Carlsberg Group

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Financial statement as at 31 December 2010

Another year of strong performance

- The Carlsberg Group delivered strong performance in 2010 in spite of the significant impact from the increase in Russian excise duties, which affected the beer market in Russia extraordinarily in 2010.
- Operating profit margin grew by 130bp to 17.1% (15.8% in 2009) and operating profit increased to DKK 10.25bn (DKK 9.39bn in 2009). Reported net result grew by 49% to DKK 5.4bn.
- Overall beer market trends improved in 2010 compared to 2009. Importantly, the Russian market was stronger than the Group anticipated at the beginning of the year.
- The Group significantly intensified investments behind its key brands, including innovations, new products, media, digital, consumer and customer activations. Furthermore, the Group invested in innovations to be launched in 2011 and the coming years.
- The Group gained market share in a large part of the business in 2010. The Northern & Western European region grew overall market share. In Eastern Europe, our market share in Russia was flat at 39.7% (source: Nielsen), despite the price leadership throughout the year. In Q4, Carlsberg's share of the Russian market grew by 40bp to 39.7%. Ukraine continued to do well. In Asia, market share gains were once again achieved across the region.
- Supported by football activations and increased investments in a World Cup year, the Carlsberg brand grew by 3%.
- The Group's beer volumes were down by 1% to 114m hl with a 2% organic volume decline (2% decline for total beverages). Excluding the Russian stock-building in Q4 2009 and subsequent destocking in Q1, organic beer volume would have grown by an estimated 1%.
- In Q4, organic beer volumes declined by 5%. Adjusting for the Russian stock-building in Q4 2009, organic beer volumes were flat for the quarter.
- Group net revenue increased by 1% to DKK 60.1bn (DKK 59.4bn in 2009) despite challenging Russian market dynamics due to the significant excise duty increase. The organic decline was 3% and the positive currency impact was 5%, mainly due to stronger Eastern European currencies. Price/mix was -1%.
- Operating profit increased by 9% to DKK 10,249m (DKK 9,390m in 2009). Organic operating profit growth was 1%. Adjusting for the Russian stock-building and subsequent destocking, organic operating profit growth would have been 8%. Currency movements impacted positively by 8%.

- Net profit grew by 49% to DKK 5,351m (DKK 3,602m in 2009). This includes non-cash, non-taxable income in special items of DKK 598m related to step acquisitions.
- Strong growth momentum in Asia with us outperforming market. The Group delivered significant volume, revenue and profit growth in the region.
- The remaining part of the DKK 1.3bn synergies from the Scottish & Newcastle acquisition were successfully achieved in 2010 - ahead of plan.
- The focus on deleveraging continued and net interest-bearing debt was reduced to DKK 32.7bn (DKK 35.7bn at the end of 2009). Net debt/EBITDA declined to 2.3x (2.7x at the end of 2009). Having spent more than DKK 2.5bn on acquisitions, free cash flow was DKK 5,179m.
- For 2010 the Company proposes a dividend per share of DKK 5.00 corresponding to a 43% increase compared to DKK 3.50 for 2009.
- For 2011, the Carlsberg Group expects:
    - Market share growth in markets representing 2/3 of our business
    - High single-digit percentage growth in operating profit
    - Adjusted net profit growth of more than 20%[1]

Commenting on the results, CEO Jørgen Buhl Rasmussen says: "2010 was an extraordinary year for the Group due to the substantial excise duty increase in our largest market and we are very pleased with the strong 2010 performance. The improved market share in a large part of our businesses demonstrates our ability to strongly execute on our plans. For 2011 we believe market dynamics will improve slightly, not least in Eastern Europe where we anticipate the Russian market to return to growth. In our efforts to balance profitable growth with continuous efficiency improvements we will roll out innovations and market tools to support growth during 2011. The ongoing and new initiatives aimed at ensuring our business model becomes more efficient will be implemented without compromising on the quality and service we deliver to our customers and consumers."

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.

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[1] Reported 2010 adjusted for the DKK 598m non-cash, non-taxable income in special items related to step acquisitions.

KEY FIGURES AND FINANCIAL RATIOS

DKK million		2006	2007	2008	2009	2010
Sales volumes, gross (million hl)						
Beer		100.7	115.2	126.8	137.0	136.5
Other beverages		20.2	20.8	22.3	22.2	22.5
Sales volumes, pro rata (million hl)						
Beer		72.6	82.0	109.3	116.0	114.2
Other beverages		17.5	17.8	19.8	19.8	19.3
Income statement						
Net revenue		41,083	44,750	59,944	59,382	60,054
Operating profit before special items		4,046	5,262	7,978	9,390	10,249
Special items, net		-160	-427	-1,641	-695	-249
Financial items, net		-857	-1,201	-3,456	-2,990	-2,155
Profit before tax		3,029	3,634	2,881	5,705	7,845
Corporation tax		-858	-1,038	312	-1,538	-1,885
Consolidated profit		2,171	2,596	3,193	4,167	5,960
Attributable to:						
Non-controlling interests		287	299	572	565	609
Shareholders in Carlsberg A/S (net profit)		1,884	2,297	2,621	3,602	5,351
Statement of financial position						
Total assets		58,451	61,220	142,639	134,515	144,232
Invested capital		43,160	45,394	118,643	109,538	117,101
Interest-bearing debt, net		19,229	19,726	44,156	35,679	32,743
Equity, shareholders in Carlsberg A/S		17,597	18,621	54,750	54,829	64,248
Cash flow						
Cash flow from operating activities		4,470	4,837	7,812	13,631	11,020
Cash flow from investing activities		65	-4,927	-57,153	-3,082	-5,841
Free cash flow		4,535	-90	-49,341	10,549	5,179
Investments						
Acquisition and disposal of property, plant and equipment, net		2,864	4,596	4,669	2,342	2,197
Acquisition and disposal of entities, net		-18	179	51,438	95	477
Financial ratios						
Operating margin	%	9.8	11.8	13.3	15.8	17.1
Return on average invested capital (ROIC)	%	9.2	11.7	8.2	8.2	8.8
Equity ratio	%	32.5	32.6	42.0	44.2	48.3
Debt/equity ratio (financial gearing)	x	1.01	0.99	0.74	0.60	0.47
Debt/operating profit before depreciation and amortisation	x	2.73	2.43	3.80	2.71	2.30
Interest cover	x	4.72	4.38	2.31	3.14	4.76
Stock market ratios*						
Earnings per share (EPS)	DKK	19.9	24.3	22.1	23.6	35.1
Cash flow from operating activities per share (CFPS)	DKK	47.1	51.2	65.8	89.3	72.1
Free cash flow per share (FCFPS)	DKK	48.0	-1.0	-415.4	69.1	33.9
Dividend per share (proposed)	DKK	4.8	4.8	3.5	3.5	5.0
Pay-out ratio	%	24	20	20	15	14
Share price (B shares)	DKK	452.9	498.1	171.3	384.0	558.5
Number of shares (year-end, excl. treasury shares)	1,000	76,271	76,246	152,554	152,553	152,539
Number of shares (average, excl. treasury shares)	1,000	94,479	94,466	118,778	152,550	152,548

* Stock market ratios for 2006-2008 are adjusted for bonus factor from rights issue in June 2008 in accordance with IAS 33. Number of shares (period-end) is not adjusted.

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines "Recommandations and Financial Ratios 2010". Comparative figures have been restated.

BUSINESS DEVELOPMENT

DKK million	2009	Change Organic	Change Acq., net	Change FX	2010	Change Reported
Q4						
Beer sales (million hl)	27.1	-5%	-4%		24.5	-9%
Net revenue	13,616	-6%	0%	4%	13,399	-2%
Operating profit	1,643	-36%	-1%	4%	1,100	-33%
Operating margin (%)	12.1				8.2	-390bp
12 mths						
Beer sales (million hl)	116.0	-2%	1%		114.2	-1%
Net revenue	59,382	-3%	-1%	5%	60,054	1%
Operating profit	9,390	1%	0%	8%	10,249	9%
Operating margin (%)	15.8				17.1	130bp

As 2010 progressed, the Group started to see improving trends in all regions compared to the very challenging 2009, when most markets were impacted by the economic crisis.

