Carlsberg Group

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Company announcement 14/2012
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Financial statement as at 30 June 2012

Positive market share achievements in all regions and strong cash flow

Financial highlights

- Organic net revenue up by 1% to DKK 32,459m (Q2: +2%). Price/mix of 3% (total beverages).
- As expected, higher input costs and phasing of sales and marketing investments more skewed towards the first six months across all regions.
- Operating profit at DKK 4,045m (DKK 4,698m in 2011) due to decline in Northern & Western Europe and Eastern Europe offset by growth in Asia.
- Net profit up by 47% to DKK 3,279m.
- Free cash flow of DKK 2,617m (DKK 875m in 2011) primarily due to sale of brewery site and strong working capital management.
- 2012 full year outlook of operating profit before special items at the level of 2011 and slightly growing adjusted net profit.

Operational highlights

- For the first half year, the Northern & Western Europe beer market, excluding Poland, declined by an estimated 3-4% while the Russian beer market was up by an estimated 2%.
- Organic beer volume decline of 1% (Q2: +1%). Adjusted for Russian destocking in Q1, beer volume grew organically by 1% in the first six months.
- Volumes in Northern & Western Europe impacted by very bad weather, In Q2 the market declined by around 5%.
- 1% Russian beer volume growth in Q2 (2% decline for six months adjusted for Q1 destocking).
- Strong organic volume growth of 12% in Asia.
- Solid market share improvements in Northern & Western Europe and Asia.
- Russian market share increased to 37.3% in Q2 compared to 37.0% in Q1 with value share increasing twice as much (60bp).
- Successful activation of the EURO 2012 in more than 70 markets supported a 13% growth of the Carlsberg brand across premium markets.
- Positive signs from the roll-out of the rejuvenated Tuborg brand in China, Russia and India.
- Voluntary offer and delisting of Baltika Breweries announced during Q2.
- Consortium established to develop the Valby site resulting in a DKK 1,700m pre-tax gain.

Commenting on the results, CEO Jørgen Buhl Rasmussen says: "Carlsberg achieved positive market share growth in all three regions which shows that the recent years' significant efforts behind our international premium brands, local power brands, and within sales execution are paying off. It is particularly satisfactory to see a further improvement in our Russian market share which is a clear sign that our efforts initiated during last year are beginning to bear fruit. Excellent execution of EURO 2012 delivered very strong visibility of the Carlsberg brand. Sales and marketing investments were more skewed towards the first half of this year which, combined with the very bad weather in Northern & Western Europe, impacted profits for the first six months."

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KEY FIGURES AND FINANCIAL RATIOS

DKK million		Q2 2012	Q2 2011	H1 2012	H1 2011	2011
Total sales volumes (million hl)						
Beer		43.3	41.1	70.0	68.5	139.8
Other beverages		6.3	6.7	10.8	11.2	22.2
Pro rata volumes (million hl)						
Beer		36.3	35.0	59.2	58.3	118.7
Other beverages		5.6	5.8	9.4	9.6	19.2
Income statement						
Net revenue		19,585	18,740	32,459	31,268	63,561
Operating profit before special items		3,471	3,695	4,045	4,698	9,816
Special items, net		1,445	-104	1,397	-185	-268
Financial items, net		-411	-615	-878	-1,184	-2,018
Profit before tax		4,505	2,976	4,564	3,329	7,530
Corporation tax		-974	-740	-989	-832	-1,838
Consolidated profit		3,531	2,236	3,575	2,497	5,692
Attributable to:						
Non-controlling interests		176	181	296	269	543
Shareholders in Carlsberg A/S		3,355	2,055	3,279	2,228	5,149
Statement of financial position						
Total assets		-	-	154,374	147,651	147,714
Invested capital		-	-	120,390	116,594	118,196
Interest-bearing debt, net		-	-	31,154	32,828	32,460
Equity, shareholders in Carlsberg A/S		-	-	68,825	64,721	65,866
Statement of cash flows						
Cash flow from operating activities		4,405	3,517	3,283	2,944	8,813
Cash flow from investing activities		607	-1,250	-666	-2,069	-4,883
Free cash flow		5,012	2,267	2,617	875	3,930
Financial ratios						
Operating margin	%	17.7	19.7	12.5	15.0	15.4
Return on average invested capital (ROIC)	%	-	-	7.6	8.5	8.4
Equity ratio	%	-	-	44.6	43.8	44.6
Debt/equity ratio (financial gearing)	x	-	-	0.42	0.50	0.45
Interest cover	x	-	-	4.61	4.00	4.86
Stock market ratios						
Earnings per share (EPS)	DKK	22.0	13.6	21.5	14.6	33.8
Cash flow from operating activities per share (CFPS)	DKK	28.9	23.1	21.5	19.3	57.7
Free cash flow per share (FCFPS)	DKK	32.9	14.9	17.2	5.7	25.7
Share price (B-shares)	DKK	-	-	485	557	405
Number of shares (period-end)	1,000	-	-	152,554	152,551	152,523
Number of shares (average, excl. Treasury shares)	1,000	152,544	152,544	152,541	152,544	152,538

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

BUSINESS DEVELOPMENT

		Change				Change
DKK million	2011	Organic	Acq., net	FX	2012	Reported
Q2						
Beer (m. hl)	35.0	1%	3%		36.3	4%
Other beverages (m. hl)	5.8	-7%	2%		5.6	-5%
Net revenue	18,740	2%	2%	1%	19,585	5%
Operating profit	3,695	-9%	2%	1%	3,471	-6%
Operating margin (%)	19.7				17.7	-200bp
H1						
Beer (m. hl)	58.3	-1%	2%		59.2	1%
Other beverages (m. hl)	9.6	-5%	2%		9.4	-3%
Net revenue	31,268	1%	2%	1%	32,459	4%
Operating profit	4,698	-19%	3%	2%	4,045	-14%
Operating margin (%)	15.0				12.5	-250bp

Group financial highlights

Market development was mixed across regions. In Northern & Western Europe, total market excluding Poland declined by an estimated 3-4%. This was a little more than expected with the EURO 2012 taking place in Q2 and was driven by very bad weather in Q2. In Russia, the beer market was up by 2% in the first six months. All markets in the Asia region grew with total regional market demonstrating low double-digit growth.

Group beer volumes declined organically by 1% for the six months with a 1% organic growth in Q2. On a comparable basis, i.e. adjusting for the destocking in Russia in Q1, beer volumes grew organically by 1% for the six months. Reported beer volumes grew 1%. Volumes grew in Northern & Western Europe and Asia. Eastern European volumes declined, impacted by the Q1 destocking in Russia, but volume performance improved significantly in Q2. Pro-rata Group volumes of other beverages declined impacted by a negative development of the soft drinks market in Denmark.

