Carlsberg Group

Carlsberg A/S
100 Ny Carlsberg Vej
1799 Copenhagen V
CVR.no. 61056416
Tel +45 3327 3300
Fax +45 3327 4701
carlsberg@carlsberg.com

Financial statement as at 31 December 2011

Solid performance in NW Europe and Asia; changes implemented in Russia

- In 2011, Carlsberg achieved solid results in Northern & Western Europe and continued our strong performance in Asia. In Northern & Western Europe, our performance was driven by efficiency improvements and market share gains, while in Asia it was driven by growth and market share gains. Our performance in Eastern Europe was impacted by the Russian beer market decline and our Russian market share loss, which was caused by a high level of promotions and price activations by competitors. Group results were in line with our expectations announced in August.
- The overall Northern & Western Europe beer market was flat in 2011. The Russian market declined by an estimated 3% and was negatively impacted by high inflation on basic food items and the substantial beer price increases introduced over the last two years. Most Asian markets continued to grow at high single-digit percentages.
- Price/mix was +5% for beer with a particularly strong contribution from Eastern Europe and Asia, reflecting the Group's ambition to drive value in the beer category by balancing our focus on volume and value share growth. The commercial activities included several product launches, a revitalisation of certain existing brands and an ongoing roll-out of value management tools.
- An important commercial project in 2011 was the repositioning of the Carlsberg brand across more than 150 markets. The Carlsberg brand grew in volume by an encouraging 7% in premium markets.
- Group beer volumes grew by 4% to 118.7m hl with 3% organic growth. All regions reported organic volume growth. In Q4, Group beer volumes grew organically by 8%, positively impacted by stock building by Russian distributors.
- Net revenue increased by 6% to DKK 63.6bn with 6% organic growth. Q4 net revenue grew by 11% to DKK 14.9bn with 11% organic growth.
- We are continuing to plan and implement new and more efficient ways of working across the Carlsberg Group such as harmonising SKUs; embedding the Business Standardisation Programme (BSP) into the organisation; and taking the first steps towards establishing a fully integrated supply chain.
- In 2011, higher input costs, higher logistics costs and a higher level of sales and marketing investments, particularly in Eastern Europe and Asia, resulted in an operating profit of DKK 9,816m with a 4% organic decline. Q4 operating profit grew strongly by 67% to DKK 1,834m.
- Net profit was DKK 5,149m.

- Free cash flow was DKK 3.9bn. Trading working capital to net revenue was 1.9% compared to 2.6% in 2010. Net interest-bearing debt was DKK 32.5bn, impacted by acquisitions, share buy-back and currency impact.
- During the year, the Group continued to increase ownership in its companies across the regions, including companies in Vietnam, Laos, and China.
- For 2011, the Company proposes a 10% increase in dividend per share to DKK 5.50. Notwithstanding the slight decline in earnings per share (in reported terms), the Company has demonstrated strong cash flow generation in the past three years and has reduced the leverage and increased the interest cover. Subsequently, the Company's credit rating has improved over the last years and is currently "BBB stable outlook/Baa2 stable outlook".
- Based on an assumed EUR/RUB rate of 43.3 and a negative volume and earnings impact in 2012 from destocking by distributors in Russia in Q1 2012, for 2012 the Carlsberg Group expects:
  - Operating profit before special items at the level of 2011 (higher at the 2011 average EUR/RUB rate)
  - Slightly growing adjusted net profit [1]
- The Carlsberg Group intends to make a voluntary offer for the remaining outstanding shares in its Russian subsidiary, Baltika. We will take the necessary steps to arrange for a delisting of Baltika as soon as possible. Full ownership of Baltika will give the Carlsberg Group greater operational flexibility. When completed, the transaction is expected to be immediately earnings-enhancing.

Commenting on the results, CEO Jørgen Buhl Rasmussen says: "While 2011 was a challenging year with headwinds from rising input costs and a challenging Russian market, our Northern & Western European and Asian regions continued to perform well, both commercially and financially. Throughout the year, we maintained our focus on profitable development by balancing volume and value share, which led to share growth in both volume and value in Northern & Western Europe and Asia, but in the case of Russia resulted in market share loss due to a high level of promotional activities from competitors.

In our planning for 2012, we're investing to grow market share and continuing the implementation of efficiency improvements. Strong prioritisation on the most important activities will be a key driver for how we approach businesses in what we expect to be a challenging environment in Northern & Western Europe in 2012. In Russia, the steps we've taken to strengthen the business will begin to bear fruit in 2012. At the same time we'll continue to explore acquisition opportunities in growth markets."

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

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

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

KEY FIGURES AND FINANCIAL RATIOS

DKK million		2007	2008	2009	2010	2011
Sales volumes, gross (million hl)						
Beer		115.2	126.8	137.0	136.5	139.8
Other beverages		20.8	22.3	22.2	22.5	22.2
Sales volumes, pro rata (million hl)						
Beer		82.0	109.3	116.0	114.2	118.7
Other beverages		17.8	19.8	19.8	19.3	19.2
Income statement						
Net revenue		44,750	59,944	59,382	60,054	63,561
Operating profit before special items		5,262	7,978	9,390	10,249	9,816
Special items, net		-427	-1,641	-695	-249	-268
Financial items, net		-1,201	-3,456	-2,990	-2,155	-2,018
Profit before tax		3,634	2,881	5,705	7,845	7,530
Corporation tax		-1,038	312	-1,538	-1,885	-1,838
Consolidated profit		2,596	3,193	4,167	5,960	5,692
Attributable to:						
Non-controlling interests		299	572	565	609	543
Shareholders in Carlsberg A/S		2,297	2,621	3,602	5,351	5,149
Statement of financial position						
Total assets		61,220	142,639	134,515	144,250	147,714
Invested capital		45,394	118,643	109,538	117,119	118,196
Interest-bearing debt, net		19,726	44,156	35,679	32,743	32,460
Equity, shareholders in Carlsberg A/S		18,621	54,750	54,829	64,248	65,866
Statement of cash flows						
Cash flow from operating activities		4,837	7,812	13,631	11,020	8,813
Cash flow from investing activities		-4,927	-57,153	-3,082	-5,841	-4,883
Free cash flow		-90	-49,341	10,549	5,179	3,930
Investments						
Acquisition and disposal of property, plant and equipment, net		-4,596	-4,669	-2,342	-2,197	-3,618
Acquisition and disposal of entities, net		-179	-51,438	95	-477	-260
Financial ratios						
Operating margin	%	11.8	13.3	15.8	17.1	15.4
Return on average invested capital (ROIC)	%	11.7	8.2	8.2	8.8	8.4
Equity ratio	%	30.4	38.4	40.8	44.5	44.6
Debt/equity ratio (financial gearing)	x	0.99	0.74	0.60	0.47	0.45
Debt/operating profit before depreciation and amortisation	x	2.43	3.80	2.71	2.30	2.39
Interest cover	x	4.38	2.31	3.14	4.76	4.86
Stock market ratios*						
Earnings per share (EPS)	DKK	24.3	22.1	23.6	35.1	33.8
Cash flow from operating activities per share (CFPS)	DKK	51.2	65.8	89.3	72.1	57.7
Free cash flow per share (FCFPS)	DKK	-1.0	-415.4	69.1	33.9	25.7
Dividend per share (proposed)	DKK	4.8	3.5	3.5	5.0	5.5
Pay-out ratio	%	20	20	15	14	16
Share price (B shares)	DKK	498.1	171.3	384.0	558.5	405.0
Number of shares (period-end, excl. treasury shares)	1,000	76,246	152,554	152,553	152,539	152,523
Number of shares (average, excl. treasury shares)	1,000	94,466	118,778	152,550	152,548	152,538

* Stock market ratios for 2007-2008 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, Recommendations and Financial Ratios 2010.