While Northern & Western European beer markets remained challenging with an overall market decline, the trend in 2010 improved versus the weaker 2009 market development. The Russian market dynamics were more difficult to forecast than usual due to the substantial price increases needed to cover the large excise duty increase of 200% on 1 January 2010. Driven by an improved macroeconomic environment, a warm summer in Q3 and the phased implementation of price increases, the Russian market trend improved throughout the year. The other Eastern European markets improved significantly compared to 2009. The Asian beer markets, which were largely unaffected by the economic crisis in 2009, continued their very strong growth pattern.

Organic beer volumes declined by 2%. Including acquisitions, net, the decline was 1% to 114.2m hl (116.0m hl in 2009). Adjusting for the Russian destocking impact, the Group's organic beer volume growth would have been 1%.

Northern & Western European organic beer volume development was flat despite an estimated market decline of 2-3%. Beer volumes in Eastern Europe declined organically by 9% (-3% excluding destocking), mainly driven by the destocking in Q1 and the significant price increases in Russia following the excise duty increase in January. The Asian region continued to perform strongly with 14% organic beer volume growth.

The Q4 organic beer volume decline was 5%, mainly attributable to the Eastern European region, which faced tough comparables due to strong growth in Q4 2009 from stock-building among distributors ahead of the excise duty increase (flat adjusted for the stock-building).

Pro rata Group volumes of other beverages were 19.3m hl (19.8m hl in 2009). The decline was mainly driven by the strikes in Denmark and Finland in Q2 and portfolio optimisations in a few markets.

The Group increased marketing investments by double-digit percentages in all three regions in 2010 to drive profitable market share growth. This was effected through support of our key brands, new products and innovations including major customer and consumer activations. Innovations, new product launches and relaunches of existing brands will remain a key focus area for the Group in 2011.

The introductions and relaunches were carried out across all three regions and were a combination of innovations, relaunches of existing brands and the roll-out of Group brands in new markets. Examples include new products under the Baltika umbrella in Russia, Zatecky Gus Dark in Russia, Tuborg Lime Cut in the Nordic markets, Kronenbourg Sélection in France, relaunches and line extensions in several Asian markets such as Vietnam, China and Cambodia, and the roll-out of Kronenbourg 1664, Somersby and Eve in new markets across the three regions.

Despite a challenging year in Russia, Group net revenue grew by 1% to DKK 60,054m (DKK 59,382m in 2009) with a 3% organic decline (total volume -2% and -1% price/mix), currency impact 5% and -1% net acquisition impact.

To ensure that volume and value market share growth are maximised across channels and customers, the Group continued to apply and develop our value management and channel marketing tools.

In 2010, the Group benefitted from favourable hedges, lower input costs and efficiency initiatives. Cost of sales per hl declined with large variations between markets and regions. Hence, gross profit margin increased by 260bp to 51.7%. The organic gross profit growth was 1%. Gross profit per hl increased in all regions with particularly strong improvement in Asia.

Group operating profit grew by 9% to DKK 10,249m (DKK 9,390m in 2009). Organic growth was 1%, currency impact was 8% and there was no net effect from acquisitions. Q4 operating profit declined by 33% (organic decline of 36%). Northern & Western Europe and Asia reported strong organic growth in Q4, while Eastern European profits declined, as expected, due to the stock-building in Russia in Q4 2009 and increasing input costs in the quarter. Adjusted for the Russian stock-building in Q4 2009, which added an estimated DKK 300m in operating profit, the organic operating profit growth would have been an estimated 8% for 2010.

In both the Northern & Western European and Asian regions organic operating profit growth was very strong in Q4. As expected, operating profit in Eastern Europe declined significantly in Q4.

Although the Group is focusing intensively on driving profitable market share growth, this was balanced with the strong focus on improving efficiencies across the Group. This is a continuous process and an integrated part of the Carlsberg strategy and business model.

Operating margin improved by 130bp to 17.1% (15.8% in 2009). The Group is well on track to meet the medium-term margin targets for both the Group and our three regions, although margins will fluctuate between years depending on both external and internal factors such as input costs, price increases and country mix.

Net profit was DKK 5.4bn (DKK 3.6bn in 2009) and earnings per share was DKK 35.1 (DKK 23.6 in 2009), a 49% increase.

Operating cash flow was DKK 11bn, compared to the exceptionally strong operating cash flow of DKK 13.6bn in 2009. The 2009 operating cash flow benefitted significantly from a substantial working capital improvement. In 2010 the Group managed to further reduce working capital, both as an average throughout the year and at the end of the financial year. This was a result of the ongoing efforts to optimise working capital management. For 2010 and onwards the Group has shifted focus from the end-of-year working capital level to the average level for the year. The positive impact from reduced working capital was DKK 0.7bn (DKK 3.7bn in 2009). Average trade working capital to net revenue declined to 2.6% (5.6% in 2009).

Free cash flow was DKK 5.2bn (DKK 10.5bn in 2009). In 2010, a significantly higher level of cash was spent on acquisitions, and total financial investments in 2010 amounted to DKK 2.7bn (DKK 0 in 2009). The acquisitions were primarily in Asia, where the Group increased its holdings in companies where it already had ownership.

Driven by the improved profitability, the return on average invested capital in the beverage activities grew to 9.8% (9.3% in 2009), which is the highest level since the Scottish & Newcastle acquisition. Northern & Western Europe reported particularly strong improvement from 13.6% to 17.2%. For both Northern & Western Europe and Eastern Europe, capital expenditures were kept below depreciation, while the opposite was the case in Asia due to capacity expansions.

Deleveraging has been a high priority in recent years, and in 2010 net debt was further reduced. At the end of 2010, net debt amounted to DKK 32.7bn (DKK 35.7bn at the end of 2009). Net debt/EBITDA declined to 2.3x (2.7x at the end of 2009). The Group is committed to an investment grade credit quality.

Following the deleveraging that has taken place, it has been decided to propose to the Annual General Meeting a 43% increase in dividends to DKK 5.00 per share (DKK 3.50 for 2009).

In October 2010 the Group established a new 5-year multi-currency revolving credit facility of EUR 1.75bn and issued 7-year EUR notes of EUR 1bn with attractive prices and conditions. The new facilities were mainly used to refinance the Scottish & Newcastle acquisition facilities. Following the refinancing, the Group has extended the maturity profile of its debt and achieved more balanced funding sources.

During 2010, several structural changes took place. Most of these changes were in the Asian region. In January, the Group received the final approvals to increase its direct and indirect shareholding in the Wusu Xinjiang Beer Group in China's Xinjiang Province to 65%. In November, the Group increased the shareholding in Gorkha Brewery in Nepal to 54% excluding put options. In December, the Group obtained the final approvals to increase the shareholding in the Chinese Chongqing Brewery Co. Ltd from 17.46% to 29.71%. Lastly, the Group increased the shareholding in Olivaria Brewery in Belarus from 37% to 68%.

Organisationally, several tools continued to be developed and rolled out to drive capability building, improved processes and decision-making.

2011 earnings expectations

The Group's ambition to be "The fastest growing global beer company" remains intact. 2011 will be a year in which profitable market share growth will be driven by innovations, investments in key brands combined with "The Carlsberg way of doing business" initiatives, improved route-to-market models and continued value and channel management efforts.

The efforts to drive revenue and market share growth will be carefully balanced with the continuous efforts to improve operational and capital efficiencies.

The key assumptions underpinning the outlook for 2011 are:

- Low single-digit decline in Northern & Western European markets
- Russian market growth of 2-4%
- Continued growth in key markets across Asia
- Increasing cost of sales due to higher input costs
- Marketing investments as percentage of sales at slightly higher levels than in 2010

Consequently, for 2011 the Carlsberg Group expects:

- Market share growth in markets representing 2/3 of our business
- High single-digit percentage growth in operating profit
- Adjusted net profit growth of more than 20%[2]

The impact from increased input costs will be mitigated by higher sales prices in all regions. In Eastern Europe, the impact from increased input costs will be higher than the Group average and consequently operating profit margin in the region will be impacted negatively for 2011.

The year-over-year profit development by quarter in Eastern Europe in 2011 will show a different pattern than usual. For instance, it is expected that in Q1 the Eastern European region will deliver very strong year-over-year top-line growth as Q1 2010 was very weak due to destocking and as the excise duty increase impacted both market development and the net sales prices for the quarter.

The Group confirms the mid-term operating margin targets that were announced in February 2010, both for all regions and for the Group.

[2] Reported 2010 adjusted for the DKK 598m non-cash, non-taxable income in special items related to step acquisitions.