Net revenue grew by 4% to DKK 32,459m with 1% organic growth (total beverage volume of -2% and positive price/mix of 3%), +1% from currencies and net acquisition impact of +2%. Organic net revenue growth improved in Q2 to 2% (total volume of 0% and positive price/mix of 2%).

Cost of sales per hl grew in line with expectations. Organic gross profit per hl was flat. Due to the destocking in Russia in Q1, organic gross profit declined by 1%.

Operating expenses were up 6% organically for the six months as well as Q2 due to slightly higher logistic costs and planned higher sales and marketing investments across the Group as phasing of sales and marketing activities are more skewed towards the first six months this year with an important driver being EURO 2012 activation.

Group operating profit was DKK 4,045m (DKK 4,698m in 2011). Operating margin contracted to 12.5% mainly due to the expected higher input costs, planned different phasing of sales and marketing investments and the negative leverage in Q1 due to the Russian destocking.

Net profit was DKK 3,279m (DKK 2,228m in 2011). Adjusted net profit (adjusted for post-tax impact of special items) was DKK 2,142m compared with DKK 2,396m in 2011.

Q2 net profit grew to DKK 3,355m (DKK 2,055m in 2011) with an adjusted net profit of DKK 2,174m (DKK 2,157m in 2011).

Free cash flow improved strongly to DKK 2,617m (DKK 875m in 2011) despite lower EBITDA and a higher level of financial investments than last year. The improvement was driven by a working capital improvement vs last year and the proceeds from the sale of the Copenhagen brewery site. Average trade working capital to net revenue improved to 1.6% (MAT) end of Q2 2012 vs 1.9% at the end of 2011.

In July, the Group successfully placed a EUR 500m bond with a coupon of 2.625% under its EMTN programme.

Group operational highlights – market share improvements across regions

The Carlsberg Group delivered solid market share improvements in Northern & Western Europe and Asia during the first six months. In Eastern Europe, we once again improved our market share in Ukraine. In Russia, market share continued to improve sequentially compared with Q1 2012 and Q4 2011.

The Carlsberg brand grew by 13% in premium markets for the six months. The brand grew across all three regions with particularly strong performance in markets such as France, Poland, Russia, Ukraine, China, and India. The successful EURO 2012 sponsorship was an important driver with more than 70 Carlsberg markets activating the sponsorship, supporting the strong performance of the brand. Digital activation was a key lever and the Carlsberg EURO 2012 football app achieved more than 2.5m downloads worldwide.

As part of the Group's efforts to drive growth of our international premium portfolio, we initiated a rejuvenation of the Tuborg brand at the beginning of 2012 with a new campaign which included a new tag line, new visual identity and new communication. Important steps were the introduction of Tuborg in China in April, the launch of the new 3G Tuborg bottle in Russia and India in Q1 and in Belarus in Q2. The first signs are very encouraging across markets.

The Group continued to roll out our cider brand, Somersby, in new markets. After the introduction of Somersby in Poland and the UK, the brand is now available in 22 markets world-wide.

A number of CSR activities took place throughout the Group in the first half year. In the two EURO 2012 host countries, Carlsberg actively promoted responsible drinking and recycling with a campaign estimated at reaching approximately 1 million people.

Structural changes – buy-out of non-controlling interests

On May 31, the Group submitted its voluntary offer of the remaining outstanding shares in Baltika Breweries. The acquisition price set in the voluntary offer was RUB 1,550 per share and the offer was open for acceptance until 9 August 2012. As soon as the administrative process of collecting the tendered shares have been finalised by the registrar, the result of the voluntary offer will be announced. On 17 July, Baltika Breweries announced that the Russian stock exchange had approved the delisting of the company from the stock exchange. Last day of trading will be 4 October 2012.

At the beginning of the year, the Group increased its ownership in several businesses in the Balkan area and now holds 100% ownership of the subsidiaries in Serbia, Croatia and Bulgaria.

On April 12, the Group announced the establishment of a consortium, consisting of a group of Danish investors and the Carlsberg Group, which will develop the Copenhagen brewery site in Valby. The Group maintains a minority 25% shareholding in the new consortium. The total value of the transaction was approximately DKK 2.5bn. As a result, the Group booked a capital gain of DKK 1,700m in special items and cash proceeds of DKK 1.9bn in Q2.

2012 earnings expectations

In light of the bad weather in Northern & Western Europe in Q2 and July and a better than previously assumed EUR/RUB exchange rate for the year of 40.5, Group operating profit outlook for the full year remains unchanged:

- Operating profit before special items at the level of 2011
- Slightly growing adjusted net profit[1]

The 2012 outlook does not include any impact from the voluntary offer for the remaining Baltika shares, which in any event is expected to be minor in the 2012 Income Statement.

[1] Adjusted net profit 2011 of DKK 5,.203m equals 2011 reported net profit excluding special items after tax

NORTHERN & WESTERN EUROPE

DKK million	2011	Change Organic	Change Acq., net	FX	2012	Change Reported
Q2						
Beer (m. hl)	14.9	0%	0%		14.8	0%
Other beverages (m. hl)	4.3	-8%	0%		3.9	-8%
Net revenue	10,824	-2%	0%	1%	10,667	-1%
Operating profit	2,031	-12%	0%	1%	1,799	-11%
Operating margin (%)	18.8				16.9	-190bp
H1						
Beer (m. hl)	24.3	2%	0%		24.7	2%
Other beverages (m. hl)	7.4	-7%	0%		6.9	-7%
Net revenue	18,135	0%	0%	0%	18,191	0%
Operating profit	2,464	-8%	0%	0%	2,276	-8%
Operating margin (%)	13.6				12.5	-110bp

Excluding Poland, beer markets in Northern & Western Europe declined by an estimated 3-4% for the first six months (approximately -5% in Q2) which was a little worse than expected at the beginning of the year. The Polish market grew 6%, positively impacted by EURO 2012. Development was mixed between markets with some markets in the region holding up well while others were impacted by poor weather, in particular UK, France and the Nordics, and challenging consumer dynamics, especially in the southern part of the region.

Market share performance was very satisfactory as the Group gained approximately 40bp market share for the region with particularly good performance in markets such as Finland, Sweden, the Baltics, Poland, UK and Serbia.

Several significant commercial initiatives took place throughout the region targeted at driving volume and value share. The most important activity for the region was the EURO 2012 sponsorship where significant resources were put behind the Carlsberg brand, including a high level of consumer and customer activities, in-store activation and the roll-out of a limited edition Carlsberg EURO 2012 primary and secondary packaging. The Carlsberg brand grew approximately 5% in the region.