BUSINESS DEVELOPMENT

DKK million	2010	Change Organic	Change Acq., net	Change FX	2011	Change Reported
Q4						
Beer sales (million hl)	24.5	8%	2%		26.9	10%
Net revenue	13,399	11%	1%	-1%	14,853	11%
Operating profit	1,100	63%	4%	0%	1,834	67%
Operating margin (%)	8.2				12.3	410bp
12 mths						
Beer sales (million hl)	114.2	3%	1%		118.7	4%
Net revenue	60,054	6%	1%	-1%	63,561	6%
Operating profit	10,249	-4%	1%	-1%	9,816	-4%
Operating margin (%)	17.1				15.4	-170bp

Group beer volumes grew organically by 3%. Including acquisitions, net, the increase was 4% to 118.7m hl (114.2m hl in 2010). All three regions reported organic volume growth for the year. Pro rata Group volumes of other beverages were 19.2m hl (19.3m hl in 2010). Led by stocking of around 1.3m hl at distributors in Russia in Q4, organic volume growth in the quarter was 8%. Good performance in Northern & Western Europe and Asia also supported the Q4 volume growth.

Sales and marketing investments as a percentage of sales grew compared with last year, mainly in Eastern Europe and Asia. Our sales and marketing efforts are aimed at improving both volume and value market share and included numerous commercial activities such as value management, new products, brand premiumisation initiatives, and upgrading of key account and sales capabilities.

During the year, we introduced a number of new products and line extensions across our regions. An important Group innovation launched in Q2 in selected markets in the Nordics was the light, refreshing and stylish premium beer Copenhagen. Examples of new local products include Baltika Draught Non-filtered and 1664 Millésime.

We are intensifying our efforts behind our international premium portfolio. An important milestone in 2011 was the global repositioning of the Carlsberg brand in April. A significant number of activities took place during the year and the activity level will remain high, not least in 2012 when UEFA EURO 2012™ will be a very important activity. The first signs of the repositioning are encouraging with 7% volume growth for the year in the brand's premium markets.

Net revenue grew by 6% to DKK 63,561m (DKK 60,054m in 2010) with a solid 6% organic growth (total volume 2% and 4% price/mix), currency impact of -1% and net acquisition impact of 1%. Organic net revenue growth for Q4 was even stronger at 11%. In 2011, it was necessary to compensate for the higher input costs, and the Group achieved a 4% price/mix as a result of value management including price increases, with particularly strong pricing in Eastern Europe.

The Group continues to centralise procurement activities, but despite the benefits of this, input costs grew in all regions in 2011. Prices in most categories increased and cost of sales per hl for the Group increased organically by approximately 8%, with a particularly strong increase in Eastern Europe. Gross profit margin declined by 170bp to 50.0%, while gross profit per hl increased slightly organically as higher input costs were offset by the positive price/mix and the impact of the continued efficiency improvements.

Operating expenses grew organically by 5% (approximately 3% per hl) due to increased sales and marketing investments, especially in Eastern Europe and Asia, and higher logistics costs, mainly in Eastern Europe. In spite of unchanged sales and marketing investments in Northern & Western Europe, operating expenses in the region declined organically by approximately 3% per hl due to ongoing efficiency improvements.

Overall efficiency improvements remain in focus across the whole Group. Several local, regional and Group-wide projects were implemented in 2011 as part of the Group transformation. An important transformational step was taken in October, when we announced the initiative to fully integrate the supply chain across our markets in Northern & Western Europe. The purpose is to improve capabilities, customer service and efficiency, increase speed and optimise asset utilisation. The Business Standardisation Programme will be an important enabler for the integrated supply chain.

Group operating profit was DKK 9,816m (DKK 10,249m in 2010) with an organic decline of 4%, currency impact of -1% and 1% net effect from acquisitions. Solid growth in Asia and Northern & Western Europe was not enough to offset the Eastern European decline, and Group operating margin declined to 15.4% (17.1% in 2010).

Q4 operating profit grew strongly by 67% (organic growth of 63%). This improvement was driven by stock building in Russia by distributors; different phasing of sales and marketing investments versus prior year; execution of contingency plans in Northern & Western Europe following a poor summer; and general overall cost consciousness.

Return on average invested capital continued to grow in Northern & Western Europe, increasing from 17.2% to 18.3% due to improved profitability and reduced asset base. In Eastern Europe and Asia, return on average capital employed declined due to lower profitability and capacity expansion respectively. In total, return on average invested capital for the brewing activities declined slightly to 9.4% (9.8% in 2010).

We continuously work to improve capital efficiency by setting clear and focused targets. Since the Scottish & Newcastle transaction in 2008, the Group has improved working capital management, prioritised capital investments and monetised redundant assets.

Operating cash flow was DKK 8.8bn (DKK 11bn in 2010). This was impacted negatively mainly by lower profits than 2010 and trading working capital at year-end. Year-end trading working capital was impacted by the stocking by distributors in Russia in the latter part of Q4 and consequently a high level of trade receivables. Average trading working capital to net revenue declined to 1.9% (2.6% in 2010). Free cash flow was DKK 3.9bn for 2011 (DKK 5.2bn for 2010).

Net interest-bearing debt was DKK 32.5bn at the end of 2011 (DKK 32.7bn at the end of 2010). The Group is committed to maintaining an investment-grade credit quality.

In December, the Group established a new five-year revolving credit facility of EUR 800m replacing a facility signed in 2005. With this new credit facility, Carlsberg has extended the maturity profile of its bank commitments at favourable pricing and terms.

For 2011, the Company proposes a 10% increase in dividend per share to DKK 5.50. Notwithstanding the slight decline in earnings per share (in reported terms), the Company has demonstrated strong cash flow generation in the past three years and has reduced the leverage and increased the interest cover. Subsequently, the Company's credit rating has improved over the last years and is currently "BBB stable outlook/Baa2 stable outlook".

Structural changes – continued focus on M&A in key markets

In line with our M&A strategy, several structural changes took place during 2011 aimed at strengthening the Group's position in key markets:

- The Group increased its ownership in its Indian business, South Asian Breweries Pte Ltd. to 94%.
- The Group announced an expansion of its presence in China through the establishment of the planned joint venture Chongqing Xinghui Investment Co., Ltd. When completed, the Group will be directly or indirectly involved in 42 breweries in China.
- The Group acquired an additional 1% of the shareholding in the joint venture Lao Brewery Co. Ltd., Laos, in a disproportionate capital increase, thus gaining control of the entity in a step acquisition.
- The Group increased its ownership in the Vietnamese Hue Brewery from 50% to 100%.

In addition to this, the Group intends to make a voluntary offer for the remaining outstanding shares in Baltika. That will be done when formalities related to the conversion of preference shares and the cancellation of treasury shares allow for it. We currently expect this to happen not later than May 2012. Depending on market conditions the price is currently expected to be up to a maximum of RUB 1,550. For the avoidance of doubt, the offered price per share can be substantially lower than RUB 1,550. Assuming full cancellation of the treasury shares currently held by Baltika, the Carlsberg Group owns approximately 85% of Baltika.

Assuming a successful voluntary offer in which Carlsberg increases its ownership to more than 95%, the Group intends to make a compulsory redemption of any remaining outstanding shares. The total costs of increasing the ownership from around 85% to 100% would in principle be up to DKK 6.5bn with a net cost for the Carlsberg Group in 2012 and beyond of maximum DKK 4.4bn due to a positive impact from financial arrangements.

Russia is the world's 4th largest beer market and the Carlsberg Group firmly believes in the long-term market and profit pool growth opportunities. The transaction is in line with the Carlsberg Group's strategy of having 100% ownership of its most important subsidiaries to achieve greater operational flexibility. By having 100% ownership of Baltika, the company can be fully integrated into the Carlsberg Group which will speed up the implementation of decisions and also make Baltika a vital part of the back-end integration which the Group has accelerated recently.

The Carlsberg Group expects the transaction to be immediately earnings-enhancing when completed.

As a result of the intended offer, the Carlsberg Group expects to reach the 95% level. However, should that not be the case, the Group intends to cease Baltika dividends, use Baltika's balance sheet for Carlsberg expansion into other geographies and use neighbouring countries as sourcing hubs for Carlsberg markets.

The Carlsberg Group will take the necessary steps to arrange for a delisting of Baltika as soon as possible.

2012 earnings expectations – focus and prioritisation

The current challenging consumer environment and the limited visibility into consumer reactions to the uncertain macro environment, especially in Europe, led in the second half of 2011 to a review of the Group's short- and medium-term plans, while the Group's long-term planning and ambitions remain intact.