NORTHERN & WESTERN EUROPE

DKK million	2009	Change Organic	Change Acq., net	Change FX	2010	Change Reported
Q4						
Beer sales (million hl)	11.4	-2%	0%		11.1	-2%
Net revenue	8,451	-3%	-1%	4%	8,450	0%
Operating profit	657	23%	0%	5%	839	28%
Operating margin (%)	7.8				9.9	210bp
12 mths						
Beer sales (million hl)	50.2	0%	-1%		49.5	-1%
Net revenue	36,466	-1%	-3%	3%	36,156	-1%
Operating profit	4,237	17%	-1%	4%	5,086	20%
Operating margin (%)	11.6				14.1	250bp

For 2010 the overall beer market in Northern & Western Europe declined by an estimated 2-3% - a slightly improved trend compared to the estimated 5% decline in 2009. Consumer dynamics remained challenging in most markets which continued to negatively impact beer market development.

After several years of flat market share development, the Group gained volume and value market share in the region by approximately 50bp. The market share improvement was mainly driven by strong performance in markets such as the UK, Poland, Denmark, South East Europe, Greece and Norway, while the Group's market share in Sweden and the Baltics declined.

During the year, several significant initiatives were taken across the region to support market share growth and brand positions. These initiatives included product launches such as the introduction of Tuborg Lime Cut in Denmark and Norway, Kronenbourg Sélection des Brasseurs in France, LAV relaunch in Serbia and Bosnia, Kasztelan Niepasteryzowany (Kasztelan Non-pasteurised) in Poland, and Mythos relaunch in Greece. Existing brands were rolled out in new markets such as Tuborg in the Baltics.

Organic beer volumes were flat for the year (-2% for Q4). Reported beer volume development declined by 1% due to the disposal of the Braunschweig brewery in August 2009. Total beverage volumes (including non-beer) declined by 1% (-2% in Q4) due to the strikes in Denmark and Finland in Q2 and portfolio optimisation within non-beer in a couple of markets.

Organic net revenue declined by 1% (-3% for Q4) with a reported decline of 1% to DKK 36,156m (DKK 36,466m in 2009). Net revenue for beer grew by 1% (flat volume, flat price/mix, currency 3% and net acquisitions -2%). There was a small positive pricing effect in most markets in the region, while mix was slightly negative mainly driven by a negative country mix and the channel shift across the region.

Gross profit improved due to the ongoing production efficiencies and favourable hedging for input costs in 2010 compared to the unfavourable cost level in 2009. For 2011, the Group will face higher input costs, which will lead to increased sales prices.

Despite marketing investments, which grew by double-digit percentages, the Group still managed to keep total operating expenses flat.

Operating profit grew by 20% to DKK 5,086m (DKK 4,237m in 2009) with 17% organic growth (23% for Q4). Operating margin improved by 250bp to 14.1% (11.6% in 2009). All markets, with the exception of the Baltics and Greece, had organic operating profit growth and operating margin improvements in 2010.

The UK, France, Switzerland and South East Europe

The Group continued to strengthen its position in the UK growing both value and volume market share in both the on-trade and off-trade channels. In a UK market which declined by 4%, the Group grew volumes and, consequently, gained 110bp market share to 15.4%. In 2010 the Carlsberg brand family became the largest off-trade beer brand in the UK.

The French market declined by an estimated 1%, but the Group's beer volumes declined by approximately 3% and the overall French market share declined slightly. For the two most important French brands, Kronenbourg and 1664, the past 18 months have shown an improving trend. Several commercial initiatives were taken in 2010, including the launch of Kronenbourg Sélection des Brasseurs and the relaunch of Grimbergen in the latter part of 2010. Despite flat revenue development, the French business reported strong operating profit growth due to positive price/mix, acquisition synergies and the ongoing operational efficiency improvements which are being executed.

Driven by several commercial activities, the Group managed to strengthen its market share in South East Europe. Despite challenging market conditions with declining markets and down-trading, the Group's beer volumes grew slightly. The market share gains were especially strong in Bulgaria and Serbia. In Bulgaria, the Group gained approximately 150bp market share and is now number two in the market with a market share of approximately 28%. In Serbia, the relaunch of LAV contributed very positively and the Group grew volumes in a declining market.

In Greece, the relaunch of Mythos was executed very successfully and the Group gained market share in a market that is under significant pressure due to weak macroeconomic conditions.

The efficiency improvements continued across the markets and in 2010 it was announced that the Swiss Fribourg brewery would close by June 2011. Beer production for the Swiss market will be concentrated at the brewery in Rheinfelden.

Denmark, Poland, the Baltics, Norway and Germany

The Danish market declined by approximately 6% in 2010 (before adjusting for the growing border trade). The Carlsberg Group gained approximately 50bp market share. Both volumes and profits were negatively impacted by the strikes in May. In addition, the Danish business was negatively impacted by the excise duty increase on cider implemented in August. This led to a double-digit decline in domestic cider volumes.

The Polish business underwent a significant turnaround in 2010. The Polish market declined by an estimated 1%, but the Group grew volumes by more than 15%, resulting in a market share gain of 230bp to 13.8%. The volume growth was driven in particular by widened distribution in general, strong performance of the Harnas brand and the successful launch of Kasztelan Niepasteryzowany (Kasztelan Non-pasteurised). The profitability of the Polish business improved significantly with organic operating profit growth of close to 50%. The improvement was driven by initiatives started in 2009, including efficiency improvements and product launches.

In Norway, the Group gained market share in a market which declined by approximately 3%. The launch of Kronenbourg 1664, together with Tuborg, was the key driver of the market share gain. At the beginning of 2011 it has been decided to strengthen and streamline the organisational structure of the Norwegian business, entailing a significant headcount reduction.

The Baltic markets recovered following the very challenging 2009 and all three markets grew in 2010. The Tuborg brand was rolled out in all three markets.

The disposal of the Dresden brewery in Germany was announced in January 2011. Following the disposal of the Braunschweig brewery in 2009 and the Dresden brewery, the Group has focused the German business on the two remaining breweries in Hamburg and Lübz in Northern Germany and a portfolio of five brands: Holsten, Astra, Carlsberg, Lübz and Duckstein.

EASTERN EUROPE

		Change				Change
DKK million	2009	Organic	Acq., net	FX	2010	Reported
Q4						
Beer sales (million hl)	11.1	-14%	0%		9.5	-14%
Net revenue	4,103	-19%	0%	4%	3,491	-15%
Operating profit	1,092	-57%	0%	1%	482	-56%
Operating margin (%)	26.6				13.8	-1280bp
12 mths						
Beer sales (million hl)	51.3	-9%	0%		46.8	-9%
Net revenue	18,545	-11%	0%	9%	18,187	-2%
Operating profit	5,289	-15%	0%	10%	5,048	-5%
Operating margin (%)	28.5				27.8	-70bp

The Group's plans for 2010 were to mitigate the significant Russian excise duty increase of 200% at 1 January 2010 and the subsequent very high consumer price increases and less predictable market dynamics. The plans were based on balancing market share performance and optimising profitability and free cash flow.

Market conditions in most markets in the region improved throughout 2010 as the improved macroeconomic environment started to positively impact the beer markets. Helped by warm weather in Q3, all markets in the region, including Russia, grew in the second half of 2010.

The duty increase led to substantial stock-building in Q4 2009 and subsequent destocking in Q1 2010, impacting Group performance for 2009 and 2010. The stocking-up effect had an estimated positive impact of 1.5m hl of beer and an estimated operating profit of DKK 300m in Q4 2009, as well as a similarly negative impact in Q1 2010.

Beer volumes declined organically by 9% for 2010 (-14% for Q4). Adjusted for the impact of the Russian stocking and destocking, the organic volume decline for the region would have been an estimated 3% (estimated flat for Q4).

The marketing spend increased by double-digit percentages to support brands, consumer and customer activations, innovations and product introductions. Consequently, a number of new products and innovations were launched across the region. Examples include Baltika Draught, Baltika anniversary limited edition, Baltika Cooler PET extension, Nevskoe Imperial and Zatecky Gus Dark, which were all launched in Russia; Derbes Draught and Alma-Ata, new varieties in Kazakhstan; Lvivske Live Beer, Baltika 7 and Holsten PET extension in Ukraine; and Alivaria Live Beer in Belarus. Other Group brands such as Grimbergen and Eve were introduced in Russia. Eve was also launched in Kazakhstan.

Within non-beer products the Group has selectively launched mineral water and increased distribution of soft drinks in Russia. Kvas expansion continued with the launch in Uzbekistan and the line extension 7 Grains in Russia. Further non-beer development includes Somersby in Russia and ice tea in Ukraine.