New products were launched, such as Garage Hard Lemonade in Finland and Denmark and Radler products as line extensions of local power brands in the Baltics. In addition, roll-out of our international premium products continued, such as the launch of Somersby in Poland and UK as an example.

Beer volumes grew organically by 2% (flat in Q2, -3.5% excluding Poland), primarily driven by markets such as Poland, Finland, Italy and Export & License. Other beverages declined organically by 7%, mainly due to lower soft drink volumes in Denmark. Total volumes, including non-beer beverages, were flat.

Organic net revenue was flat (-2% for Q2). Reported net revenue was DKK 18,191m (DKK 18,135m). Net revenue for beer grew by 1% (2% volumes, -1% price/mix and 0% currency impact).

The Group achieved low single-digit price increases across markets in the region. The -1% price/mix was mainly driven by negative country mix as Poland, with lower-than-average prices, continued to perform very well whereas markets with high prices, such as Denmark and France, declined. In addition, mix was impacted by the on-going negative channel mix as off-trade continues to gain from on-trade.

The Polish business continued its very strong performance. Supported by strong investment in and excellent execution of the EURO 2012 sponsorship, volumes grew approximately 20% for the six months, ahead of the market. Our market share strengthened to 17.5%. The Group achieved positive pricing in line with the market while mix was negative due to channel shift.

Our UK volumes were flat whereas the market declined by 3% despite the Diamond Jubilee and EURO 2012. Driven by particularly strong performance in the on-trade throughout the half-year, we grew markets share in the UK by another 70bp to 16.0%. We continuously seek to strengthen our portfolio and the launch of San Miguel Fresca and our entrance into the cider category with the introduction of Somersby were important initiatives.

The French market declined by approximately 3% for the first six months. Our premium brands 1664, Carlsberg and Grimbergen continued to gain share supported by up-trading in the market, while volumes of our mainstream brand, Kronenbourg, suffered as the mainstream category continues to shrink.

Driven by very strong performance in Finland and very positive performance also in Sweden and Norway, the Group gained market share in the total Nordic markets. Our Danish market share declined, driven by our price leadership.

Operating profit declined organically by 8% (Q2: -12%). Reported operating profit was DKK 2,276m (DKK 2,464m in 2011). Operating margin declined by 110bp to 12.5%. The decline in operating profit was driven by higher input costs and planned higher sales and marketing investments due to different phasing than last year, mainly driven by activations related to EURO 2012.

EASTERN EUROPE

DKK million	2011	Change Organic	Acq., net	FX	2012	Change Reported
Q2						
Beer (m. hl)	14.3	-1%	0%		14.1	-1%
Other beverages (m. hl)	1.0	-15%	0%		0.9	-15%
Net revenue	6,188	4%	0%	1%	6,515	5%
Operating profit	1,677	-11%	0%	1%	1,509	-10%
Operating margin (%)	27.1				23.2	-390bp
H1						
Beer (m. hl)	23.6	-10%	0%		21.3	-10%
Other beverages (m. hl)	1.2	-14%	0%		1.1	-14%
Net revenue	9,757	-2%	0%	0%	9,565	-2%
Operating profit	2,167	-31%	0%	2%	1,528	-29%
Operating margin (%)	22.2				16.0	-620bp

The overall Eastern European beer markets improved during the first six months. The Russian market grew by 2% for the first six months (Q2: 3%) supported by improving consumer dynamics, including pre-election salary increases, and slightly better weather in Q2 compared with last year. Following a weak beginning of the year, the Ukrainian market improved in Q2 and grew by approximately 3% for the first six months, supported by EURO 2012.

Our Russian volume market share improved to 37.3% in Q2 compared with 37.0% in Q1 and 36.8% in Q4 (source: Nielsen Retail Audit, Urban & Rural Russia). With our continued focus on balancing volume and value, our value share grew by 60bp – twice the rate of the volume share. The many initiatives implemented within the commercial organisation during 2011 and in the beginning of 2012 were key drivers behind the sequential improvement in market share. We did particularly well in the super premium and mainstream categories with promotional activities being at the same level as at the end of 2011. Our many initiatives in the commercial organisation also supported our improved position in both the traditional and modern trade.

Following the rejuvenation of the Tuborg brand in Q1 with the introduction of the 3G bottle, the brand delivered a very good performance. The Tuborg brand is by far the largest international premium brand in Russia. The introduction of Holsten in the latter part of Q2 strengthened our Russian portfolio, especially in Moscow and within the modern trade channel.

The positive market share trend continued in Ukraine with a 40bp improvement to 29.3% driven by strong performance of Lvivske and our Baltika brands. The successful activation of the EURO 2012 sponsorship in Ukraine was a driver of local brand growth as well as very positive performance of the Carlsberg brand.

Sales and marketing investments as a percentage of revenue for the region in 2012 are expected to be approximately at last year's level. The investments were skewed more towards the first half of the year due to the activation of EURO 2012 and the Carlsberg brand across the region;

the rejuvenation of Tuborg; and a high level of activations in Russia ahead of marketing restrictions coming into effect as of 23 July.

The Group's beer volumes declined organically by 10% to 21.3m hl (23.6m in 2011). Numbers are distorted by the destocking impact as Russian distributors in Q1 reduced their inventories by approximately 1.3m hl beer, the amount which they stocked in Q4 2011. Adjusted for this, the decline would have been an estimated 4%. In Uzbekistan, the Group decided to suspend production due to a lack of raw materials following increasing currency conversion difficulties. 2 percentagepoints of the 10% organic volume decline for the region is related to Uzbekistan.

Our Russian shipments declined by 10% while in-market-sales ("off-take") grew by 1% versus the 2% market growth. Our Russian Q2 shipments grew by 1% and our in-market-sales (“off-take”) grew by 2%.

Net revenue declined 2% to DKK 9,565m (DKK 9,757m in 2011) with a 2% organic decline. In Q2, organic revenue growth accelerated to 4%.

Price/mix continued to develop favourably and the Group achieved a +8% price/mix for beer driven by both price increases and mix improvements (Q2: 6%).

In Russia, the Group achieved price/mix of 6% driven by price increases during 2011 and this year’s price increases in March and May. The March 2012 and November 2011 price increases were implemented to offset the tax increase in January. Another price increase was announced in early August. In addition, we saw a positive mix in Russia as consumers traded up between categories and shifted to more expensive packaging types.

Reported operating profit declined to DKK 1,528m (DKK 2,167 in 2011) with a 31% organic decline. The profit decline is in line with the Group’s expectations and primarily due to the effect of destocking including negative operational leverage and different phasing of sales and marketing investments versus last year.

Q2 operating profit declined organically by 11%. Despite higher input costs, gross profit and gross profit per hl grew for the quarter. However, as operating expenses grew due to the higher planned sales and marketing investments and logistic costs, mainly in Russia, operating profit declined.