In developing our 2012 commercial agenda, we have had a clear focus and a high level of prioritisation, especially in Northern & Western Europe, ensuring that we continue to strive for market share expansion across the Group while keeping the balance between volume and value share performance. We will continue to drive our international brand portfolio, as well as our local power brands, and combine this with our ambitions to strengthen our commercial execution capabilities.

To support our long-term ambitions, in 2012 the Group will continue the focused efficiency agenda, which includes larger projects such as standardising business processes and integrating procurement, supply chain and logistics across Northern & Western Europe. In addition to these larger Group projects, initiatives at all levels across the organisation will be implemented to improve cost-efficiency.

The key market assumptions for the Group's 2012 outlook are:

- Low single-digit decline in the Northern & Western European markets
- The Russian market reverting to modest growth during 2012
- Continued growth in key markets across Asia

In addition to the market assumptions, other key assumptions for the outlook are:

- An average EUR/RUB exchange rate of 43.3 (a EUR/RUB change of +/- 1 impacts Group operating profit by slightly less than +/- DKK 100m)
- A negative volume and earnings impact in the already seasonally small Q1 2012 from anticipated destocking by distributors in Russia of an estimated 1.3m hl and stocking by distributors at a similar level in Q4 2012.

Based on the assumptions above and our planning, for 2012 the Carlsberg Group expects:

- Operating profit before special items at the level of 2011 (higher at the 2011 average EUR/RUB rate)
- Slightly growing adjusted net profit [2]

The 2012 outlook does not include any impact of the intentions of announcing a voluntary offer for the remaining Baltika shares.

The Group confirms its mid-term regional and Group operating margin targets announced in February 2010.

NORTHERN & WESTERN EUROPE

			Change			Change
DKK million	2010	Organic	Acq., net	FX	2011	Reported
Q4						
Beer sales (million hl)	11.1	5%	-1%		11.5	4%
Net revenue	8,450	3%	-1%	1%	8,715	3%
Operating profit	839	38%	-1%	2%	1,166	39%
Operating margin (%)	9.9				13.4	350bp
12 mths						
Beer sales (million hl)	49.5	1%	0%		49.7	1%
Net revenue	36,156	1%	-1%	2%	36,879	2%
Operating profit	5,086	6%	0%	1%	5,419	7%
Operating margin (%)	14.1				14.7	60bp

With the exception of a few markets in Southern Europe such as Greece and Portugal, consumer behaviour in the beer category was quite resilient throughout 2011 despite the macroeconomic challenges in many countries across the region. The regional beer market was flat for the year, though there were significant variations between markets. Q3 was slightly worse than the trend throughout the year due to very wet and cold weather in July and the beginning of August in several of our markets.

The Group's volume and value market share grew slightly with improvements in markets such as Poland, Finland and Italy, while our market share declined in markets such as France and South

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

East Europe. In the northern part of the region, our market share performance improved sequentially throughout the year.

In 2011, we continued to drive category value through a high level of commercial activities, including intensified support behind existing brands; introduction of new products; and further development of channel marketing and value management tools. The repositioning of the Carlsberg brand and the launch of Copenhagen in pilot markets were important activities. In addition, line extensions of Somersby were introduced, the brand was rolled out in more markets and Tuborg Lime Cut was introduced in new markets.

Organic beer volume growth was 1% for the year and 5% in Q4 with markets such as Sweden, Switzerland, Poland and Finland achieving positive volume growth. Reported beer volumes grew by 1%. Total volumes, including non-beer beverages, were flat for the year (+4% in Q4).

Net revenue was DKK 36,879m (DKK 36,156m in 2010) with organic growth of 1% (3% in Q4) and reported growth of 2%. Net revenue growth for beer was 3% (1% volume, 1% price/mix, 1% currency and 0% acquisitions). Prices were increased by low single digits in most markets. Positive price/mix in most markets more than offset a negative country mix due to the Polish business continuing to grow strongly and a negative channel mix from on-trade to off-trade across the region.

An important lever to improve price/mix was the development and implementation of portfolio optimisation and SKU harmonisation, which started in the northern part of the region in 2011 and will become an integral part of value management. These efforts are levers to reduce complexity in our business and to strengthen our ability to meet specific price points and pack sizes preferred by customers and consumers.

Gross profit margin declined slightly for 2011 due to the negative impact of higher input costs.

Operating profit grew organically by 6% with a particularly strong contribution from several of the Nordic markets, the UK, Switzerland and Poland. Reported growth was 7% to DKK 5,419m (DKK 5,086m in 2010). The Group managed to reduce operational expenses through the continued focus on improving efficiency in all areas despite slightly increasing revenue and flat sales and marketing investments, and operating profit margin improved by 60bp to 14.7%.

As expected, operating profit improvement was particularly strong in Q4 with a 38% organic operating profit growth driven by volume growth and the actions implemented following the wet July which reduced the total cost level in the quarter.

UK, France, Switzerland and South East Europe

The UK market declined by 3% for the year with the second half of the year being flat. The Group's market share was flat at 15.4% for the year with slightly better performance in the on-trade versus off-trade. In H2 the Group gained share in both channels. During the year, Carlsberg UK advanced to become no. 3 in the UK on-trade. The Leeds brewery was closed in June.

The French market was slightly up for the year. The strong premiumisation trend in France continued in 2011 benefiting our premium brands – 1664, Grimbergen and Carlsberg – which all gained market share. Grimbergen and Carlsberg showed particularly strong performance in the on-trade. Our mainstream brand, Kronenbourg, lost share as the mainstream segment continued to shrink. Hence, overall market share declined by approximately 60bp. Several product launches took place in France, including a 5-litre non-returnable keg for 1664 and the line extensions 1664 Millésime and Kronenbourg Fleuron d'Alsace.

The roll-out of the Business Standardisation Programme was piloted in Switzerland in May. Our Swiss market share was flat despite a growing penetration of imported brands supported by a strong CHF. The Fribourg brewery was closed and beer production concentrated at the Rheinfelden brewery. Despite the implementation of these significant structural changes, profitability in the Swiss business improved due to a very strong operational focus.

In South East Europe, several product launches took place, including the roll-out of Somersby across all markets, Tuborg in 1-litre PET in Bulgaria, and Radler (beer mix) in Croatia and Serbia as line extensions to our PAN and LAV brands.

Denmark, Poland and Finland

The Danish market declined by approximately 2% in 2011, impacted by poor weather in July and continued growth of the German-Danish cross-border trade. Our market share declined slightly to 54.4%. Price increases were implemented in January and November 2011 to offset higher input costs. Profitability increased due to tight cost control and ongoing efficiency improvements.

The Polish market grew by approximately 5% for the year. Our Polish business continued its strong performance with double-digit organic volume growth and market share growth of 230bp to 16.2%. The strong performance was driven by the Harnas, Kasztelan, Okocim and Carlsberg brands and our position in the rapidly expanding modern trade channel, where discounters in particular are increasing their market share. Throughout the year, we made several price increases in line with the market and our pricing was up year-on-year. Mix was negative due to a significant channel shift. Volumes, revenue and profits grew strongly.

The Finnish market grew by approximately 1%. Our performance in Finland was not least a result of our portfolio optimisation and SKU harmonisation projects and the subsequent introduction of more flexible pack sizes.

EASTERN EUROPE

DKK million	2010	Change Organic	Change Acq., net	Change FX	2011	Change Reported
Q4						
Beer sales (million hl)	9.5	14%	0%		10.8	14%
Net revenue	3,491	33%	0%	-7%	4,384	26%
Operating profit	482	68%	0%	-1%	804	67%
Operating margin (%)	13.8				18.3	450bp
12 mths						
Beer sales (million hl)	46.8	2%	0%		47.7	2%
Net revenue	18,187	14%	0%	-6%	19,719	8%
Operating profit	5,048	-11%	0%	-4%	4,286	-15%
Operating margin (%)	27.8				21.7	-610bp

2011 was a challenging year in Eastern Europe as consumer behaviour in the beer category was still impacted by very high inflation on basic food items, in particular in H1, and the substantial beer price increases in 2010, making the Russian market less predictable and less positive than we expected at the beginning of the year.