Net revenue declined by 2% to DKK 18,187m (DKK 18,545m in 2009) with a very positive impact from the recovering Russian rouble. The organic net revenue decline was 11%. Price/mix was -2% with positive price/mix in all markets except for Russia due to the phased implementation of price increases needed to offset the significant excise duty increase.

Q4 organic net revenue declined by 19%, driven by tough comparisons to Q4 2009, which was significantly impacted by the stocking-up. Price/mix was -5%. As the Group increased prices in Q4 2009 ahead of the duty increase, which led to a strong pricing impact in Q4 2009, price/mix for Q4 2010 was weaker than for 2010 as a whole.

Reported operating profit declined by 5% with an organic decline of 15% for 2010. While organic operating profit declined in Russia, the rest of the region delivered strong organic operating profit growth of approximately 65%. Adjusting for the Russian stocking and destocking impact, the organic operating profit decline would have been 3%.

As expected, Q4 profits were significantly negatively impacted by tough comparisons, higher marketing spend and rising input costs. Consequently, Q4 operating profit declined organically by 57%. Excluding the Russian stocking and destocking impact, organic operating profit would have declined organically by an estimated 41%.

Russia

At the beginning of the year, the Carlsberg Group expected a market decline of low double-digit percentages following the duty increase as consumer price increases of approximately 25% were needed to offset the duty increase. However, due to favourable weather conditions in Q3, overall faster and ongoing recovery of the Russian economy and improving consumer sentiment, the Russian beer market improved in the second half of 2010 leading to a decline of approximately 4% for the year (H2: +1%).

In 2010, the Group's Russian in-market-sales ("off-take") declined by 4%. The Group's beer volumes ("shipments") declined considerably more, by around 13%, due to the impact of the destocking in 2010.

In Q4 in-market-sales increased by an estimated 2%. Shipments fell by 21% due to the year-over-year impact of the stocking in Q4 2009.

According to Nielsen[3] data, the Group's Russian market share was unchanged at 39.7% (39.8% in 2009). Q4 market share grew by 40bp to 39.7%. For most of the year, the Group's products were leading on price versus most of the competitors in the market which had a negative impact on market share development, mainly in the modern trade. Significant innovations in terms of products and processes are in the pipeline for 2011. With the extraordinary 2010 behind us, the Group expects a continuation of the positive long-term market share trend in Russia.

Price/mix for the year was -4% and -6% for Q4. The negative price impact was due to the fact that price increases were implemented in several small steps from November 2009 up until June 2010 to fully recover the excise duty increase.

Ukraine

Driven by improved macroeconomic conditions, the Ukrainian market recovered in 2010 with 4% market growth following the 7% market decline in 2009.

The mainstream brand Lvivske continued its strong performance and, supported by the Baltika brand in the premium category, the Group's Ukrainian business continued to gain market share which grew by 150bp to 28.6% (27.1% in 2009). The Ukrainian business now accounts for around 17% of total Group beer volumes in the region.

Within the non-beer category the kvas brand Taras continued its strong performance and gained approximately 15%-point market share in the category to become the largest kvas brand in Ukraine.

The business delivered double-digit organic revenue growth, driven by 7% organic beer volume growth and very positive price/mix. Organic operating profit growth was around 40% for 2010.

Other markets

The other markets in the Eastern European region recovered during 2010. The Group's beer volumes grew in all markets and, in addition, price/mix was very positive across the markets.

[3] The external data provider, Nielsen, has excluded alcoholic malt-based cocktails from the beer universe. Historical data have been restated accordingly.

The beer market in Kazakhstan grew by almost 10% in 2010. While the Group lost market share, profits improved strongly due to the benefits of integrating the Russian export business with the Group's local operation. Q4 was particularly strong due to stock-building ahead of an excise duty increase in January 2011.

The Carlsberg Group's ownership of Olivaria in Belarus was increased from 37% to 68% during the year. The business will now be fully integrated into the Carlsberg Group.

ASIA

DKK million	2009	Change Organic	Change Acq., net	Change FX	2010	Change Reported
Q4						
Beer sales (million hl)	4.6	10%	-25%		3.9	-15%
Net revenue	1,041	15%	11%	11%	1,423	37%
Operating profit	147	35%	-17%	14%	194	32%
Operating margin (%)	14.1				13.6	-50bp
12 mths						
Beer sales (million hl)	14.5	14%	9%		17.9	23%
Net revenue	4,224	17%	9%	7%	5,613	33%
Operating profit	666	39%	8%	10%	1,044	57%
Operating margin (%)	15.8				18.6	280bp

Note: 2009 full-year income and volumes from the associated company Chongqing were included in Q4 2009.

2010 was a year of very strong performance in the Asian region with high organic volume and revenue growth as well as a strong margin improvement. The Group continues to see substantial growth opportunities in the region and continued to strengthen our positions during 2010 by increasing shareholdings in Nepal and in two of our businesses in China. In November the Group opened its fifth brewery in Hyderabad in India and also commenced production in a new brewery in Vung Tau in southern Vietnam.

All markets in the region delivered double-digit organic volume growth for the year and organic beer volumes grew by 14% (10% in Q4).

Net revenue grew by 33% to DKK 5,613m (DKK 4,224m in 2009). Organic net revenue growth was 17% (15% in Q4), consisting of 13% organic volume growth (including non-beer volumes) and 4% price/mix.

Operating profit grew by 57% to DKK 1,044m (DKK 666m in 2009) with 39% organic operating profit growth (35% in Q4). Operating profit margin improved by 280bp to 18.6%.

China

Organic beer volume growth in China was approximately 10% in a market which grew by an estimated 4%. The strong volume performance is a result of good growth experienced across all the China operations, in particular for our international brands. Supported by targeted marketing campaigns, the Carlsberg and Carlsberg Chill brands performed very well, with more than 20%

volume growth, and consequently gained market share in the premium category. Kronenbourg 1664 was introduced in China to strengthen the premium portfolio.

The volume growth in western China was driven by a combination of improved sales execution, several marketing initiatives and relaunches of local brands in key provinces such as Xinjiang, Yunnan and Ningxia. Notwithstanding the increasingly competitive environment, the Group's Chinese business reported positive price/mix of 5% driven by a combination of premiumisation initiatives and price increases.

As a result of the strong volume growth, positive price/mix and execution of capability building and Excellence Programmes/efficiency improvements, organic operating profit grew by almost 40% for the year.

Indochina

Organic beer volumes grew strongly at 22% in Indochina (Vietnam, Laos and Cambodia) reflecting strong performance delivered across all three markets.

The brand portfolios in all markets were strengthened, in part through line extensions in Laos with Beer Lao Gold and in Vietnam with Huda Extra, Halida Thang Long and Truc Bach Beer. Moreover, Kronenbourg 1664 and Eve were introduced in Vietnam. These introductions performed well and contributed to improved price/mix in all three markets.

Capacity in Indochina has been expanded with the opening of the Vung Tau brewery in southern Vietnam and a further capacity expansion project is under way in Cambodia.

Malaysia

Our Malaysian business grew very strongly in 2010 by low double-digit percentages. The Carlsberg brand performed well, driven by successful execution of the 2010 Chinese New Year campaign and the football activations in a World Cup year.

Profitability improved strongly supported by efficiency improvements, lower input costs and the successful integration of the Singapore business into the Malaysian business in 2009.

India

The Indian beer market grew rapidly by around 17% for 2010. The Group's business grew significantly, with organic beer volume growth of more than 70% and with particularly strong performance in Q4, when volumes more than doubled. The portfolio was further strengthened with the introduction of Tuborg Strong, which has been particularly well received by consumers.

CENTRAL COSTS (NOT ALLOCATED)

Central costs were DKK -932m (DKK -732m in 2009). 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 increased in 2010 compared to 2009 due to several commercial initiatives.

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. In total other activities generated operating profit of DKK 3m (loss of DKK 70m in 2009).

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. The process of finding partners for the Copenhagen brewery site is ongoing.

COMMENTS ON THE FINANCIAL STATEMENT

ACCOUNTING POLICIES

The 2010 consolidated financial statements of the Carlsberg Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies, cf. the statutory order pursuant to the Danish Financial Statements Act.

In addition, the consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the IASB.

Changes in accounting policies for 2010

IFRS 3 "Business combinations", IAS 27 "Consolidated and Separate Financial Statements", amendments to IAS 39 "Financial Instruments: Recognition and Measurement " and to IFRS 2 "Share-based Payment (Group Cash-settled Share-based Payment Transactions)" and IFRIC 9 have been implemented from 1 January 2010.