ASIA

DKK million	2011	Change Organic	Change Acq., net	Change FX	2012	Change Reported
Q2						
Beer (m. hl)	5.8	11%	15%		7.4	26%
Other beverages (m. hl)	0.5	18%	22%		0.7	40%
Net revenue	1,688	19%	14%	8%	2,379	41%
Operating profit	314	7%	22%	8%	431	37%
Operating margin (%)	18.6				18.1	-50bp
H1						
Beer (m. hl)	10.4	12%	14%		13.2	26%
Other beverages (m. hl)	1.0	18%	23%		1.4	41%
Net revenue	3,298	19%	16%	6%	4,640	41%
Operating profit	614	10%	25%	6%	864	41%
Operating margin (%)	18.6				18.6	0bp

The growth momentum of the Asian beer markets continued from Q1 to Q2 and all our Asian markets grew positively for the first six months.

Beer volumes grew organically by 12% (Q2: 11%). Including acquisitions, beer volumes grew by 26% to 13.2m hl (Q2: 26%). Other beverages increased substantially by 40%, mainly due to strong performances in Laos and Cambodia. Markets performing particularly strongly included India, Cambodia, Vietnam, and Laos. The acquisition impact derived from increased ownership in 2011 in Hue Brewery (Vietnam) and Lao Brewery (Laos) and in South Asian Breweries (India) in both 2011 and 2012.

EURO 2012 was well leveraged and provided important promotional opportunities for the Carlsberg brand across the region. The Carlsberg brand was up by more than 11% in H1 underpinned by commendable performances in China, India and Malaysia.

The launch of Tuborg in China and the introduction of the new 3G bottle in India are producing very satisfying results. Across the Asia region, which now accounts for more than 14% of the Group's Tuborg volumes, the brand grew by 50%. Share growth in China continued in Q2 and notwithstanding intensified competition and the negative impacts of domestic turbulence in Xinjiang province, our business reported volume growth of 10%. The positive share development was also supported by strong growth of more than 20% of our international premium brand portfolio. As the Group continues to see appealing long-term growth opportunities in the Chinese beer market, in Q2 we announced the construction of a greenfield brewery in Yunnan province.

Organic beer volume growth in Indochina was approximately 25% with all countries, Vietnam, Laos and Cambodia, delivering strong growth mainly as a result of strong performances of the local power brands, Beer Lao and Angkor. The year-on-year performance was helped by easy comparisons due to a weak start to 2011 in Vietnam.

In India, our volumes grew organically by approximately 40%. The growth was driven by Tuborg and Carlsberg.

Organic net revenue grew by 19% (Q2: 19%) and by 41% (Q2: 41%) including acquisitions. Reported operating profit grew by 41% (Q2:37%) to DKK 864m. Organic growth in operating profit rose by 10% (Q2: 7%). The operating profit margin was flat at 18.6%.

CENTRAL COSTS (NOT ALLOCATED)

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).

Central costs were DKK 570m (DKK 548m in 2011). The modest increase was in Q1 and primarily due to phasing of costs in relation to the redesign of the Business Standardisation Programme in connection with the proposal announced in 2011 to fully integrate the supply chain across Northern and Western Europe.

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 an operating loss of DKK 53m (profit of DKK 1m in 2011).

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 2011. The consolidated financial statements for 2011, 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 (pre-tax) amounted to DKK 1,397m against DKK -185m in 2011. Special items were positively impacted by DKK 1.7bn related to the sale of the Copenhagen brewery site in Q2 and negatively by DKK 200m from dismantling of the Vena brewery in Russia as the site is no longer used for non-beer production. Additionally, special items include costs in connection with the restructuring measures implemented across the Group.

Net financial items amounted to DKK -878m against DKK -1,184m in 2011. Net interest costs were DKK -795m, compared with DKK -849m in 2011, reflecting lower average funding costs. Other net financial items decreased to DKK -83m from DKK -338m last year impacted by currency movements.

Tax totalled DKK -989m against DKK -832m in 2011.

Carlsberg's share of net profit was DKK 3,279m. Adjusted net profit (adjusted for post-tax impact of special items) was DKK 2,142m compared with DKK 2,396m in 2011.

STATEMENT OF FINANCIAL POSITION

At 30 June 2012, Carlsberg had total assets of DKK 154.4bn (DKK 147.7bn at 31 December 2011).

Assets

Intangible assets totalled DKK 89.7bn against DKK 89.0bn at 31 December 2011. Property, plant and equipment were DKK 32.1bn (DKK 31.8bn at 31 December 2011). Financial assets amounted to DKK 8.6bn (DKK 8.0bn at 31 December 2011), impacted by Carlsberg Properties and an addition to investments in associates of DKK 183m following the establishment of the Chongqing Xinghui Investment Co. Ltd joint venture.

Current assets totalled DKK 23.8bn against DKK 18.2bn at 31 December 2011 due to the increase of inventories and trade receivables following the normal seasonality.

Liabilities

Total equity was DKK 74.6bn, of which DKK 68.8bn can be attributed to shareholders in Carlsberg A/S and DKK 5.8bn to non-controlling interests.

The increase in equity compared with 31 December 2011 was DKK 3.0bn, and was mainly due to profit for the period of DKK 3.6bn, currency adjustments of DKK 0.7bn, payment of dividends to shareholders of DKK -1.1bn and retirement benefit obligations of DKK -0.1bn.

Total liabilities were DKK 79.7bn (DKK 76.1bn at 31 December 2011). Non-current liabilities were DKK 48.3bn (DKK 49.5 at 31 December 2011), while current liabilities excluding the current portion of borrowings were DKK 26.9bn (DKK 23.8bn at 31 December 2011) following the normal pattern of seasonality.

CASH FLOW

Operating profit before depreciation and amortisation was DKK 6,000m (DKK 6,553m in 2011).

The change in trading working capital was DKK -205m (DKK -1,603m in 2011) following normal seasonality and positively impacted by the high level of receivables in Russia at year-end 2011 prior to the duty increase. Trading working capital to net revenue was 1.6% at the end of Q2 2012 (MAT) vs 1.9% end of 2011. Other working capital was DKK 180m (DKK 323m in 2011), impacted by other payables, mainly related to reduction of payable duties and VAT, being high at the end of 2011 due to the stocking in Russia, and increased pension provisions in UK and Switzerland.

Paid net interest etc. amounted to DKK -1,560m against DKK -1,549m for the same period of 2011.

Cash flow from operating activities was DKK 3,283m against DKK 2,944m in 2011.