The Group's beer volumes grew organically by 2% (14% for Q4). However, numbers are distorted by the substantial impact of stocking and destocking by distributors in Russia pre and post excise duty increases. In Q1 2010, a destocking of an estimated 1.5m hl took place following the significant excise duty increase in January 2010. In Q4 2011, there was a stocking impact of an estimated 1.3m hl ahead of the excise duty increase in January 2012. Adjusting for this, our Eastern European volumes declined by an estimated 3-4% in 2011. This decline was mainly due to lower Russian market volumes driven by an underlying market decline and tough comparables because of very hot and dry weather in Q3 2010.

The Group's market share in Ukraine continued to strengthen, while our Russian market share declined. During 2011, we increased our sales and marketing investments in the region to drive category value by supporting our brands across all price points, drive new product introductions and further strengthen our commercial capabilities in areas such as key account management, channel marketing, digital media etc.

Net revenue grew 8% to DKK 19,719m (DKK 18,187m in 2010) and 14% organically (+33% in Q4). Price/mix developed favourably and the Group achieved a +12% price/mix for beer (19% for Q4) driven by price increases throughout the year; distorted comparisons in H1 following the Russian excise duty increase in January 2010; and a healthy mix improvement in both Russia and Ukraine.

Reported operating profit declined by 15% to DKK 4,286m (DKK 5,048m in 2010) and 11% organically. In Q4, profit grew strongly with organic operating profit growth of 68% due to stock building by distributors in Russia and different phasing of sales and marketing investments in 2011 versus 2010.

Operating profit margin for the year was 21.7% (27.8% in 2010). Although our gross profit margin declined by around 500bp, the Group offset the absolute impact of the substantial input cost increases of more than 20% per hl by implementing several price increases throughout the year, resulting in low single-digit organic growth in gross profit per hl. The significant input cost increases were caused by the very poor Eastern European harvest in 2010, which made it necessary to import large quantities of raw materials, especially barley/malt, and an overall higher price level for packaging. Operational expenses increased due to higher sales and marketing investments and higher logistics costs because of higher fuel prices and higher freight rates.

Russia

At the beginning of 2011, the Group anticipated a slightly growing Russian beer market in 2011 due to improving macroeconomic conditions and a recovery of the Russian consumer sentiment in late 2010. However, consumer behaviour in the beer category in 2011 was negatively impacted by the significant inflationary pressure on basic food items on top of the significant consumer price increases on beer of more than 30% since November 2009, primarily implemented to offset the excise duty increase in 2010. Consequently, the Russian market volumes declined by an estimated 3% for 2011 (estimated -4% in Q4).

Our Russian shipments grew by 4% (20% for Q4), impacted by the aforementioned destocking by distributors in Q1 2010 and stocking in Q4 2011. Adjusted for this, the Group's Russian shipments would have declined by an estimated 4%.

The Group's in-market-sales ("off-take") declined by 7% (-7% in Q4).

Our Russian volume market share declined from 39.2% to 37.4% for the year (source: Nielsen Retail Audit, Urban Russia). The value share declined considerably less by 130bp (source: Nielsen Retail Audit, Urban Russia).

We believe the market share loss was mainly caused by our price leadership following the substantial price increases that started in November 2009; too little focus on the economy segment in the first half of the year in traditional trade in particular; and a high level of promotional activities by competitors. To ensure profitable market share development, the Group consciously decided not to fully participate in these promotional price activities because in Russia too, we are determined to balance volume and value share development and drive category value development.

The Group achieved a positive mix of approximately 3%, compared to an estimated positive market mix of 1% reflecting our focus on mainstream, premium and super premium, although selectively increasing the activity level in lower mainstream in traditional trade in the second half of the year.

In Russia, price increases for 2011 were introduced in November 2010 and March, May and November 2011 to cover the duty increase and the significant input cost increase, leading to a consumer price increase of approximately 10% for the year. The price increase in November was implemented to offset part of the January 2012 excise duty increase of RUB 2.

In 2011, the Russian regulation for selling and marketing beer in Russia was changed. The new regulation is expected to accelerate certain trends already evident in the Russian marketplace. Consequently, actions have been taken within channel management and marketing to benefit from the expected channel and assortment changes. Our balanced portfolio approach will continue, assuming that the level of price promotions will normalise compared to 2011. We will continue to support our premium brands and several of our strong brands are being revitalised, including the lower-mainstream brand Arsenalnoye. Within sales, we are rolling out improved planning and performance management tools and strengthening our key account management capabilities.

In December 2011, the CEO of Carlsberg UK, Isaac Sheps, took over the position of Senior Vice President, Eastern Europe and President of Baltika Breweries.

Ukraine

The Ukrainian market declined by approximately 2% in 2011 impacted by a very wet summer. Our Ukrainian business continued to perform well and achieved yet another year of market share growth. Beer volumes grew by approximately 3%. The Group's Ukrainian market share grew by 20bp to 28.8% with a stronger improvement in value share. The main drivers were the Baltika and Lvivske brands. Ukraine is now the Group's third largest market in volume terms. Net revenue and operating profit grew organically by double-digit percentages and margin improved slightly despite the impact of higher input costs.

Other markets

Our business in Belarus delivered strong organic volume, revenue and earnings growth.

The beer market in Kazakhstan was flat. Our Kazakh business is still recovering from the merger of the local Kazakh business with the Russian export business to Kazakhstan and consequently lost share in 2011. Changes to management were made during the year and operational performance is expected to improve. Profitability declined due to lower volumes and higher input costs.

ASIA

		Change				Change
DKK million	2010	Organic	Acq., net	FX	2011	Reported
Q4						
Beer sales (million hl)	3.9	3%	14%		4.6	17%
Net revenue	1,423	9%	13%	0%	1,735	22%
Operating profit	221	24%	7%	-3%	283	28%
Operating margin (%)	15.5				16.3	80bp
12 mths						
Beer sales (million hl)	17.9	9%	10%		21.3	19%
Net revenue	5,613	15%	10%	-3%	6,838	22%
Operating profit	1,044	13%	13%	-3%	1,286	23%
Operating margin (%)	18.6				18.8	20bp

Our Asian business again delivered very strong performance driven by increasing market shares in growing markets across the region and strong execution by our local businesses. The region achieved strong volume and revenue growth and managed to keep margins unchanged versus last year despite higher input costs and increased sales and marketing investments.

We continue to view the region as a key platform for growth and we are therefore continuing to strengthen our position by investing in capability building and capacity expansion to drive organic growth as well as pursuing appropriate acquisitions. Several transactions were carried out during 2011, which resulted in increased ownership in a number of our Asian businesses.

Beer volumes grew organically by 9% in 2011 (3% in Q4). Including acquisitions, beer volumes grew by 19% to 21.3m hl (17.9m hl in 2010). The acquisition impact was due to the increased ownership obtained in Chongqing Brewery Co. Ltd. (China) in 2010, Gorkha Brewery (Nepal) in 2010, South Asian Breweries (India) in 2011, Hue Brewery (Vietnam) in 2011 and Lao Brewery (Laos) in 2011.

Organic net revenue growth was 15% (9% in Q4). The acquisition impact of our increased ownership in the businesses in Vietnam, Laos, Nepal and India was 10%.

Operating profit grew organically by 13% (24% in Q4) with a reported growth of 23% (28% in Q4). Operating profit margin grew by 20bp to 18.8% despite the negative impact of higher input costs.

China

Our Chinese volumes grew organically by 8% in a market which grew by approximately 5%. Reported volumes grew by 20% due to acquisitions. Our Chinese volumes (pro rata) reached almost 14m hl. Our market share was slightly up because of strong growth in our international premium portfolio.

Despite a very competitive market environment, price/mix was 8%, driven by our premiumisation efforts within our local portfolio and the growth of our international premium brands, capability building within sales and price increases.

The repositioning of the Carlsberg brand was a key initiative for the Chinese business in 2011. As a result, our Carlsberg brand portfolio, with Carlsberg Chill and Carlsberg Light, performed very well, achieving 30% volume growth.

Indochina

Our business in Indochina (Vietnam, Laos, Cambodia and Thailand) grew by approximately 7% with strong performances in Laos and Cambodia. Volume in Vietnam declined due to poor weather conditions at the beginning of the year and challenging macroeconomic conditions. The Cambodian business benefited from strong growth of the Angkor brand, which doubled its volumes versus the previous year, and the introduction of Carlsberg. The Carlsberg brand was relaunched in Thailand after an absence of eight years.

