

Company announcement 3/2017

4 May 2017

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Q1 2017 TRADING STATEMENT

A solid start to 2017, in line with plan

HIGHLIGHTS

- Organic net revenue growth of 4%; reported growth of 5% to DKK 13.7bn.
- Solid price/mix of +4%.
- Total volumes flat organically
 - Growth of our international premium brands: Tuborg +1%; Carlsberg +8%; Grimbergen +25%

2017 EARNINGS EXPECTATION MAINTAINED

- Mid-single-digit percentage growth in organic operating profit.
- Financial leverage reduction.
- Positive translation impact of around DKK 300m now expected (previously DKK +350m).

Commenting on the results, CEO Cees 't Hart says: "With 4% organic net revenue growth, we delivered a solid start to 2017, in the seasonally small first quarter. The execution of Funding the Journey is progressing well and we're on track to deliver on our 2017 commitments. We're maintaining our full-year outlook."

Carlsberg will host a conference call for analysts and investors today at 9.00 am CET (8.00 am GMT). Dial-in information and slide deck are available beforehand at www.carlsberggroup.com.

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FIRST QUARTER REVIEW

The Group delivered organic net revenue growth of 4%, driven by a very solid 4% price/mix and flat organic volumes. In reported terms, total volumes declined by 1%, impacted by last year's disposals. Reported net revenue grew by 5% to DKK 13.7bn, impacted by -2% from divestments and a positive currency impact of +3%.

Tuborg volumes grew by 1% with strong growth achieved in China however offset by the difficult trading environment in India. The Carlsberg brand grew by 8% with particular strong growth achieved in Russia. Grimbergen delivered 25% volume growth as a result of our focus on craft & speciality.

Western Europe

Net revenue in Western Europe grew organically by 2% as a result of a flat price/mix and total organic volume growth of 2%.

Our volume growth was driven by a good start to the year in markets such as France, Norway, Bulgaria, Italy and Germany as well as the relisting with a major customer in Poland. The good start to the year in several markets more than offset the later sell-in to Easter this year versus 2016.

In most markets, price/mix was flat or positive.

Eastern Europe

Net revenue in Eastern Europe grew organically by 10%, driven by a strong 13% price/mix that more than offset the organic total volume decline of 2%. Reported net revenue grew by 37%, supported by a significantly positive currency impact.

Our volumes grew in Ukraine, Kazakhstan and Belarus while, as anticipated, declining in Russia. This decline was caused by the impact of the PET restrictions that came into effect as of 1 January 2017 as well as the underlying market decline.

The strong price/mix was the result of last year's price increases and the effect of the introduction of smaller pack sizes in Russia following the PET restrictions.

Asia

Net revenue in Asia grew organically by 6% as a result of a 6% price/mix and flat total volumes. Reported net revenue grew by 2%, impacted by last year's divestments, notably of Carlsberg Malawi in August 2016 and a number of breweries in China.

Our businesses in China, Singapore, Nepal and Vietnam delivered solid growth. The Chinese growth was mainly driven by continued strong performance of our premium portfolio, with particularly strong growth of the Tuborg brand. Our Indian volumes declined due to the disruption following restrictions on outlets located close to federal highways.

The solid price/mix improvement was the result of our successful premiumisation efforts, price increases and a positive country mix in the quarter.

Structural changes

At the beginning of 2017, the Group continued to streamline its portfolio of businesses and the following transactions were concluded:

- Disposal of our 100% shareholding in Carlsberg Uzbekistan.
- Disposal of our 23% shareholding in United Romanian Breweries.
- Disposal of our 30% shareholding in Russian malt producer MSSP.
- Disposal of the German wholesale business Nordic Getränke.

EARNINGS EXPECTATIONS

We are maintaining our financial expectations for 2017:

- Mid-single-digit percentage organic growth in operating profit.
- Financial leverage reduction.

Based on the spot rates as of 2 May, we now expect a positive translation impact of around DKK 300m compared to our previous expectation of DKK 350m.

All other assumptions are unchanged.

FINANCIAL CALENDAR

The financial year follows the calendar year, and the following schedule has been set for 2017:

16 August	H1 interim financial statement
12 October	Capital Markets Day
2 November	Q3 trading statement

Copenhagen, 4 May 2017

Executive Board of Carlsberg A/S

Cees 't Hart
CEO

Heine Dalsgaard
CFO

The Carlsberg Group is one of the leading brewery groups in the world, with a large portfolio of beer and other beverage brands. Our flagship brand – Carlsberg – is one of the best-known beer brands in the world and the Baltika, Carlsberg and Tuborg brands are among the eight biggest brands in Europe. 41,000 people work for the Carlsberg Group, and our products are sold in more than 150 markets. In 2016, the Carlsberg Group sold 117 million hectolitres of beer, which is around 35 billion bottles of beer.

Find out more at www.carlsberggroup.com

VOLUME AND NET REVENUE DATA

Q1	2016	ORGANIC	ACQ. NET	FX	2017	CHANGE REPORTED
BEER (pro rata, million hl)						
Western Europe	9.7	1%	0%	-	9.8	1%
Eastern Europe	6.3	-2%	0%	-	6.1	-2%
Asia	8.7	-1%	-4%	-	8.3	-5%
Total	24.7	-1%	-1%	-	24.2	-2%
OTHER BEVERAGES (pro rata, million hl)						
Western Europe	3.4	2%	0%	-	3.5	2%
Eastern Europe	0.3	6%	0%	-	0.3	6%
Asia	0.9	11%	-17%	-	0.9	-6%
Total	4.6	4%	-3%	-	4.7	1%
TOTAL BEVERAGES (pro rata, million hl)						
Western Europe	13.1	2%	0%	-	13.3	2%
Eastern Europe	6.6	-2%	0%	-	6.4	-2%
Asia	9.6	0%	-5%	-	9.2	-5%
Total	29.3	0%	-1%	-	28.9	-1%
NET REVENUE (DKK million)						
Western Europe	7,734	2%	0%	-1%	7,800	1%
Eastern Europe	1,695	10%	0%	27%	2,315	37%
Asia	3,511	6%	-5%	1%	3,574	2%
Not allocated	71	7%	-90%	0%	13	-83%
Total	13,011	4%	-2%	3%	13,702	5%

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 fair value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.