Cash flow from investing activities was DKK -666m against DKK -2,069m in 2011. Cash flow from investing activities was positively impacted by DKK 1.9bn related to the proceeds from the sale of the Copenhagen brewery site. Total operational investments of DKK -2.2bn were on par with last year and included sales investments and capacity expansions in Asia. Total financial investments of DKK -392m (DKK 133m in 2011) were mainly related to acquisition of associates, including the establishment of the Chongqing Xinghui Investment Co. Ltd joint venture, and change in financial receivables.

Free cash flow was DKK 2,617m against DKK 875m for 2011.

FINANCING

At 30 June 2012, the gross interest-bearing debt amounted to DKK 37.6bn and net interest-bearing debt amounted to DKK 31.2bn. The difference of DKK 6.4bn was other interest-bearing assets, including DKK 4.5bn in cash and cash equivalents.

Of the gross interest-bearing debt, 88% (DKK 33.2bn) was long term, i.e. with maturity more than one year from 30 June 2012. The net interest-bearing debt consisted primarily of facilities in EUR and approximately 55% was fixed interest (fixed-interest period exceeding one year).

FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2012

The financial year follows the calendar year, and the following schedule has been set for 2012:

7 November 2012 Interim results for Q3 2012

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 2012.

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 2012, and of the results of the Carlsberg Group's operations and cash flow for the period 1 January – 30 June 2012. Further, in our opinion the management's review (p. 1-15) 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, 15 August 2012

Executive Board of Carlsberg A/S

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

Supervisory Board of Carlsberg A/S

Flemming Besenbacher Chairman	Jess Søderberg Deputy Chairman	Hans Andersen
Richard Burrows	Donna Cordner	Elisabeth Fleuriot
Kees van der Graaf	Thomas Knudsen	Niels Kærgård
Søren-Peter Fuchs Olesen	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.

INCOME STATEMENT

DKK million	Q2 2012	Q2 2011	H1 2012	H1 2011	2011
Net revenue	19,585	18,740	32,459	31,268	63,561
Cost of sales	-9,664	-9,023	-16,525	-15,555	-31,788
Gross profit	9,921	9,717	15,934	15,713	31,773
Sales and distribution expenses	-5,600	-5,083	-9,984	-9,120	-18,483
Administrative expenses	-1,012	-1,057	-2,074	-2,067	-3,903
Other operating income, net	124	85	114	139	249
Share of profit after tax, associates	38	33	55	33	180
Operating profit before special items	3,471	3,695	4,045	4,698	9,816
Special items, net	1,445	-104	1,397	-185	-268
Financial income	114	89	391	314	630
Financial expenses	-525	-704	-1,269	-1,498	-2,648
Profit before tax	4,505	2,976	4,564	3,329	7,530
Corporation tax	-974	-740	-989	-832	-1,838
Consolidated profit	3,531	2,236	3,575	2,497	5,692
Profit attributable to:					
Non-controlling interests	176	181	296	269	543
Shareholders in Carlsberg A/S	3,355	2,055	3,279	2,228	5,149
Earnings per share	22.0	13.6	21.5	14.6	33.8
Earnings per share, diluted	22.0	13.4	21.5	14.6	33.7

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q2 2012	Q2 2011	H1 2012	H1 2011	2011
Profit for the period	3,531	2,236	3,575	2,497	5,692
Other comprehensive income:					
Foreign exchange adjustments of foreign entities	-2,700	-600	692	-943	-1,839
Value adjustments of hedging instruments	109	-198	-24	112	-12
Retirement benefit obligations	-91	-162	-137	-182	-1,093
Share of other comprehensive income in associates	-	-	-	-	3
Effect of hyperinflation	30	-	30	-	175
Other	1	-5	-	-44	-26
Corporation tax	25	85	33	3	314
Other comprehensive income	-2,626	-880	594	-1,054	-2,478
Total comprehensive income	905	1,356	4,169	1,443	3,214
Total comprehensive income attributable to:					
Non-controlling interests	126	161	324	188	639
Shareholders in Carlsberg A/S	779	1,195	3,845	1,255	2,575

STATEMENT OF FINANCIAL POSITION

DKK million	30 June 2012	30 June 2011	31 Dec 2011
Assets			
Intangible assets	89,726	87,689	89,041
Property, plant and equipment	32,117	31,918	31,848
Financial assets	8,628	7,858	8,039
Total non-current assets	130,471	127,465	128,928
Inventories and trade receivables	14,793	14,143	12,205
Other receivables etc.	4,529	3,235	2,866
Cash and cash equivalents	4,514	2,698	3,145
Total current assets	23,836	20,076	18,216
Assets held for sale	67	110	570
Total assets	154,374	147,651	147,714
Equity and liabilities			
Equity, shareholders in Carlsberg A/S	68,825	64,721	65,866
Non-controlling interests	5,834	4,800	5,763
Total equity	74,659	69,521	71,629
Borrowings	33,184	32,459	34,364
Deferred tax, retirement benefit obligations etc.	15,137	14,281	15,178
Total non-current liabilities	48,321	46,740	49,542
Borrowings	4,425	4,347	1,875
Trade payables	13,188	11,942	11,021
Deposits on returnable bottles and crates	1,476	1,434	1,291
Other current liabilities	12,252	13,633	11,528
Total current liabilities	31,341	31,356	25,715
Liabilities associated with assets held for sale	53	34	828
Total equity and liabilities	154,374	147,651	147,714

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

DKK million	Shareholders in Carlsberg A/S								30 June 2012
	Share capital	Currency translation	Hedging reserves	A-f-S invest-ments	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	Non-controlling interests	Total equity
Equity at 1 January 2012	3,051	-7,728	-1,159	147	-8,740	71,555	65,866	5,763	71,629
Profit for the period	-	-	-	-	-	3,279	3,279	296	3,575
Other comprehensive income:									
Foreign exchange adjustments of foreign entities	-	666	-	-	666	-	666	26	692
Value adjustments of hedging instruments	-	-42	18	-	-24	-	-24	-	-24
Retirement benefit obligations	-	-	-	-	-	-137	-137	-	-137
Effect of hyperinflation	-	-	-	-	-	28	28	2	30
Corporation tax	-	16	-14	-	2	31	33	-	33
Other comprehensive income	-	640	4	-	644	-78	566	28	594
Total comprehensive income for the period	-	640	4	-	644	3,201	3,845	324	4,169
Share-based payment	-	-	-	-	-	19	19	-	19
Dividends paid to shareholders	-	-	-	-	-	-839	-839	-261	-1,100
Acquisition of non-controlling interests	-	-	-	-	-	-66	-66	8	-58
Total changes in equity	-	640	4	-	644	2,315	2,959	71	3,030
Equity at 30 June 2012	3,051	-7,088	-1,155	147	-8,096	73,870	68,825	5,834	74,659