We are continuing to invest in the growth markets in Indochina. In Vietnam, we took full control of Hue Brewery; in Cambodia, we doubled the size of our brewing capacity to meet demand; and in Laos, we became the majority shareholder.

Organic operating profit growth was close to 20%.

Malaysia/Singapore

Our businesses in Malaysia and Singapore performed well with a particularly strong performance achieved by the Carlsberg brand and new premium brands such as 1664 in the on-trade. We achieved very favourable growth in revenue per hl from price increases and our portfolio premiumisation strategy.

India

Our strong growth in India continued in 2011 and Carlsberg made further market share gains to reach third position in the market with a share of close to 6%, up more than 100bp from last year. Volumes grew organically by approximately 70% in a market which grew by approximately 6%. Our growth was driven by successful execution of the repositioning of the Carlsberg brand; the introduction of Carlsberg Elephant; and strong growth of Tuborg. We are currently operating five breweries in India and planning to construct a sixth brewery.

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 1,114m (DKK 932m in 2010). The increase was primarily due to costs related to the implementation of the Business Standardisation Programme and higher marketing costs, including costs for the new Carlsberg positioning.

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 61m (profit of DKK 3m in 2010).

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

COMMENTS ON THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The 2011 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 IFRS 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.

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

INCOME STATEMENT

Net special items amounted to DKK -268m against DKK -249m in 2010. Special items were positively affected by fair value non-cash revaluations of previously owned shareholdings in connection with the step acquisitions in Lao Brewery Co. Ltd in Laos and Hue Brewery Ltd. in Vietnam, cf. note 4 to this announcement. The negative impact came from costs incurred in connection with restructuring measures implemented in Northern & Western Europe and impairment charges related to two trademarks in Eastern Europe and investments in Carlsberg Uzbekistan and Nordic Getränke, Germany, as a consequence of difficult market conditions as well as poor performance and profit outlook. Furthermore, impairment was made on the Business Standardisation Programme due to redesign and change of scope following the decision to establish a fully integrated supply chain in Northern & Western Europe.

Net financial items amounted to DKK -2,018m against DKK -2,155m in 2010. Net interest costs accounted for DKK -1,744m, compared to DKK -1,933m in 2010, reflecting the lower average funding cost. Other net financial items were DKK -274m (DKK -222m in 2010). The negative development is due to defined benefit obligations and other financial expenses such as bank fees etc.

Tax totalled DKK -1,838m against DKK -1,885m in 2010. The tax rate was 24.4%.

Consolidated profit was DKK 5,692m against DKK 5,960m in 2010, impacted by the decline in operating profit.

Carlsberg's share of net profit was DKK 5,149m against DKK 5,351m in 2010.

STATEMENT OF FINANCIAL POSITION

At 31 December 2011, Carlsberg had total assets of DKK 147.7bn (DKK 144.3bn at 31 December 2010). The increase of DKK 3.4bn primarily relates to currency adjustments and an increase in receivables.

Assets

Intangible assets totalled DKK 89.0bn against DKK 87.8bn at 31 December 2010. The increase is mainly related to the acquisition of additional shares in Lao Brewery Co. Ltd and Hue Brewery Ltd., increased goodwill and trademarks.

Property, plant and equipment were DKK 31.8bn (DKK 32.5bn at 31 December 2010).

Financial assets amounted to DKK 8.0bn (DKK 8.1bn at 31 December 2010).

Current assets totalled DKK 18.2bn against DKK 15.5bn at 31 December 2010 impacted by higher trade receivables, mainly due to the stock building at distributors in Russia in Q4, 2011.

Liabilities

Total equity was DKK 71.6bn, of which DKK 65.8bn was attributed to shareholders in Carlsberg A/S and DKK 5.8bn to non-controlling interests.

The increase in equity compared with 31 December 2010 was DKK 2bn, mainly due to currency adjustments of approximately DKK -1.8bn, profit for the period of DKK 5.7bn, retirement benefit obligations of DKK -1.1bn, payment of dividends to shareholders of DKK -0.9bn, acquisition of non-controlling interests of DKK -1.5bn, share buy-back of DKK -0.4bn and acquisition of entities of DKK 1.6bn.

Total liabilities were DKK 76.1bn (DKK 74.6bn at 31 December 2010). Non-current liabilities increased by DKK 2.1bn compared with 31 December 2010, mainly due to an increase in retirement benefit obligations of DKK 0.8bn. Furthermore, a change in funding sources has increased non-current borrowings by DKK 1.8bn while current borrowings have decreased by a similar amount.

Current liabilities excluding the current portion of borrowings were DKK 23.8bn (DKK 23.1bn at 31 December 2010), mainly impacted by an increase in trade payables of DKK 1.6bn.

CASH FLOW

Operating profit before depreciation and amortisation was DKK 13,600m (DKK 14,236m in 2010).

The change in trading working capital was DKK -571m (DKK 1,334m in 2010). Trading working capital was impacted negatively by stocking by distributors in Russia in late Q4 and the consequent high level of trade receivables at year-end. Excluding the stocking effect, the change in trading working capital would have been DKK +11m.The focus on trading working capital remains and average trading working capital to net revenue was 1.9% at the end of 2011 compared to 2.6% at the end of 2010.

The change in other working capital was DKK -421m (DKK -618m in 2010). The change relates primarily to pension obligations.

Paid net interest etc. amounted to DKK -2,070m in 2011 against DKK -2,089m in 2010.

Cash flow from operating activities in 2011 was DKK 8,813m against DKK 11,020m in 2010. On comparison, the reduction was mainly due to the significant working capital improvement in 2010.

Cash flow from investing activities was DKK -4,883m against DKK -5,841m in 2010. Operational capital expenditure was DKK 996m higher than in 2010. The increase was in line with plans and mainly related to network and production optimisation and sales investments. Financial investments were DKK -311m (DKK -2,675m in 2010, primarily due to the acquisition of shares in Wusu Xinjiang Beer Group and Chongqing Brewery Co. Ltd.). Finally, investments, other activities were DKK -1m (DKK +409m in 2010, impacted by disposal of real estate).

Free cash flow was DKK 3,930m against DKK 5,179m in 2010.

FINANCING

At 31 December 2011, the gross interest-bearing debt amounted to DKK 37.0bn and net interest-bearing debt amounted to DKK 32.5bn. The difference of DKK 4.5bn was other interest-bearing assets, including DKK 3.1bn in cash and cash equivalents.

Of the gross interest-bearing debt, 95% (DKK 34.4bn) was long term, i.e. with maturity more than one year from 31 December 2011, and consisted primarily of facilities in EUR.

In December 2011, the Group entered into a new five-year revolving credit facility of EUR 800m with a select group of relationship banks. The new facility replaced the EUR 1.425bn facility signed in 2005 (subsequently reduced to EUR 1.225bn in 2008). Carlsberg has extended the maturity profile of its bank commitments and achieved favourable pricing and terms.

INCENTIVE PROGRAMMES

In 2011, a total of 61,200 share options were granted to members of the Executive Board and other management personnel in the Carlsberg Group, of which the Executive Board received 60,000 share options.

No options were granted as part of the long-term incentive programme in 2011.

The share options were granted to a total of 3 employees at an exercise price of DKK 566.78 (2010: 288,748 (adjusted) share options to 154 employees at a weighted average price of DKK

496.32 (adjusted)).

In 2012, a total of approximately 130,000 share options will be granted to the Executive Board. The precise number will be calculated using the Black Scholes formula and on the basis of an exercise price calculated as an average of the share price on the first five trading days after publication of the present Company Announcement so that the value of the share options will be equivalent to each Executive Board member's respective fixed annual salary. 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 22 March 2012 at 4.30 pm (CET) at Tap 1, Ny Carlsberg Vej 91, Copenhagen, Denmark.

BOARD RESOLUTIONS AND PROPOSALS TO THE ANNUAL GENERAL MEETING

The Supervisory Board will recommend to the Annual General Meeting that a dividend be paid for 2011 of DKK 5.50 per share or a total of DKK 839m, corresponding to an increase per share of 10% versus last year.

