5% of the shares in the jointly controlled entity South Asian Breweries Pte. Ltd., India, which is recognised by proportionate consolidation. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities in the acquisition has not been completed. Fair value of identified assets, liabilities and contingent liabilities less the cost of the acquisition, DKK 38m, is recognised as goodwill. Accounting for the acquisition will be completed within the 12 month period required in IFRS 3.

Disposal of subsidiaries

In Q2 2011, Carlsberg sold the subsidiary Sorex Holding SAS, a logistical company in France, for a sales price of DKK 134m. The entity had a net book value of DKK 220m, including goodwill of DKK 6m, resulting in a loss of DKK 86m which is recognised in special items.