STATEMENT OF CHANGES IN EQUITY (PAGE 2 OF 2)

DKK million	Share capital	Currency translation	Hedging reserves	A-f-S invest-ments	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	Non-controlling interests	Total equity
	Shareholders in Carlsberg A/S								30 June 2011
Equity at 1 January 2011	3,051	-6,049	-1,154	147	-7,056	68,253	64,248	5,381	69,629
Profit for the period	-	-	-	-	-	2,228	2,228	269	2,497
Other comprehensive income:									
Foreign exchange adjustments of foreign entities	-	-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 CASH FLOWS

DKK million	Q2 2012	Q2 2011	H1 2012	H1 2011	2011
Operating profit before special items	3,471	3,695	4,045	4,698	9,816
Adjustment for depreciation, amortisation and impairment losses	979	905	1,955	1,855	3,784
Operating profit before depreciation, amortisation and impairment losses[1]	4,450	4,600	6,000	6,553	13,600
Adjustment for other non-cash items	14	94	102	209	315
Change in trading w orking capital	856	69	-205	-1,603	-571
Change in other w orking capital	840	429	180	323	-421
Restructuring costs paid	-55	-51	-105	-145	-448
Interest etc. received	-15	-29	28	13	218
Interest etc. paid	-1,321	-1,021	-1,588	-1,562	-2,288
Corporation tax paid	-364	-574	-1,129	-844	-1,592
Cash flow from operating activities	4,405	3,517	3,283	2,944	8,813
Acquisition of property, plant and equipment and intangible assets	-1,236	-1,172	-2,279	-1,989	-4,329
Disposal of property, plant and equipment and intangible assets	225	25	326	71	276
Change in trade loans	-134	-168	-216	-291	-518
Total operational investments	-1,145	-1,315	-2,169	-2,209	-4,571
Free operating cash flow	3,260	2,202	1,114	735	4,242
Aquisition and disposal of entities, net	-	28	-	113	-260
Acquisition of associated companies	-75	-17	-258	-17	-75
Disposal of associated companies	-	-	-	-	15
Acquisition of financial assets	-	6	-	-15	-9
Disposal of financial assets	1	2	1	2	7
Change in financial receivables	-147	24	-197	24	-47
Dividends received	57	19	62	26	58
Total financial investments	-164	62	-392	133	-311
Other investments in property, plant and equipment	-11	-4	-32	-9	-36
Disposal of other property, plant and equipment	1,927	7	1,927	16	35
Total other activities[2]	1,916	3	1,895	7	-1
Cash flow from investing activities	607	-1,250	-666	-2,069	-4,883
Free cash flow	**5,012**	**2,267**	**2,617**	**875**	**3,930**
Shareholders in Carlsberg A/S	4	-14	-839	-800	-812
Non-controlling interests	-246	-802	-732	-857	-1,876
External financing	-3,895	-2,854	-274	-422	-1,003
Cash flow from financing activities	-4,137	-3,670	-1,845	-2,079	-3,691
Net cash flow	875	-1,403	772	-1,204	239
Cash and cash equivalents at beginning of period	2,743	2,728	2,835	2,601	2,601
Currency translation adjustments	-136	-44	-125	-116	-5
Cash and cash equivalents at period-end[3]	3,482	1,281	3,482	1,281	2,835

[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 2012	Q2 2011	H1 2012	H1 2011	2011
Beer sales (pro rata, million hl)					
Northern & Western Europe	14.8	14.9	24.7	24.3	49.7
Eastern Europe	14.1	14.3	21.3	23.6	47.7
Asia	7.4	5.8	13.2	10.4	21.3
Total	36.3	35.0	59.2	58.3	118.7
Net revenue (DKK million)					
Northern & Western Europe	10,667	10,824	18,191	18,135	36,879
Eastern Europe	6,515	6,188	9,565	9,757	19,719
Asia	2,379	1,688	4,640	3,298	6,838
Not allocated	24	40	63	78	125
Beverages, total	19,585	18,740	32,459	31,268	63,561
Operating profit before depreciation, amortisation and special items (EBITDA - DKK million)					
Northern & Western Europe	2,243	2,500	3,173	3,409	7,307
Eastern Europe	1,913	2,022	2,322	2,886	5,753
Asia	553	392	1,102	769	1,643
Not allocated	-232	-294	-549	-522	-1,060
Beverages, total	4,477	4,620	6,048	6,542	13,643
Operating profit before special items (EBIT - DKK million)					
Northern & Western Europe	1,799	2,031	2,276	2,464	5,419
Eastern Europe	1,509	1,677	1,528	2,167	4,286
Asia	431	314	864	614	1,286
Not allocated	-238	-302	-570	-548	-1,114
Beverages, total	3,501	3,720	4,098	4,697	9,877
Operating profit margin (%)					
Northern & Western Europe	16.9	18.8	12.5	13.6	14.7
Eastern Europe	23.2	27.1	16.0	22.2	21.7
Asia	18.1	18.6	18.6	18.6	18.8
Not allocated	...	...	...	...	...
Beverages, total	17.9	19.9	12.6	15.0	15.5

NOTE 2

Segment reporting by activity

DKK million	Q2 2012			Q2 2011		
	Beverages	Other activities	Total	Beverages	Other activities	Total
Net revenue	19,585	-	19,585	18,740	-	18,740
Operating profit before special items	3,501	-30	3,471	3,720	-25	3,695
Special items, net	-293	1,738	1,445	-104	-	-104
Financial items, net	-391	-20	-411	-603	-12	-615
Profit before tax	2,817	1,688	4,505	3,013	-37	2,976
Corporation tax	-660	-314	-974	-750	10	-740
Consolidated profit	2,157	1,374	3,531	2,263	-27	2,236
Attributable to:						
Non-controlling interests	176	-	176	181	-	181
Shareholders in Carlsberg A/S	1,981	1,374	3,355	2,082	-27	2,055

DKK million	H1 2012			H1 2011		
	Beverages	Other activities	Total	Beverages	Other activities	Total
Net revenue	32,459	-	32,459	31,268	-	31,268
Operating profit before special items	4,098	-53	4,045	4,697	1	4,698
Special items, net	-341	1,738	1,397	-185	-	-185
Financial items, net	-847	-31	-878	-1,165	-19	-1,184
Profit before tax	2,910	1,654	4,564	3,347	-18	3,329
Corporation tax	-683	-306	-989	-837	5	-832
Consolidated profit	2,227	1,348	3,575	2,510	-13	2,497
Attributable to:						
Non-controlling interests	296	-	296	269	-	269
Shareholders in Carlsberg A/S	1,931	1,348	3,279	2,241	-13	2,228