ANNUAL REPORT

The Annual Report for 2011 will be available at www.carlsberggroup.com on 28 February 2012.

FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2012

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

28 February 2012	Annual report for 2011
22 March 2012	Annual General Meeting
9 May 2012	Interim results for Q1 2012
15 August 2012	Interim results for Q2 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 Supervisory Board and Executive Board have discussed and approved the Company Announcement on the financial statement as at 31 December 2011.

The Company Announcement on the financial statement as at 31 December 2011 has been prepared using the same accounting policies as the consolidated financial statements for 2011.

Copenhagen, 20 February 2012

Executive Board of Carlsberg A/S

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

Supervisory Board of Carlsberg A/S

Povl Krogsgaard-Larsen Chairman	Jess Søderberg Deputy Chairman	Hans Andersen
Flemming Besenbacher	Richard Burrows	Kees van der Graaf
Thomas Knudsen	Niels Kærgård	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 2011	Q4 2010	2011	2010
Net revenue	14,853	13,399	63,561	60,054
Cost of sales	-7,757	-6,881	-31,788	-28,982
Gross profit	7,096	6,518	31,773	31,072
Sales and distribution expenses	-4,433	-4,288	-18,483	-17,158
Administrative expenses	-1,017	-1,211	-3,903	-4,040
Other operating income, net	106	68	249	227
Share of profit after tax, associates	82	40	180	148
Operating profit before special items	1,834	1,127	9,816	10,249
Special items, net	-77	-141	-268	-249
Financial income	56	142	630	1,085
Financial expenses	-546	-755	-2,648	-3,240
Profit before tax	1,267	373	7,530	7,845
Corporation tax	-272	30	-1,838	-1,885
Consolidated profit	995	403	5,692	5,960
Profit attributable to:				
Non-controlling interests	83	87	543	609
Shareholders in Carlsberg A/S	912	316	5,149	5,351
Earnings per share	6.0	2.1	33.8	35.1
Earnings per share, diluted	6.0	2.1	33.7	35.0

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q4 2011	Q4 2010	2011	2010
Profit for the period	995	403	5,692	5,960
Other comprehensive income:				
Foreign exchange adjustments of foreign entities	2,777	1,952	-1,839	5,947
Value adjustments of hedging instruments	-65	10	-12	-768
Value adjustments of securities	-	1	-	1
Retirement benefit obligations	-790	89	-1,093	-167
Share of other comprehensive income in associates	3	-	3	-
Effect of hyperinflation adjustments	175	-	175	-
Other	18	34	-26	11
Corporation tax	269	-38	314	47
Other comprehensive income	2,387	2,048	-2,478	5,071
Total comprehensive income	3,382	2,451	3,214	11,031
Total comprehensive income attributable to:				
Non-controlling interests	397	226	639	1,043
Shareholders in Carlsberg A/S	2,985	2,225	2,575	9,988

STATEMENT OF FINANCIAL POSITION

DKK million	31 Dec. 2011	31 Dec. 2010
Assets		
Intangible assets	89,041	87,771
Property, plant and equipment	31,848	32,480
Financial assets	8,039	8,057
Total non-current assets	128,928	128,308
Inventories and trade receivables	12,205	9,878
Other receivables etc.	2,866	2,910
Cash and cash equivalents	3,145	2,735
Total current assets	18,216	15,523
Assets held for sale	570	419
Total assets	147,714	144,250
Equity and liabilities		
Equity, shareholders in Carlsberg A/S	65,866	64,248
Non-controlling interests	5,763	5,381
Total equity	71,629	69,629
Borrowings	34,364	32,587
Deferred tax, retirement benefit obligations etc.	15,178	14,809
Total non-current liabilities	49,542	47,396
Borrowings	1,875	3,959
Trade payables	11,021	9,385
Deposits on returnable bottles and crates	1,291	1,279
Other current liabilities	11,528	12,424
Total current liabilities	25,715	27,047
Liabilities associated with assets held for sale	828	178
Total equity and liabilities	147,714	144,250

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

DKK million	Shareholders in Carlsberg A/S								2011
	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 2011	3,051	-6,049	-1,154	147	-7,056	68,253	64,248	5,381	69,629
Profit for the period	-	-	-	-	-	5,149	5,149	543	5,692
Other comprehensive income:									
Foreign exchange adjustments of foreign entities	-	-1,941	-	-	-1,941	-	-1,941	102	-1,839
Value adjustments of hedging instruments	-	-20	8	-	-12	-	-12	-	-12
Retirement benefit obligations	-	-	-	-	-	-1,079	-1,079	-14	-1,093
Share of other comprehensive income in associates	-		-	-	-	3	3		3
Effect of hyperinflation	-	166	-	-	166	-	166	9	175
Other	-	-	-	-	-	-25	-25	-1	-26
Corporation tax	-	116	-13	-	103	211	314	-	314
Other comprehensive income	-	-1,679	-5	-	-1,684	-890	-2,574	96	-2,478
Total comprehensive income for the period	-	-1,679	-5	-	-1,684	4,259	2,575	639	3,214
Acquisition/disposal of treasury shares	-	-	-	-	-	-3	-3	-	-3
Exercise of share options	-	-	-	-	-	-46	-46	-	-46
Share-based payment	-	-	-	-	-	-1	-1	-	-1
Share buy-back	-	-	-	-	-	-	-	-417	-417
Dividends paid to shareholders	-	-	-	-	-	-763	-763	-121	-884
Acquisition/disposal of non-controlling interests	-	-	-	-	-	-176	-176	-1,353	-1,529
Effect of hyperinflation	-	-	-	-	-	32	32	2	34
Acquisition of entities	-	-	-	-	-	-	-	1,632	1,632
Total changes in equity	-	-1,679	-5	-	-1,684	3,302	1,618	382	2,000
Equity at 31 December 2011	3,051	-7,728	-1,159	147	-8,740	71,555	65,866	5,763	71,629

STATEMENT OF CHANGES IN EQUITY (PAGE 2 OF 2)

DKK million	Shareholders in Carlsberg A/S								2010
	Share capital	Currency translation	Hedging reserves	A-f-S invest-ments	Total reserves	Retained earnings	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 period	-	-	-	-	-	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 obligations	-	-	-	-	-	-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 period	-	4,529	230	1	4,760	5,228	9,988	1,043	11,031
Acquisition/disposal of treasury shares	-	-	-	-	-	-9	-9	-	-9
Exercise 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 CASH FLOWS

DKK million	Q4 2011	Q4 2010	2011	2010
Operating profit before special items	1,834	1,127	9,816	10,249
Adjustment for depreciation, amortisation and impairment losses	990	1,065	3,784	3,987
Operating profit before depreciation, amortisation and impairment losses[1]	2,824	2,192	13,600	14,236
Adjustment for other non-cash items	114	-67	315	493
Change in trading working capital	1,030	1,148	-571	1,334
Change in other working capital	335	-148	-421	-618
Restructuring costs paid	-224	-90	-448	-446
Interest etc. received	168	167	218	255
Interest etc. paid	-626	-612	-2,288	-2,344
Corporation tax paid	-303	-382	-1,592	-1,890
Cash flow from operating activities	3,318	2,208	8,813	11,020
Acquisition of property, plant and equipment and intangible assets	-1,471	-1,234	-4,329	-3,326
Disposal of property, plant and equipment and intangible assets	152	104	276	181
Change in trade loans	-112	-101	-518	-430
Total operational investments	-1,431	-1,231	-4,571	-3,575
Free operating cash flow	1,887	977	4,242	7,445
Aquisition and disposal of entities, net	-368	34	-260	-477
Acquisition of associated companies	-40	-2,029	-75	-2,041
Disposal of associated companies	-120	3	15	-
Acquisition of financial assets	10	-22	-9	-35
Disposal of financial assets	-	1	7	18
Change in financial receivables	-32	340	-47	-233
Dividends received	27	16	58	93
Total financial investments	-523	-1,657	-311	-2,675
Other investments in property, plant and equipment	-19	-5	-36	-51
Disposal of other property, plant and equipment	-	49	35	460
Total other activities[2]	-19	44	-1	409
Cash flow from investing activities	-1,973	-2,844	-4,883	-5,841
Free cash flow	**1,345**	**-636**	**3,930**	**5,179**
Shareholders in Carlsberg A/S	5	-13	-812	-581
Non-controlling interests	-325	-111	-1,876	-878
External financing	-208	598	-1,003	-3,950
Cash flow from financing activities	-528	474	-3,691	-5,409
Net cash flow	817	-162	239	-230
Cash and cash equivalents at beginning of period	1,901	2,718	2,601	2,583
Currency translation adjustments[3]	117	45	-5	248
Cash and cash equivalents at period-end[4]	2,835	2,601	2,835	2,601

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

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

[3] Foreign exchange adjustment of cash and cash equivalents for 2010 mainly relates to the appreciated exchange rate of RUB.

