Q2 2018 AIDE MEMOIRE

A number of events in 2017 and 2018 have an impact on the year-on-year comparison for Q2 and H1 2018. These include the following items, which you may wish to consider in your modelling. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for Q2 2018 versus Q2 2017.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

In the Q2 2017 announcement we wrote:

"Net revenue in Western Europe grew organically by 2% due to volume growth of 1% and price/mix of 1%"

…and continued:

"In Q2, volumes grew by approximately 1% despite tough EURO 2016 comparables"

At the Q1 2018 conference call, we commented on the Q1 2018 **volume development in the Nordics**:

"volumes in the Nordics grew by mid-single-digit percentages supported by the relisting at large customer in Finland for the winter campaign"

…and continued:

"…and in terms of the volumes, if you do not have the contract in Finland the volumes would be flat in Nordics"

When asked about the **underlying price/mix** for Western Europe, we answered at the Q1 2018 conference call:

"Adjusting for export & license, price/mix in Western Europe was close to plus 1%."

Asia

At the Q1 2018 conference we commented on the **strong volume performance** in the Asia region:

"Q1 was extraordinary good due to the later sell-in to the festive season but underlying performance of most markets is very strong."

At the Q2 2017 conference call we commented specifically on **India**:

"In India, our business recovered in Q2 and delivered double-digit volume growth following a challenging Q1 that was impacted by the highway ban."

At the Q1 2018 conference call we commented on **SAIL'22 investments** in the Asia region:

"We are allocating quite a bit of our SAIL'22 money into the region and in particular into China and into India."

Eastern Europe

At the Q1 2018 conference call, we commented on **Russia**:

"We delivered flat market shares sequentially of around 31% but we saw a market share decline of approximately 2 percentage points compared to Q1 last year due to the market share loss in the low-end PET segment during the summer. Consequently, our Russian volume declined by 11% for Q1. Our price/mix developed favourably by low single digit percentages in spite of the continued promotional pressure in the PET segment."

… and continued:

"With regard to the market decline in Russia, it's – in our estimation, it's 4% to 5% if we compare with Q1 last year. Then mainly if you correct for the PET downsizing, we think the market has been flattish, and we don't change our view of the Russian market where we've said that we will be around zero this year in terms of volume."

Accounting changes

In the appendix to the Q4 2018 announcement the accounting changes related to IFRS15 and our changed volume definition are described.

At the Q4 2017 conference call, we said:

"We will adopt IFRS 15 from the 1st of January 2018. That means that we will reclassify some trade marketing costs as discount and hence move them from A&P spend to discounts booked in revenue. This will reduce net revenue by around DKK 1.2 billion, and marketing costs will be reduced by the same amount. There will be no impacts on operating profit and cash flow."

…and continued:

"So far, we have reported volumes on a pro rata basis, which means that we have included our share of volumes from associated companies. Since these companies are only one line consolidated, we have not booked any revenue from them, and therefore there has not been a clear link between our reported volumes and net revenue.

Going forward, we will not include volumes from associated companies and consequently, our volumes will decline. The impact will be seen in Western Europe and Asia as our largest associates currently are Portugal *and Cambodia. In Appendix 1 in the announcement, you can find 2017 pro forma numbers reflecting these changes so that you can update your models."*

OUTLOOK

In the Q1 2018 announcement, we commented:

"We are maintaining our financial expectations for 2018:

- *Mid-single-digit percentage organic growth in operating profit.*

Based on the spot rates at 30 April, we now expect a translation impact of around DKK -550m compared to our previous expectation of DKK -450m.

All other assumptions are unchanged."

Other relevant assumptions are, as expressed in the Q4 2017 announcement:

"Financial expenses, excluding currency losses or gains and fair value adjustments, are expected to be around DKK 800m.

The effective tax rate is expected to be below 29%.

Capital expenditures at constant currencies are expected to be around DKK 4.5bn."

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 expectations or forecasts at the time. 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.