NOTE 3

Segment reporting by quarter

DKK million	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Net revenue								
Northern & Western Europe	10,198	8,450	7,311	10,824	10,029	8,715	7,524	10,667
Eastern Europe	6,016	3,491	3,569	6,188	5,578	4,384	3,050	6,515
Asia	1,464	1,423	1,610	1,688	1,805	1,735	2,261	2,379
Not allocated	30	35	38	40	28	19	39	24
Beverages, total	17,708	13,399	12,528	18,740	17,440	14,853	12,874	19,585
Other activities	-	-	-	-	-	-	-	-
Total	17,708	13,399	12,528	18,740	17,440	14,853	12,874	19,585
Operating profit before special items								
Northern & Western Europe	1,949	839	433	2,031	1,789	1,166	477	1,799
Eastern Europe	1,969	482	490	1,677	1,315	804	19	1,509
Asia	309	221	300	314	389	283	433	431
Not allocated	-35	-473	-246	-302	-180	-386	-332	-238
Beverages, total	4,192	1,069	977	3,720	3,313	1,867	597	3,501
Other activities	-36	58	26	-25	-29	-33	-23	-30
Total	4,156	1,127	1,003	3,695	3,284	1,834	574	3,471
Special items, net	-462	-141	-81	-104	-6	-77	-48	1,445
Financial items, net	-725	-613	-569	-615	-344	-490	-467	-411
Profit before tax	2,969	373	353	2,976	2,934	1,267	59	4,505
Corporation tax	-803	30	-92	-740	-734	-272	-15	-974
Consolidated profit	2,166	403	261	2,236	2,200	995	44	3,531
Attributable to:								
Non-controlling interests	226	87	88	181	191	83	120	176
Shareholders in Carlsberg A/S	1,940	316	173	2,055	2,009	912	-76	3,355

NOTE 4

Special items

DKK million	H1 2012	H1 2011	2011
Special items, income:			
Gain in relation to sale of Dresden Brewery	-	11	-
Gain on disposal of entities and adjustments to gain in prior year	6	-	64
Gain on sale of Copenhagen brewery site	1,719	-	-
Revaluation gain on step acquisition of entities	-	-	1,300
Other restructuring income etc., other entities	-	-	40
Income total	1,725	11	1,404
Special items, cost:			
Impairment of trademarks	-	-	-450
Impairment of Carlsberg Uzbekistan	-	-	-300
Impairment of Nordic Getränke GmbH, Deutschland	-	-	-260
Impairment of Business Standardisation Programme	-	-	-250
Impairment of non-current assets in connection with Production structure, Carlsberg Denmark	-	-18	-
Restructuring of Carlsberg Sverige (2011: Impairment of non-current assets in connection with production structure)	-47	-39	-
Impairment of Vena brewery, Baltika Breweries, Russia	-200	-	-
Restructuring and impairment of Arendal Brewery, Ringnes, Norway	-	-19	-
Impairments of other non-current assets	-	-	-31
Termination benefits and impairment of non-current assets in connection with restructuring at Carlsberg Deutschland	-	-	-94
Impairment and restructuring in relation to optimisation of packaging standardisation in Northern Europe	-	-	-83
Restructuring of Carlsberg Uzbekistan	-22	-	-
Termination benefits in connection with restructuring in central headquarter functions	-	-	-76
Restructuring of Leeds Brewery, Carlsberg UK	-	-17	-57
Termination benefits in connection with restructuring of sales force, logistics and administration, Carlsberg UK	-	-	-16
Termination benefits and impairment of non-current assets in connection with new administration structure at Brasseries Kronenbourg, France	-	-	-32
Termination benefits etc., Carlsberg Italia	-16	-	-10
Termination benefits etc. in connection with Operational Excellence Programmes	-20	-11	-57
Loss on sale of Sorex, France	-	-86	-86
Provision for onerous malt contracts, including reversal of unused provision from previous year	-	-	150
Cost in relation to acquisition of Hue Brewery Ltd, Vietnam	-	-	-14
Other restructuring costs etc., other entities	-23	-6	-6
Cost total	-328	-196	-1,672
Special items, net	**1,397**	**-185**	**-268**

NOTE 5 (PAGE 1 OF 2)

Debt and credit facilities

DKK million	30 June 2012
Non-current borrowings:	
Issued bonds	17,835
Bank borrowings	13,424
Mortgages	1,457
Lease liabilities	37
Other non-current borrowings	431
Total	33,184
Current borrowings:	
Current portion of other non-current borrowings	2,102
Bank borrowings	2,024
Lease liabilities	4
Other current borrowings	295
Total	4,425
Total non-current and current borrowings	37,609
Cash and cash equivalents	-4,514
Net financial debt	33,095
Other interest bearing assets net	-1,941
Net interest bearing debt	31,154

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 3,057m

NOTE 5 (PAGE 2 OF 2)

Debt and credit facilities

DKK million Time to maturity for non-current borrowings	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	30 June 2012 Total
Issued bonds	7,410	-	-	3,055	7,370	17,835
Bank borrowings	1,403	318	11,132	571	-	13,424
Mortgages	-	-	-	-	1,457	1,457
Other non-current borrowings and leases	220	184	10	8	46	468
Total	9,033	502	11,142	3,634	8,873	33,184

DKK million	Net financial	Interest*			
Interest risk at 30 June 2012	debt	Floating	Fixed	Floating %	Fixed %
EUR	35,038	17,115	17,923	49%	51%
DKK	-3,175	-3,402	227	107%	-7%
Other currencies	1,232	1,178	54	96%	4%
Total	33,095	14,891	18,204	45%	55%

* After interest rate, net investment hedges and currency swaps

Commited credit facilities* DKK million	30 June 2012
Less than 1 year	4,587
1 to 2 years	9,066
2 to 3 years	502
3 to 4 years	13,076
4 to 5 years	8,986
More than 5 years	8,874
Total	45,091
Short term	4,587
Long term	40,504