Except for IFRS 3 and IAS 27 the new and amended standards and interpretations have not changed the recognition and measurement.

IFRS 3 has changed the accounting policies for cost of business combinations as follows:

- Transaction costs directly attributable to a business combination are recognised in the income statement and included in special items, cost. Such costs were included in the cost of a business combination in prior years.

- Contingent consideration paid in a business combination is accounted for at fair value at the acquisition date and included in the cost of the acquisition. Subsequent adjustments to fair value are recognised in the income statement and included in special items. Such adjustments were recognised in the cost of the acquisition in prior years.
- In a business combination achieved in stages (step acquisition) the shareholding acquired before obtaining control is recognised at fair value. The fair value adjustment is recognised in the income statement and included in special items. In prior years each significant transaction was accounted for separately to determine the cost and fair value of identifiable assets, liabilities and contingent liabilities acquired and the fair value adjustment was recognised directly in equity.
- Goodwill related to non-controlling interests' share of an acquired business can be recognised as part of the total goodwill. The recognition of such goodwill is optional and will be chosen for each individual transaction. The choice will be disclosed in the notes.

IAS 27 has changed the accounting for transactions with non-controlling interests. Acquisition and disposal of non-controlling interests without the loss of control is recognised directly in equity. Disposal of shareholdings with the loss of control is recognised in the income statement and the remaining shareholding is measured at fair value. The fair value adjustment is recognised in the income statement.

In accordance with IFRS 3 and IAS 27, the comparative figures have not been restated.

INCOME STATEMENT

Net special items include costs in connection with the restructuring measures implemented across the Group and amounted to DKK -249m against DKK -695m in 2009. Special items were positively affected by a fair value non-cash revaluation of previously owned shareholdings in connection with step acquisitions, including Wusu Xinjiang Beer Group and Gorkha Brewery in Nepal, cf. note 4 in this announcement, related to a new acquisition accounting regulation. A DKK -300m non-cash cost related to impairment of Eastern European brands, including the Slavutich brand in Ukraine, has been recognised.

Net financial items amounted to DKK -2,155m against DKK -2,990m in 2009. Net interest costs accounted for DKK -1,933m, compared with DKK -2,161m in 2009, reflecting the lower net debt following the continued deleveraging in 2010. Other net financial items were DKK -222m (DKK -829m in 2009). The positive development is due to significantly lower foreign currency borrowings in Eastern Europe, last year's significant losses on foreign debt denominated in foreign currency primarily in Eastern Europe and the fact that in 2009 there were write-downs on financial assets, which was not the case in 2010.

Tax totalled DKK -1,885m against DKK -1,538m in 2009. Excluding the non-cash, non-taxable income under special items of DKK 598m this equals a tax rate of 26%.

Consolidated profit was DKK 5,960m against DKK 4,167m in 2009.

Carlsberg's share of net profit was DKK 5,351m against DKK 3,602m in 2009.

STATEMENT OF FINANCIAL POSITION

At 31 December 2010, Carlsberg had total assets of DKK 144.2bn (DKK 134.5bn at 31 December 2009). The increase of DKK 9.7bn primarily relates to currency adjustments.

Assets

Intangible assets totalled DKK 87.8bn against DKK 81.6bn at 31 December 2009. The increase is mainly related to currency impact and the acquisition of additional shares in Wusu Xinjiang Beer Group and Gorkha Brewery Pvt Ltd.

Property, plant and equipment were DKK 32.4bn (DKK 31.8bn at 31 December 2009).

Financial assets amounted to DKK 8.1bn (DKK 5.9bn at 31 December 2009). The increase is primarily due to the increased shareholding in Chongqing Brewery Co. Ltd.

Current assets totalled DKK 15.5bn against DKK 14.8bn at 31 December 2009.

Liabilities

Total equity was DKK 69.6bn, of which DKK 64.2bn can be attributed to shareholders in Carlsberg A/S and DKK 5.4bn to non-controlling interests.

The increase in equity compared to 31 December 2009 was DKK 10.1bn, mainly due to currency adjustments of approximately DKK 5.9bn, profit for the period of DKK 6.0bn, payment of dividends to shareholders of DKK -1.2bn, value adjustments of hedging instruments of DKK -0.8bn, and acquisition of entities of DKK 0.4bn

Total liabilities were DKK 74.6bn (DKK 75.0bn at 31 December 2009). Non-current liabilities decreased by DKK 2.6bn compared with 31 December 2009, while current liabilities excluding the current portion of borrowings were DKK 23.1bn, up DKK 1.5bn compared to 31 December 2009.

CASH FLOW

Operating profit before depreciation and amortisation was DKK 14,236m, an increase of DKK 1,067m compared to 2009.

The change in working capital was DKK 716m (DKK 3,675m in 2009). The positive impact was driven in particular by higher trade payables and lower trade receivables which were partly offset by higher inventories.

Cash flow from operating activities in 2010 was DKK 11,020m against DKK 13,631m for the same period of 2009. The reduction was as expected due to the smaller positive impact from change in working capital in 2010 compared to 2009.

Paid net interest etc. amounted to DKK -2,089m against DKK -1,597m for the same period of 2009. The development was in line with expectations as 2009 was positively impacted by accrued interests and settlement of financial instruments.

Free cash flow was DKK 5,179m against DKK 10,549m for 2009.

Cash flow from investing activities was DKK -5,841m against DKK -3,082m in 2009. Operational capital expenditure was DKK 652m higher than in 2009, impacted by capacity expansion at the Northampton brewery in the UK and capacity expansion projects in Asia. Financial investments were higher by DKK 2,706m compared to 2009, primarily due to the acquisition of shares in Wusu Xinjiang Beer Group and Chongqing Brewery Co. Ltd. Finally, cash flow from investing activities was positively impacted by disposal of real estate, DKK 409m (DKK -190m in 2009).

FINANCING

At 31 December 2010, the gross interest-bearing debt amounted to DKK 36.5bn and net interest-bearing debt amounted to DKK 32.7bn. The difference of DKK 3.8bn is other interest-bearing assets, including DKK 2.7bn in cash and cash equivalents.

Of the gross interest-bearing debt, 89% (DKK 32.6bn) is long term, i.e. with maturity more than one year from 31 December 2010, and consists primarily of facilities in EUR.

In October, the Group established a new 5-year multi-currency revolving credit facility of EUR 1.75bn and issued 7-year EUR notes of EUR 1bn with attractive prices and conditions. The new facilities were mainly used for refinancing of the Scottish & Newcastle acquisition facilities. Following the refinancing, the maturity profile of the debt has been extended and funding sources have become more balanced.

INCENTIVE PROGRAMMES

In 2010, a total of 136,150 share options were granted to members of the Executive Board and other management personnel in the Carlsberg Group, of which the Executive Board received 30,000 share options.

In addition, a total of 140,061 share options have been granted to other management personnel as part of a new long-term incentive programme. The number of options in this programme will change over the next two years depending on the terms of the incentive programme and developments in the price of Carlsberg's B share.

The share options, in total 276,211, were granted to a total of 154 employees at a weighted average exercise price of DKK 488.92 (2009: 454,726 (adjusted) share options to 217 employees at a weighted average price of DKK 314.39 (adjusted)).

In 2011, a total of approximately 60,000 share options will be granted to the Executive Board. The exercise price will be calculated as the average of the share price on the first five trading days after publication of the present Company Announcement. In addition, members of the long-term incentive programme will be granted share options based on performance, programme terms and developments in the price of Carlsberg's B share.

ANNUAL GENERAL MEETING

The Annual General Meeting will take place on Thursday 24 March 2011 at 4.30 pm (CET) at Tap 1, Ny Carlsberg Vej 91, Copenhagen, Denmark.

BOARD RESOLUTIONS AND PROPOSALS TO THE ANNUAL GENERAL MEETING

The Parent Company recorded a loss of DKK 41m for 2010. The Supervisory Board will recommend to the Annual General Meeting that a dividend be paid for 2010 of DKK 5.00 per share or a total of DKK 763m, corresponding to an increase per share of 43% versus last year.

ANNUAL REPORT

The Annual Report for 2010 will be available at www.carlsberggroup.com on 1 March 2011.

FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2011

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

1 March 2011	Annual report for 2010
24 March 2011	Annual General Meeting
11 May 2011	Interim results for Q1 2011
17 August 2011	Interim results for Q2 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 Supervisory Board and Executive Board have discussed and approved the Company Announcement on the financial statement as at 31 December 2010.

The Company Announcement on the financial statement as at 31 December 2010 has been prepared using the same accounting policies as the consolidated financial statements for 2010.

Copenhagen, 21 February 2011

Executive Board of Carlsberg A/S

Jørgen Buhl Rasmussen	Jørn P. Jensen

Supervisory Board of Carlsberg A/S

Povl Krogsgaard-Larsen	Jess Søderberg	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.

INCOME STATEMENT

DKK million	Q4 2010	Q4 2009	2010	2009
Net revenue	13,399	13,616	60,054	59,382
Cost of sales	-6,908	-7,059	-28,982	-30,197
Gross profit	6,491	6,557	31,072	29,185
Sales and distribution expenses	-4,288	-3,834	-17,158	-15,989
Administrative expenses	-1,211	-1,070	-4,040	-3,873
Other operating income, net	68	-51	227	-45
Share of profit after tax, associates	40	41	148	112
Operating profit before special items	1,100	1,643	10,249	9,390
Special items, net	-141	-324	-249	-695
Financial income	142	232	1,085	609
Financial expenses	-755	-1,005	-3,240	-3,599
Profit before tax	346	546	7,845	5,705
Corporation tax	34	-42	-1,885	-1,538
Consolidated profit	380	504	5,960	4,167
Profit attributable to:				
Non-controlling interests	79	121	609	565
Shareholders in Carlsberg A/S	301	383	5,351	3,602
Earnings per share	2.0	2.5	35.1	23.6
Earnings per share, diluted	2.0	2.5	35.0	23.6

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q4 2010	Q4 2009	2010	2009
Profit for the period	380	504	5,960	4,167
Other comprehensive income				
Foreign exchange adjustments of foreign entities:	1,952	1,717	5,947	-3,135
Value adjustments of hedging instruments	10	206	-768	23
Value adjustments of securities	1	1	1	1
Retirement benefit obligations	89	-415	-167	-382
Value adjustment of step acquisition of subsidaries	-	65	-	-
Share of other comprehensive income in associates	-	31	-	31
Other	34	-4	11	-6
Corporation tax	-38	-1	47	39
Other comprehensive income	2,048	1,600	5,071	-3,429
Total comprehensive income	2,428	2,104	11,031	738
Total comprehensive income attributable to:				
Non-controlling interests	218	488	1,043	171
Shareholders in Carlsberg A/S	2,210	1,616	9,988	567

STATEMENT OF FINANCIAL POSITION

DKK million	31 Dec 2010	31 Dec 2009
Assets		
Intangible assets	87,813	81,611
Property, plant and equipment	32,420	31,825
Financial assets	8,057	5,850
Total non-current assets	128,290	119,286
Inventories and trade receivables	9,878	9,499
Other receivables etc.	2,910	2,608
Cash and cash equivalents	2,735	2,734
Total current assets	15,523	14,841
Assets held for sale	419	388
Total assets	144,232	134,515
Equity and liabilities		
Equity, shareholders in Carlsberg A/S	64,248	54,829
Non-controlling interests	5,381	4,660
Total equity	69,629	59,489
Borrowings	32,587	36,075
Deferred tax, retirement benefit obligations etc.	14,791	13,940
Total non-current liabilities	47,378	50,015
Borrowings	3,959	3,322
Trade payables	9,385	7,929
Deposits on returnable packaging	1,279	1,361
Other current liabilities	12,424	12,348
Total current liabilities	27,047	24,960
Liabilities associated with assets held for sale	178	51
Total equity and liabilities	144,232	134,515

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

									2010
	Shareholders in Carlsberg A/S								
DKK million	Share capital	Currency translation	Hedging reserves	Available for sale investments	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	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
Profit for the year	-	-	-	-	-	5,351	5,351	609	5,960
Other comprehensive income									
Foreign exchange adjustments of foreign entities	-	5,516	-	-	5,516	-	5,516	431	5,947
Value adjustments of hedging instruments	-	-1,069	301	-	-768	-	-768	-	-768
Value adjustments of securities	-	-	-	1	1	-	1	-	1
Retirement benefit obligation	-	-	-	-	-	-170	-170	3	-167
Other	-	-	-	-	-	11	11	-	11
Corporation tax	-	82	-71	-	11	36	47	-	47
Other comprehensive income	-	4,529	230	1	4,760	-123	4,637	434	5,071
Total comprehensive income for the year	-	4,529	230	1	4,760	5,228	9,988	1,043	11,031
Acquisition/disposal of treasury shares	-	-	-	-	-	-9	-9	-	-9
Exercises of share options						-38	-38		-38
Share-based payment	-	-	-	-	-	34	34	-	34
Dividends paid to shareholders	-	-	-	-	-	-534	-534	-709	-1,243
Acquisition of non-controlling interests	-	-	-	-	-	-22	-22	-55	-77
Acquisition of entities	-	-	-	-	-	-	-	442	442
Total changes in equity	-	4,529	230	1	4,760	4,659	9,419	721	10,140
Equity at 31 December 2010	3,051	-6,049	-1,154	147	-7,056	68,253	64,248	5,381	69,629

STATEMENT OF CHANGES IN EQUITY (PAGE 2 OF 2)

									2009
	Shareholders in Carlsberg A/S								
DKK million	Share capital	Currency translation	Hedging reserves	Available for sale investments	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	Non-controlling interests	Total equity
Equity at 1 January 2009	3,051	-7,693	-1,515	145	-9,063	60,762	54,750	5,151	59,901
Profit for the year	-	-	-	-	-	3,602	3,602	565	4,167
Other comprehensive income									
Foreign exchange adjustments of foreign entities	-	-2,739	-	-	-2,739	-	-2,739	-396	-3,135
Value adjustments of hedging instruments	-	-116	139	-	23	-	23	-	23
Value adjustments of securities	-	-	-	1	1	-	1	-	1
Retirement benefit obligation	-	-	-	-	-	-382	-382	-	-382
Share of other comprehensive income in associates	-	-	-	-	-	31	31	-	31
Other	-	-	-	-	-	-7	-7	1	-6
Corporation tax	-	-30	-8	-	-38	76	38	1	39
Other comprehensive income	-	-2,885	131	1	-2,753	-282	-3,035	-394	-3,429
Total comprehensive income for the year	-	-2,885	131	1	-2,753	3,320	567	171	738
Exercise of share options	-	-	-	-	-	-6	-6	-	-6
Share-based payment	-	-	-	-	-	52	52	-	52
Dividends paid to shareholders	-	-	-		-	-534	-534	-312	-846
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-357	-357
Capital increase	-	-	-		-	-	-	7	7
Total changes in equity	-	-2,885	131	1	-2,753	2,832	79	-491	-412
Equity at 31 December 2009	3,051	-10,578	-1,384	146	-11,816	63,594	54,829	4,660	59,489

STATEMENT OF CASH FLOWS

DKK million	Q4 2010	Q4 2009	2010	2009
Operating profit before special items	1,100	1,643	10,249	9,390
Adjustment for depreciation, amortisation and impairment losses	1,092	1,002	3,987	3,779
Operating profit before depreciation, amortisation and impairment losses[1]	2,192	2,645	14,236	13,169
Adjustment for other non-cash items	-67	54	493	265
Change in working capital	1,000	2,556	716	3,675
Restructuring costs paid	-90	-134	-446	-507
Interest etc. received	167	92	255	255
Interest etc. paid	-612	206	-2,344	-1,852
Corporation tax paid	-382	-245	-1,890	-1,374
Cash flow from operating activities	2,208	5,174	11,020	13,631
Acquisition of property, plant and equipment and intangible assets	-1,234	-729	-3,326	-2,767
Disposal of property, plant and equipment and intangible assets	104	101	181	255
Change in trade loans	-101	-107	-430	-411
Total operational investments	-1,231	-735	-3,575	-2,923
Free cash flow from operating activities	977	4,439	7,445	10,708
Aquisition and disposal of entities, net	34	-15	-477	95
Acquisition of associated companies	-2,029	1	-2,041	-48
Disposal of associated companies	3	-7	-	-7
Acquisition of financial assets	-22	-12	-35	-11
Disposal of financial assets	1	-1	18	44
Change in financial receivables	340	-113	-233	-98
Dividends received	16	4	93	56
Total financial investments	-1,657	-143	-2,675	31
Other investments in property, plant and equipment	-5	-41	-51	-388
Disposal of other property, plant and equipment	49	178	460	198
Total other activities[2]	44	137	409	-190
Cash flow from investing activities	-2,844	-741	-5,841	-3,082
Free cash flow	**-636**	**4,433**	**5,179**	**10,549**
Shareholders in Carlsberg A/S	-13	5	-581	-540
Non-controlling interests	-111	-53	-878	-591
External financing	598	-4,115	-3,950	-8,862
Cash flow from financing activities	474	-4,163	-5,409	-9,993
Net cash flow	-162	270	-230	556
Cash and cash equivalents at beginning of period[3]	2,718	2,299	2,583	2,065
Foreign exchange adjustment of cash and cash equivalents[4]	45	14	248	-38
Cash and cash equivalents at period-end[3]	2,601	2,583	2,601	2,583

[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. [4] Foreign exchange adjustment of cash and cash equivalents mainly relates to the appreciated exchange rate of RUB .