[4] Cash and cash equivalent less bank overdrafts.

NOTE 1 (PAGE 1 OF 2)

Segment reporting by region (beverages)

DKK million	Q4 2011	Q4 2010	2011	2010
Beer sales (pro rata, million hl)				
Northern & Western Europe	11.5	11.1	49.7	49.5
Eastern Europe	10.8	9.5	47.7	46.8
Asia	4.6	3.9	21.3	17.9
Total	26.9	24.5	118.7	114.2
Net revenue (DKK million)				
Northern & Western Europe	8,715	8,450	36,879	36,156
Eastern Europe	4,384	3,491	19,719	18,187
Asia	1,735	1,423	6,838	5,613
Not allocated	19	35	125	98
Beverages, total	14,853	13,399	63,561	60,054
Operating profit before depreciation, amortisation and special items (EBITDA - DKK million)				
Northern & Western Europe	1,646	1,392	7,307	7,143
Eastern Europe	1,188	847	5,753	6,555
Asia	393	296	1,643	1,331
Not allocated	-374	-407	-1,060	-817
Beverages, total	2,853	2,128	13,643	14,212
Operating profit before special items (EBIT - DKK million)				
Northern & Western Europe	1,166	839	5,419	5,086
Eastern Europe	804	482	4,286	5,048
Asia	283	221	1,286	1,044
Not allocated	-386	-473	-1,114	-932
Beverages, total	1,867	1,069	9,877	10,246
Operating profit margin (%)				
Northern & Western Europe	13.4	9.9	14.7	14.1
Eastern Europe	18.3	13.8	21.7	27.8
Asia	16.3	15.5	18.8	18.6
Not allocated	…	…	…	…
Beverages, total	12.6	7.8	15.5	17.1

NOTE 1 (PAGE 2 OF 2)

Segment reporting by region (beverages)

DKK million	2011	2010
Capital expenditure, CAPEX (DKK million)		
Northern & Western Europe	1,946	1,644
Eastern Europe	1,153	745
Asia	889	549
Not allocated	332	384
Beverages, total	4,320	3,322
Depreciation and amortisation (DKK million)		
Northern & Western Europe	1,884	2,057
Eastern Europe	1,467	1,507
Asia	356	287
Not allocated	55	115
Beverages, total	3,762	3,966
Capital expenditure/depreciation and amortisation (%)		
Northern & Western Europe	103%	80%
Eastern Europe	79%	49%
Asia	250%	191%
Not allocated	-	-
Beverages, total	115%	84%
Invested capital, period-end (DKK million)		
Northern & Western Europe	27,754	28,216
Eastern Europe	65,285	67,553
Asia	15,631	10,826
Not allocated	-2,678	-1,722
Beverages, total	105,992	104,873
Return on average invested capital, ROIC (%) (running 12 months)		
Northern & Western Europe	18.3	17.2
Eastern Europe	6.5	7.4
Asia	11.4	13.7
Not allocated	…	…
Beverages, total	9.4	9.8

NOTE 2

Segment reporting by activity

DKK million	Q4 2011			Q4 2010		
	Bever-ages	Other activities	Total	Bever-ages	Other activities	Total
Net revenue	14,853	-	14,853	13,399	-	13,399
Operating profit before special items	1,867	-33	1,834	1,069	58	1,127
Special items, net	796	-873	-77	-141	-	-141
Financial items, net	-411	-79	-490	-617	4	-613
Profit before tax	2,252	-985	1,267	311	62	373
Corporation tax	-575	303	-272	93	-63	30
Consolidated profit	1,677	-682	995	404	-1	403
Attributable to:						
Non-controlling interests	83	-	83	87	-	87
Shareholders in Carlsberg A/S	1,594	-682	912	317	-1	316

DKK million	2011			2010		
	Bever-ages	Other activities	Total	Bever-ages	Other activities	Total
Net revenue	63,561	-	63,561	60,054	-	60,054
Operating profit before special items	9,877	-61	9,816	10,246	3	10,249
Special items, net	605	-873	-268	-249	-	-249
Financial items, net	-1,908	-110	-2,018	-2,137	-18	-2,155
Profit before tax	8,574	-1,044	7,530	7,860	-15	7,845
Corporation tax	-2,156	318	-1,838	-1,847	-38	-1,885
Consolidated profit	6,418	-726	5,692	6,013	-53	5,960
Attributable to:						
Non-controlling interests	543	-	543	609	-	609
Shareholders in Carlsberg A/S	5,875	-726	5,149	5,404	-53	5,351

NOTE 3

Segment reporting by quarter

DKK million	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Net revenue								
Northern & Western Europe	7,309	10,199	10,198	8,450	7,311	10,824	10,029	8,715
Eastern Europe	2,386	6,294	6,016	3,491	3,569	6,188	5,578	4,384
Asia	1,234	1,492	1,464	1,423	1,610	1,688	1,805	1,735
Not allocated	44	-11	30	35	38	40	28	19
Beverages, total	10,973	17,974	17,708	13,399	12,528	18,740	17,440	14,853
Other activities	-	-	-	-	-	-	-	-
Total	10,973	17,974	17,708	13,399	12,528	18,740	17,440	14,853
Operating profit before special items								
Northern & Western Europe	406	1,892	1,949	839	433	2,031	1,789	1,166
Eastern Europe	321	2,276	1,969	482	490	1,677	1,315	804
Asia	223	291	309	221	300	314	389	283
Not allocated	-230	-194	-35	-473	-246	-302	-180	-386
Beverages, total	720	4,265	4,192	1,069	977	3,720	3,313	1,867
Other activities	7	-26	-36	58	26	-25	-29	-33
Total	727	4,239	4,156	1,127	1,003	3,695	3,284	1,834
Special items, net	349	5	-462	-141	-81	-104	-6	-77
Financial items, net	-515	-302	-725	-613	-569	-615	-344	-490
Profit before tax	561	3,942	2,969	373	353	2,976	2,934	1,267
Corporation tax	-47	-1,066	-803	30	-92	-740	-734	-272
Consolidated profit	514	2,876	2,166	403	261	2,236	2,200	995
Attributable to:								
Non-controlling interests	47	248	226	87	88	181	191	83
Shareholders in Carlsberg A/S	467	2,628	1,940	316	173	2,055	2,009	912

NOTE 4

Special items

DKK million	2011	2010
Special items, income:		
Gain on disposal of entities and adjustments to gain in prior year	64	134
Revaluation gain on step acquisition of entities	1,300	598
Other restructuring income etc., other entities	40	-
Income total	1,404	732
Special items, cost:		
Impairment of trademarks	-450	-300
Impairment of Carlsberg Uzbekistan	-300	-
Impairment of Nordic Getränke GmbH, Germany	-260	-
Impairment of Business Standardisation Programme	-250	-
Impairment of Dresden Brauerei, Carlsberg Deutschland	-	-128
Impairment of properties, Unicer-Bebidas de Portugal	-	-65
Impairment of Lingwu Brewery, Ningxia, China	-	-40
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	-
Termination benefits in connection with restructuring in central headquarters functions	-76	-
Restructuring of Leeds Brewery, Carlsberg UK	-57	-19
Termination benefits in connection with restructuring of sales force, logistics and administration, Carlsberg UK	-16	-29
Termination benefits and impairment of non-current assets in connection with new administration structure at Brasseries Kronenbourg, France	-32	-77
Termination benefits etc., Carlsberg Italia	-10	-28
Termination benefits etc. in connection with Operational Excellence programmes	-57	-20
Loss on sale of Sorex, France	-86	-
Restructuring of Fribourg Brauerei, Feldschlösschen, Switzerland	-	-161
Provision for onerous malt contracts, including reversal of unused provision from previous year	150	-7
Costs in relation to acquisitions of Hue Brewery Ltd., Vietnam (2010: Wusu Xinjiang Beer Group, China, and Chongqing Brewery Co. Ltd., China)	-14	-71
Other restructuring costs etc., other entities	-6	-36
Cost total	-1,672	-981
Special items, net	**-268**	**-249**