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

NOTE 6

Net interest-bearing debt

DKK million	Q2 2012	Q2 2011	H1 2012	H1 2011	2011
Net interest-bearing debt is calculated as follows:					
Non-current borrowings			33,184	32,459	34,364
Current borrowings			4,425	4,347	1,875
Liabilities associated with assets held for sale			-	-	747
Gross interest-bearing debt			37,609	36,806	36,986
Cash and cash equivalents			-4,514	-2,698	-3,145
Loans to associates			-266	-50	-97
Loans to partners			-236	-225	-230
On-trade loans			-2,059	-2,031	-2,066
less non-interest-bearing portion			1,017	1,047	1,030
Other receivables			-2,147	-1,668	-1,318
less non-interest-bearing portion			1,750	1,647	1,300
Net interest-bearing debt			31,154	32,828	32,460
Changes in net interest-bearing debt:					
Net interest-bearing debt at beginning of period	36,209	34,621	32,460	32,743	32,743
Cash flow from operating activities	-4,405	-3,517	-3,283	-2,944	-8,813
Cash flow from investing activities, excl acquisition of entities	-608	1,278	665	2,182	4,623
Cash flow from acquisition of entities,net	1	-28	1	-113	260
Share buy-back	-	-	-	-	417
Dividend to shareholders and non-controlling interest	218	107	1,100	872	884
Acquisition of non-controlling interests	28	208	471	261	1,338
Acquisition/disposal of treasury shares	-4	14	-	37	49
Acquired net interest-bearing debt from acquisition/ disposal of entities	-139	44	-136	45	44
Change in interest-bearing lending	25	-68	-23	-203	18
Settlement of financial instruments in relation to loan agreements	-	-	-	-	805
Effects of currency translation	207	43	286	-166	289
Other	-378	126	-387	114	-197
Total change	-5,055	-1,793	-1,306	85	-283
Net interest-bearing end of period	31,154	32,828	31,154	32,828	32,460

NOTE 7

Acquisition of entities

No step acquisitions have been completed in 2012. In 2011, Carlsberg gained control of Lao Brewery Co. Ltd. in Laos and Hue Brewery Ltd. in Vietnam, which were previously proportionally consolidated.

DKK million Acquired entity	Previous method of consolidation	Previoulsy held ownership interest	Acquired ownership interest	Total Carlsberg interest	Acquisition date	Main activity	Cost
Lao Brewery Co. Ltd.	Proportionally	50.00%	1.00%	51.00%	30.08.2011	Brewery	33
Hue Brewery Ltd.	Proportionally	50.00%	50.00%	100.00%	23.11.2011	Brewery	485

DKK million	Lao Brewery Co. Ltd.	Hue Brewery Ltd.	Total
Fair value of consideration transferred for acquired ownership interest	33	485	518
Fair value of previously held ownership interest	1,665	451	2,116
Fair value of non-controlling ownership interest	1,632	-	1,632
Fair value of entities acquired in step acquisition, total	**3,330**	**936**	**4,266**
Carrying amount of identified assets and liabilities recognised before step acquisition	368	74	442
Revaluation of identified assets and liaiblities recognised before step acquisition	68	81	149
Fair value of acquired identified assets, liabilities and contingent liabilities	436	155	591
Fair value of identified assets, liabilities and contingent liabilities	**872**	**310**	**1,182**
Total goodwill	**2,458**	**626**	**3,084**
Goodwill recognised before step acquisition	344	28	372
Change in total recognised goodwill	**2,114**	**598**	**2,712**
Goodwill is attributable to:			
Shareholders in Carlsberg A/S	1,253	626	1,879
Non-controlling interest	1,205	-	1,205
Total goodwill	**2,458**	**626**	**3,084**
Gain on revaluation of previously held ownership interest in entities acquired in step acquisitions:			
Carrying amount of previously held ownership interest	-712	-102	-814
Fair value of previously held ownership interest	1,665	451	2,116
Recycling of cumulative exchange differences	44	-46	-2
Total	**997**	**303**	**1,300**
Elements of cash consideration paid:			
Cash	-	485	485
Cash and cash equivalents, acquired	-125	-66	-191
Total cash consideration paid	**-125**	**419**	**294**
Capital injection in kind	33	-	33
Total consideration transferred	**-92**	**419**	**327**

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.

Recognised assets and liabilities

	Acquired share of net assets recognised at fair value				
DKK million	Lao Brewery Co. Ltd.	Hue Brewery Ltd.	Total	Recognition of previously recognised net assets at fair value	Total change in net assets from acquisition
Intangible assets	130	108	238	237	475
Property, plant and equipment	251	91	342	-42	300
Inventories	24	14	38	-3	35
Loans and receivables, current	20	3	23	-	23
Cash and cash equivalents	125	66	191	-	191
Pension liabilities	-13	-	-13	-	-13
Deferred tax assets and liabilities, net	-31	-29	-60	-43	-103
Borrowings	-18	-17	-35	-	-35
Trade payables and other payables	-52	-81	-133	-	-133
Net assets	**436**	**155**	**591**	**149**	**740**

Acquisition of entities

2012. No entities have been acquired.

2011. In Q3 Carlsberg acquired an additional 1% of the shareholding in the joint venture Lao Brewery Co. Ltd. in a disproportionate capital increase where Carlsberg contributed assets in kind, thus gaining control of the entity in a step acquisition. The fair value of the consideration injected amounted to DKK 33m. The shareholdings held immediately before obtaining control have been recognised at fair value with the revaluation adjustment, DKK 997m, recognised in special items. 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 statement of financial statement. Accounting for the acquisition will be completed within the 12-month period required by 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 calculation of goodwill represents staff competences as well as expectations of positive growth. Goodwill related to the non-controlling interests' share of Lao Brewery Co. Ltd. has been recognised as part of goodwill.

The fair value of the non-controlling ownership interest is estimated based on the net present value of expected future cash flows from the entity, the 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 Lao Brewery Co. Ltd. transaction were an after-tax WACC of 11.4% and a terminal growth rate of 2.5%.

In Q4 Carlsberg acquired additional 50% of the shareholding in the joint venture Hue Brewery Ltd. and thereby gained control through a step acquisition. The shareholdings held immediately before obtaining control have been recognised at fair value with the revaluation adjustment, DKK 303m, recognised in special items. 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 statement of financial statement. Accounting for the acquisition will be completed within the 12-month period required by 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 calculation of goodwill represents staff competences as well as expectations of positive growth.

Acquisition of proportionally consolidated entities

2012. In Q2 Carlsberg acquired 6% of the shares in the jointly controlled entity South Asian Breweries Pte. Ltd. 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 yet been completed. The fair value of identified assets, liabilities and contingent liabilities less the cost of the acquisition, DKK 23m, is recognised as goodwill. Accounting for the acquisition will be completed within the 12-month period required by IFRS 3.

2011. In Q2 Carlsberg acquired 22.5% of the shares in the jointly controlled entity South Asian Breweries Pte. Ltd. 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. The fair value of identified assets, liabilities and contingent liabilities less the cost of the acquisition, DKK 74m, is recognised as goodwill.

In Q4 Carlsberg acquired an additional 4% of the shares in South Asian Breweries Pte. Ltd. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities in the acquisition has not been completed. The fair value of identified assets, liabilities and contingent liabilities less the cost of the acquisition, DKK 27m, is recognised as goodwill. Accounting for the acquisition will be completed within the 12-month period required by IFRS 3.