NOTE 1 (PAGE 1 OF 2)

Segment reporting by region (beverages)

DKK million	Q4 2010	Q4 2009	2010	2009
Beer sales, pro rata (million hl)				
Northern & Western Europe	11.1	11.4	49.5	50.2
Eastern Europe	9.5	11.1	46.8	51.3
Asia	3.9	4.6	17.9	14.5
Total	24.5	27.1	114.2	116.0
Net revenue (DKK million)				
Northern & Western Europe	8,450	8,451	36,156	36,466
Eastern Europe	3,491	4,103	18,187	18,545
Asia	1,423	1,041	5,613	4,224
Not allocated	35	21	98	147
Beverages, total	13,399	13,616	60,054	59,382
Operating profit before depreciation, amortisation and special items (EBITDA - DKK million)				
Northern & Western Europe	1,392	1,220	7,143	6,366
Eastern Europe	847	1,454	6,555	6,638
Asia	296	198	1,331	874
Not allocated	-407	-252	-817	-655
Beverages, total	2,128	2,620	14,212	13,223
Operating profit before special items (EBIT - DKK million)				
Northern & Western Europe	839	657	5,086	4,237
Eastern Europe	482	1,092	5,048	5,289
Asia	194	147	1,044	666
Not allocated	-473	-271	-932	-732
Beverages, total	1,042	1,625	10,246	9,460
Operating profit margin (%)				
Northern & Western Europe	9.9	7.8	14.1	11.6
Eastern Europe	13.8	26.6	27.8	28.5
Asia	13.6	14.1	18.6	15.8
Not allocated	...	...	...	...
Beverages, total	7.8	11.9	17.1	15.9

NOTE 1 (PAGE 2 OF 2)

Segment reporting by region (beverages)

DKK million	2010	2009
Capital expenditure, CAPEX (DKK million)		
Northern & Western Europe	1,644	1,400
Eastern Europe	745	879
Asia	549	258
Not allocated	388	230
Beverages, total	3,326	2,767
Depreciation and amortisation (DKK million)		
Northern & Western Europe	2,057	2,119
Eastern Europe	1,507	1,349
Asia	287	208
Not allocated	115	77
Beverages, total	3,966	3,753
Capital expenditure/depreciation and amortisation (%)		
Northern & Western Europe	80%	66%
Eastern Europe	49%	65%
Asia	191%	124%
Not allocated	-	-
Beverages, total	84%	74%
Invested capital, year-end (DKK million)		
Northern & Western Europe	28,216	28,466
Eastern Europe	67,553	63,270
Asia	10,808	5,154
Not allocated	-1,722	464
Beverages, total	104,855	97,354
Return on average invested capital, ROIC (%)		
Northern & Western Europe	17.2	13.6
Eastern Europe	7.4	8.2
Asia	13.7	12.1
Not allocated	…	…
Beverages, total	9.8	9.3

NOTE 2

Segment reporting by activity

DKK million	Q4 2010			Q4 2009		
	Bever-ages	Other activities	Total	Bever-ages	Other activities	Total
Net revenue	13,399	-	13,399	13,616	-	13,616
Operating profit before special items	1,042	58	1,100	1,625	18	1,643
Special items, net	-141	-	-141	51	-375	-324
Financial items, net	-617	4	-613	-768	-5	-773
Profit before tax	284	62	346	908	-362	546
Corporation tax	97	-63	34	-40	-2	-42
Consolidated profit	381	-1	380	868	-364	504
Attributable to:						
Non-controlling interests	79	-	79	121	-	121
Shareholders in Carlsberg A/S	302	-1	301	747	-364	383

DKK million	2010			2009		
	Bever-ages	Other activities	Total	Bever-ages	Other activities	Total
Net revenue	60,054	-	60,054	59,382	-	59,382
Operating profit before special items	10,246	3	10,249	9,460	-70	9,390
Special items, net	-249	-	-249	-262	-433	-695
Financial items, net	-2,137	-18	-2,155	-2,980	-10	-2,990
Profit before tax	7,860	-15	7,845	6,218	-513	5,705
Corporation tax	-1,847	-38	-1,885	-1,561	23	-1,538
Consolidated profit	6,013	-53	5,960	4,657	-490	4,167
Attributable to:						
Non-controlling interests	609	-	609	565	-	565
Shareholders in Carlsberg A/S	5,404	-53	5,351	4,092	-490	3,602

NOTE 3

Segment reporting by quarter

DKK million	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Net revenue								
Northern & Western Europe	7,200	10,705	10,110	8,451	7,309	10,199	10,198	8,450
Eastern Europe	3,466	5,841	5,135	4,103	2,386	6,294	6,016	3,491
Asia	1,074	1,049	1,060	1,041	1,234	1,492	1,464	1,423
Not allocated	46	28	52	21	44	-11	30	35
Beverages, total	11,786	17,623	16,357	13,616	10,973	17,974	17,708	13,399
Other activities	-	-	-	-	-	-	-	-
Total	11,786	17,623	16,357	13,616	10,973	17,974	17,708	13,399
Operating profit before special items								
Northern & Western Europe	140	1,740	1,700	657	406	1,892	1,949	839
Eastern Europe	695	1,952	1,550	1,092	321	2,276	1,969	482
Asia	155	167	197	147	231	299	320	194
Not allocated	-169	-184	-108	-271	-230	-194	-35	-473
Beverages, total	821	3,675	3,339	1,625	728	4,273	4,203	1,042
Other activities	-33	-20	-35	18	7	-26	-36	58
Total	788	3,655	3,304	1,643	735	4,247	4,167	1,100
Special items, net	-107	-84	-180	-324	349	5	-462	-141
Financial items, net	-904	-546	-767	-773	-515	-302	-725	-613
Profit before tax	-223	3,025	2,357	546	569	3,950	2,980	346
Corporation tax	65	-878	-683	-42	-48	-1,067	-804	34
Consolidated profit	-158	2,147	1,674	504	521	2,883	2,176	380
Attributable to:								
Non-controlling interests	54	207	183	121	50	251	229	79
Shareholders in Carlsberg A/S	-212	1,940	1,491	383	471	2,632	1,947	301

NOTE 4

Special items

DKK million	2010	2009
Special items, income:		
Adjustment to gain on disposal of entities in prior year	134	-
Gain on disposal of Braunschweig Brauerei and Fighter brand activities, Carlsberg Deutschland	-	49
Revaluation gain on step acquisition of entities	598	-
Income total	732	49
Special items, cost:		
Impairment of trademarks	-300	-37
Impairment of Dresden Brauerei, Carlsberg Deutschland	-128	-
Impairment of properties, Unicer-Bebidas de Portugal	-65	-
Impairment of Lingwu Brewery, Ningxia, China	-40	-
Restructuring of Fribourg Brauerei, Feldschlösschen, Switzerland	-161	-
Restructuring of Leeds Brewery, Carlsberg UK	-19	-67
Relocation costs, termination benefits and impairment of non-current assets in connection with new production structure in Denmark	-4	-40
Termination benefits etc. in connection with Operational Excellence Programmes	-20	-31
Termination benefits in connection with restructuring of sales force, logistics and administration, Carlsberg UK	-29	-34
Termination benefits etc., Carlsberg Italia	-28	-56
Termination benefits and impairment of non-current assets in connection with new administration structure at Brasseries Kronenbourg, France (2009: Termination benefits in connection with restructuring)	-77	-95
Termination benefits in connection with restructuring, Carlsberg Deutschland	-	-72
Termination benefits and impairment of non-current assets in connection with new production structure at Sinebrychoff, Finland	-	-20
Provision for onerous contracts, including reversal of unused provision from previous year	-7	-175
Costs in relation to acquisitions of entities, mainly Wusu Xinjiang Beer Group, China and Chongqing Brewery Co. Ltd., China (2009: Acquisition of part of the activities in S&N)	-71	-17
Other restructuring costs etc., other entities	-32	-100
Cost total	-981	-744
Special items, net	-249	-695

NOTE 5 (PAGE 1 OF 2)

Debt and credit facilities

DKK million	31 Dec. 2010
Non-current borrowings:	
Issued bonds	19,216
Bank borrowings	11,193
Mortgages	1,982
Lease liabilities	46
Other non-current borrowings	150
Total	32,587
Current borrowings:	
Issued bonds	2,160
Current portion of other non-current borrowings	217
Bank borrowings	991
Lease liabilities	19
Other current borrowings	572
Total	3,959
Total non-current and current borrowings	36,546
Cash and cash equivalents	-2,735
Net financial debt	33,811
Other interest-bearing assets	-1,068
Net interest-bearing debt	32,743

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 2,693m.