NOTE 5 (PAGE 1 OF 2)

Debt and credit facilities

DKK million	31 Dec. 2011
Non-current borrowings:	
Issued bonds	19,478
Mortgages	1,457
Bank borrowings	13,071
Lease liabilities	38
Other non-current borrowings	320
Total	34,364
Current borrowings:	
Current portion of other non-current borrowings	159
Bank borrowings	1,369
Lease liabilities	14
Other current borrowings	333
Total	1,875
Total non-current and current borrowings	36,239
Cash and cash equivalents	-3,145
Net financial debt	33,094
Other interest-bearing assets net	-634
Net interest-bearing debt	32,460

All borrowings are measured at amortised cost. However, fixed-rate borrowings swapped to floating rates are measured at fair value. The carrying amount of this borrowing was DKK 2,927m.

NOTE 5 (PAGE 2 OF 2)

Debt and credit facilities

DKK million Time to maturity for non-current borrowings						31 Dec. 2011
	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	1,780	7,406	-	2,927	7,365	19,478
Mortgages	-	-	-	-	1,457	1,457
Bank borrowings	792	426	11,753	100	-	13,071
Other non-current borrowings and leases	77	198	26	8	49	358
Total	2,649	8,030	11,779	3,035	8,871	34,364

DKK million Interest risk at 31 December 2011	Net financial debt	Interest*			
		Floating	Fixed	Floating %	Fixed %
EUR	30,415	4,924	25,491	16%	84%
DKK	-2,975	-3,726	751	125%	-25%
Other currencies	5,654	3,796	1,858	67%	33%
Total	33,094	4,994	28,100	15%	85%

* After interest rate, net investment hedges and currency swaps.

DKK million Committed credit facilities*	31 Dec. 2011
Less than 1 year	2,829
1 to 2 years	3,409
2 to 3 years	8,030
3 to 4 years	13,142
4 to 5 years	8,982
More than 5 years	8,871
Total	45,263
Short-term	2,829
Long-term	42,434

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

NOTE 6

Net interest-bearing debt

DKK million	Q4 2011	Q4 2010	2011	2010
Net interest-bearing debt is calculated as follows:				
Non-current borrowings			34,364	32,587
Current borrowings			1,875	3,959
Liabilities associated with assets held for sale			747	-
Gross interest-bearing debt			36,986	36,546
Cash and cash equivalents			-3,145	-2,735
Loans to associates			-97	-24
Loans to partners			-230	-225
On-trade loans			-2,066	-2,065
less non-interest-bearing portion			1,030	1,286
Other receivables			-1,318	-1,487
less non-interest-bearing portion			1,300	1,447
Net interest-bearing debt			32,460	32,743
Changes in net interest-bearing debt:				
Net interest-bearing debt at beginning of period	32,680	31,844	32,743	35,679
Cash flow from operating activities	-3,318	-2,208	-8,813	-11,020
Cash flow from investing activities, excl. acquisition of entities	1,605	2,878	4,623	5,364
Cash flow from acquisition of entities, net	368	-34	260	477
Share buy-back	-	-	417	-
Dividend to shareholders and non-controlling interests	-	709	884	1,243
Acquisition of non-controlling interests	325	-599	1,338	169
Acquisition/disposal of treasury shares	-2	13	49	47
Acquired net interest-bearing debt from acquisition/ disposal of entities	-12	182	44	97
Change in interest-bearing lending	237	-196	18	15
Settlement of financial instruments in relation to loan agreements	805	-	805	-
Effect of currency translation	141	250	289	808
Other	-369	-96	-197	-136
Total change	-220	899	-283	-2,936
Net interest-bearing at end of period	32,460	32,743	32,460	32,743

NOTE 7

Acquisition of entities

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	Previously 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 liabilities 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

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. Adjustments may therefore be made to all items in the opening statement of financial position. 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 an 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. Adjustments may therefore be made to all items in the opening statement of financial position.. 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.

The acquired entities contributed positively to operating profit before special items for 2011 by approximately DKK 61m and to the profit for the year by approximately DKK 29m. The net profit for the year had the acquisitions been completed at 1 January 2011 is estimated at DKK 5,966m.

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

DKK million Acquired entity	Previous method of consolidation	Previously held ownership interest	Acquired ownership interest	Total Carlsberg interest	Acquisition date	Main activity	Cost
Gorkha Brewery	Equity method	49.97%	40.03%	90.00%	12.11.2010	Brewery	228

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

DKK million	Gorkha Brewery
Fair value of consideration transferred for acquired ownership interest	228
Fair value of previously held ownership interest	285
Fair value of non-controlling ownership interest	57
Fair value of entities acquired in step acquisition, total	**570**
Carrying amount of identified assets and liabilities recognised before step acquisition	76
Revaluation of identified assets and liabilities recognised before step acquisition	21
Fair value of acquired identified assets, liabilities and contingent liabilities	97
Fair value of identified assets, liabilities and contingent liabilities	**194**
Total goodwill	**376**
Goodwill recognised before step acquisition	-
Change in total recognised goodwill	**376**
Goodwill is attributable to:	
Shareholders in Carlsberg A/S	338
Non-controlling interest	38
Total goodwill	**376**
Gain on revaluation of previously held ownership interest in entities acquired in step acquisitions:	
Carrying amount of previously held ownership interest	-76
Fair value of previously held ownership interest	285
Recycling of cumulative exchange differences	-1
Total	**208**
Elements of cash consideration paid:	
Cash	-
Cash and cash equivalents, acquired	-30
Total cash consideration paid	**-30**
Contingent consideration	228
Total consideration transferred	**198**

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

Recognised assets and liabilities

DKK million	Acquired share of net assets recognised at fair value	Recognition of previously recognised net assets at fair value	Total change in net assets from acquisition
Property, plant and equipment	92	92	184
Investments, excl. deferred tax	-	-76	-76
Inventories	18	18	36
Loans and receivables, current	44	44	88
Cash and cash equivalents	15	15	30
Deferred tax assets and liabilities, net	-11	-11	-22
Borrowings	-30	-30	-60
Trade payables and other payables	-31	-31	-62
Net assets	**97**	**21**	**118**

2010. In Q4, Carlsberg gained control of Gorkha Brewery through a step acquisition. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities has been completed.

This step acquisition was 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 Gorkha Brewery was recognised as part of goodwill.

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

Acquisition of proportionally consolidated entities

2011. In Q2, Carlsberg acquired 22.5% of the shares in the jointly controlled entity South Asian Breweries Pte. Ltd., which is recognised by proportional 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 74m, is recognised as goodwill. Accounting for the acquisition will be completed within the 12-month period required by IFRS 3.

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.

2010. In Q4, Carlsberg acquired an additional 22.5% of the shares in the jointly controlled entity South Asian Breweries Pte. Ltd., which is recognised by proportional consolidation. The purchase price allocation, including contingent consideration, 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, DK 119m, is recognised as goodwill.

Disposal of subsidiaries

2011. In Q1, Carlsberg disposed of the subsidiary Dresden Brauerei, Germany, at a sales price of DKK 126m. The entity had a carrying amount of DKK 116m, resulting in a gain of DKK 10m, which is recognised in special items. Prior to the sale, an impairment loss of DKK 128m had been recognised in 2010 on the brewery assets, corresponding to the difference between the carrying amount and the expected sales price.

In Q2 Carlsberg disposed of the subsidiary Sorex Holding SAS (a logistical company in France) at a sales price of DKK 134m. The entity had a carrying amount of DKK 220m, including goodwill of DKK 6m, resulting in a loss of DKK 86m, which is recognised in special items.

No entities were disposed of in 2010.