NOTE 5 (PAGE 2 OF 2)

Debt and credit facilities

DKK million Time to maturity for non-current borrowings:						31 Dec. 2010
	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	-	1,734	7,414	-	10,068	19,216
Bank borrowings	8,642	574	425	1,552	-	11,193
Mortgages*	-	-	-	-	1,982	1,982
Other non-current borrowings and leases	41	53	23	26	53	196
Total	8,683	2,361	7,862	1,578	12,103	32,587

DKK million Interest risk at 31 Dec. 2010	Net financial interest-bearing debt	Interest* Floating	Fixed	Floating (%)	Fixed (%)
EUR	29,708	4,106	25,602	14%	86%
DKK	-2,892	-3,644	752	126%	-26%
Other currencies	6,995	5,327	1,668	76%	24%
Total	33,811	5,789	28,022	17%	83%

* After interest rate swaps.

DKK million Commited credit facilities*	31 Dec. 2010
Less than 1 year	4,773
1 to 2 years	10,687
2 to 3 years	2,360
3 to 4 years	7,863
4 to 5 years	13,213
More than 5 years	12,103
Total	50,999
Short-term	4,773
Long-term	46,226

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

NOTE 6

Net interest-bearing debt

DKK million	Q4 2010	Q4 2009	2010	2009
Net interest-bearing debt is calculated as follows:				
Non-current borrowings			32,587	36,075
Current borrowings			3,959	3,322
Gross interest-bearing debt			36,546	39,397
Cash and cash equivalents			-2,735	-2,734
Loans to associates			-24	-36
Loans to partners			-225	-
On-trade loans			-2,065	-2,143
less non-interest-bearing portion			1,286	1,368
Other receivables			-1,487	-1,533
less non-interest-bearing portion			1,447	1,360
Net interest-bearing debt			32,743	35,679
Changes in net interest-bearing debt:				
Net interest-bearing debt at beginning of period	31,844	38,533	35,679	44,156
Cash flow from operating activities	-2,208	-5,174	-11,020	-13,631
Cash flow from investing activities, excl. acquisition of entities	2,878	741	5,364	3,177
Cash flow from acquisition of entities, net	-34	13	477	-95
Dividend to shareholders and non-controlling interests	66	-241	1,243	846
Acquisition of non-controlling interests	44	-3	169	286
Acquisition/disposal of treasury shares	13	-43	47	6
Acquired net interest-bearing debt from acquisition/ disposal of entities	182	-	97	45
Change in interest-bearing lending	-196	-30	15	-
Effects of currency translation	250	1,600	808	562
Other	-96	283	-136	327
Total change	899	-2,854	-2,936	-8,477
Net interest-bearing end of period	32,743	35,679	32,743	35,679

NOTE 7

Acquisition of entities

In 2010, Carlsberg gained control of Wusu Xinjiang Beer Group in China which was previously proportionally consolidated and Gorkha Brewery in Nepal which was previously recognised using the equity method.

DKK million Acquired entity	Previous method of consolidation	Previoulsy held ownership interest	Acquired ownership interest	Total Carlsberg interest	Acquisition date	Main activity	2010 Cost
Wusu Xinjiang Beer Group	Proportionally	60.12%	4.88%	65.00%	1 Jan. 2010	Brewery	228
Gorkha Brewery	Equity method	49.97%	40.03%	90.00%	12 Nov. 2010	Brewery	228
Total							**456**

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

DKK million	Wusu Xinjiang Beer Group	Gorkha Brewery	Total
Fair value of consideration transferred for acquired ownership interest	228	228	456
Fair value of previously held ownership interest	660	285	945
Fair value of non-controlling ownership interest	385	57	442
Fair value of entities acquired in step acquisition, total	1,273	570	1,843
Carrying amount of identified assets and liabilities recognised before step acquisitio	31	76	107
Revaluation of identified assets and liabilities recognised before step acquisition	235	-	235
Fair value of acquired identified assets, liabilities and contingent liabilities	179	76	255
Fair value of identified assets, liabilities and contingent liabilities	445	152	597
Total goodwill	**828**	**418**	**1,246**
Goodwill recognised before step acquisition	269	-	269
Change in total recognised goodwill	**559**	**418**	**977**
Goodwill is attributable to:			
Shareholders in Carlsberg A/S	599	376	975
Non-controlling interest	229	42	271
Total goodwill	**828**	**418**	**1,246**
Gain on revaluation of previously held ownership interest in entities acquired in step acquisitions:			
Carrying amount of previously held ownership interest	-300	-76	-376
Fair value of previously held ownership interest	660	285	945
Recycling of cumulative exchange differences	30	-1	29
Total	**390**	**208**	**598**
Elements of cash consideration paid:			
Cash	228	-	228
Cash and cash equivalents, acquired	-5	-30	-35
Total cash consideration paid	**223**	**-30**	**193**
Contingent consideration	-	228	228
Total consideration transferred	**223**	**198**	**421**

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. For Wusu Xinjiang Beer Group this equals 39.88% of the cash and cash equivalents recognised in the statement of financial position at the date of acquisition.

Recognised assets and liabilities

DKK million	Acquired share of net assets recognised at fair value: Wusu Xinjiang Beer Group	Gorkha Brewery	Total	Recognition of previously recognised net assets at fair value	Total change in net assets from acquisition
Intangible assets	89	-	89	77	166
Property, plant and equipment	281	62	343	283	626
Investments, excl. deferred tax	-	-	-	-76	-76
Inventories	49	18	67	18	85
Loans and receivables, current	2	44	46	44	90
Cash and cash equivalents	5	15	20	15	35
Pensions	-52	-	-52	-	-52
Deferred tax assets and liabilities, net	-28	-2	-30	-52	-82
Borrowings	-37	-30	-67	-30	-97
Trade payables and other payables	-130	-31	-161	-44	-205
Net assets	**179**	**76**	**255**	**235**	**490**

In Q1 2010, Carlsberg gained control of Wusu Xinjiang Beer Group through a step acquisition. The shareholdings held before obtaining control have been recognised at fair value with the revaluation adjustment, DKK 390m, recognised in special items. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities in the acquisition is completed.

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 interest's share of Wusu Xinjiang Beer Group has been recognised as part of goodwill.

In Q4 2010, Carlsberg gained control of Gorkha Brewery through a step acquisition. The shareholdings held immediately before obtaining control have been recognised at fair value with the revaluation adjustment, DKK 208m, 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 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 acquired entities contributed positively to operating profit before special items for 2010 by approximately DKK 36m and to the profit for the year by approximately DKK 19m. The net profit for the year had the acquisition of Gorkha Brewery been completed at 1 January 2010 is estimated at DKK 5.382m. As the acquisition of Wusu Xinjiang Beer Group was completed at 1 January 2010, the result has already been included in net profit for the year.

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 Wusu Xinjiang Beer Group transaction were an after-tax WACC of 10.5% and a terminal growth rate of 2.5%. 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. Accounting for the acquisition will be completed within the 12-month period required in IFRS 3.

Acquisition of entities

The purchase price of the activities in S&N (acquired in 2008) has been adjusted by DKK 284m as a result of allocation of debt according to agreement. The adjustment was recognised as goodwill. The purchase price is expected to be further adjusted depending on the final allocation of debt according to agreement.

The Group did not complete any acquisitions of entities during 2009.