

A photograph of three young men sitting at an outdoor cafe table, smiling and drinking beer. The man in the center is wearing a red t-shirt and holding a Carlsberg beer bottle. The man on the right is wearing a dark t-shirt with a colorful graphic. The man on the left is wearing a brown t-shirt. There are several other Carlsberg beer bottles on the table. The background shows an outdoor cafe setting with other people and buildings.

# Nine months results

30 September 2014

# Agenda

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## Nine months 2014 headlines

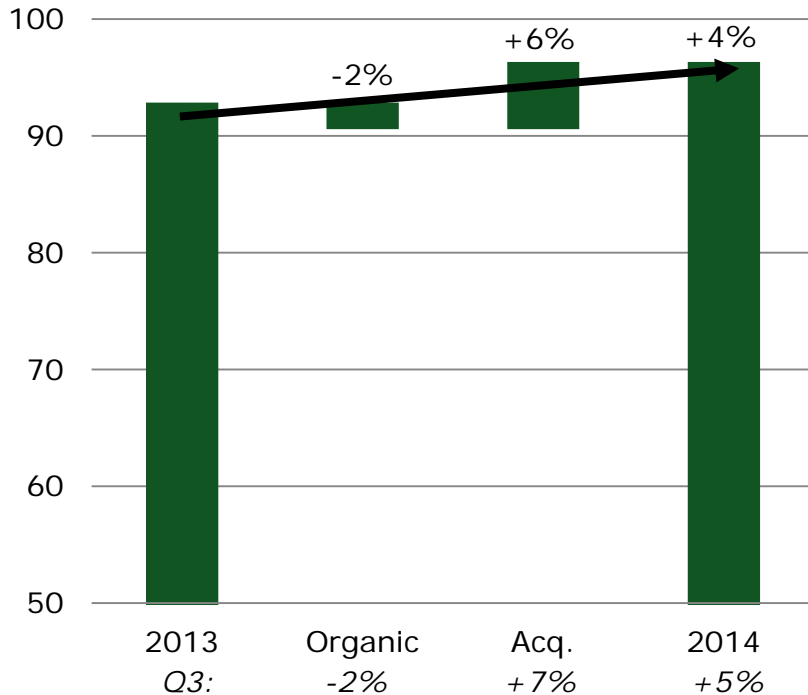
- Growing markets in value terms in all regions, mixed markets in volume terms
- Market share growth in Western Europe and Asia. Eastern European market share growing in Q3 vs H1
- Strong price/mix improvements of 4%
- Continued high level of investments behind brands, innovations and commercial activities
- Persistent execution of efficiency improvements, including roll-out of BSP1
- Integration of Chongqing progressing according to plan
- 5% organic operating profit growth
- Adj. net result decline of 1% impacted by a significantly negative currency impact



# Group beer volume dynamics

- Organic volume growth in Western Europe, flat in Asia and volume decline in Eastern Europe
- Acquisition impact from Chongqing Brewery

Beer volume, pro rata  
m.hl.

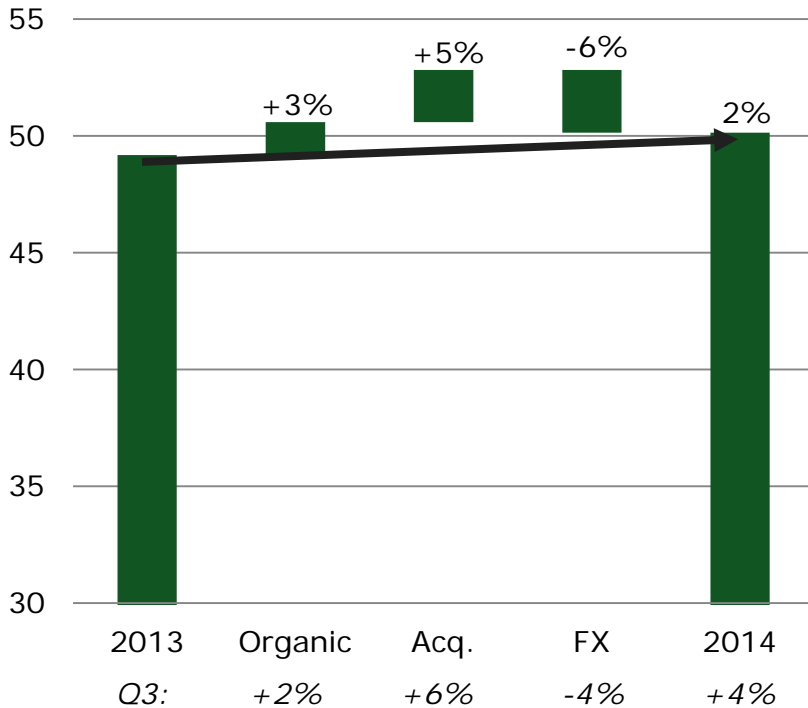


# Revenue and profit dynamics

- Positive price/mix of 4%
- 5% organic operating profit growth driven by growth in Western Europe and Asia

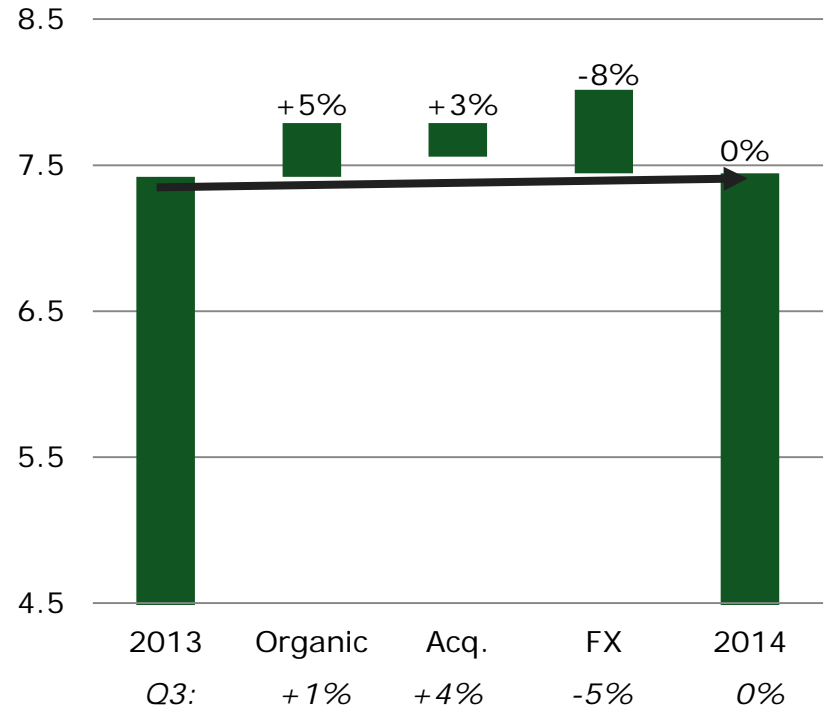
## Net revenue

DKKbn



## Operating profit

DKKbn



# Strong performance of international premium brands



+ 3%

- 3% growth in premium markets mainly driven by India, China and France
- UEFA EURO 2016 activation started



+ 23%

- Strong growth in Asia
- Fastest growing international premium beer brand in China
- Third largest beer brand in India



+ 10%

- Growth driven by France and launches in new markets
- Solid performance by 1664 Blanc in super-premium segment in Asia



+ 30%

- Expansion to new markets
- Available in 33 markets.



+ 43%

- Fastest growing cider among top 10 global ciders, driven by Poland, UK and Portugal
- Line extensions and new markets
- Available in 43 markets

# Regions



## Western Europe – Strong performance

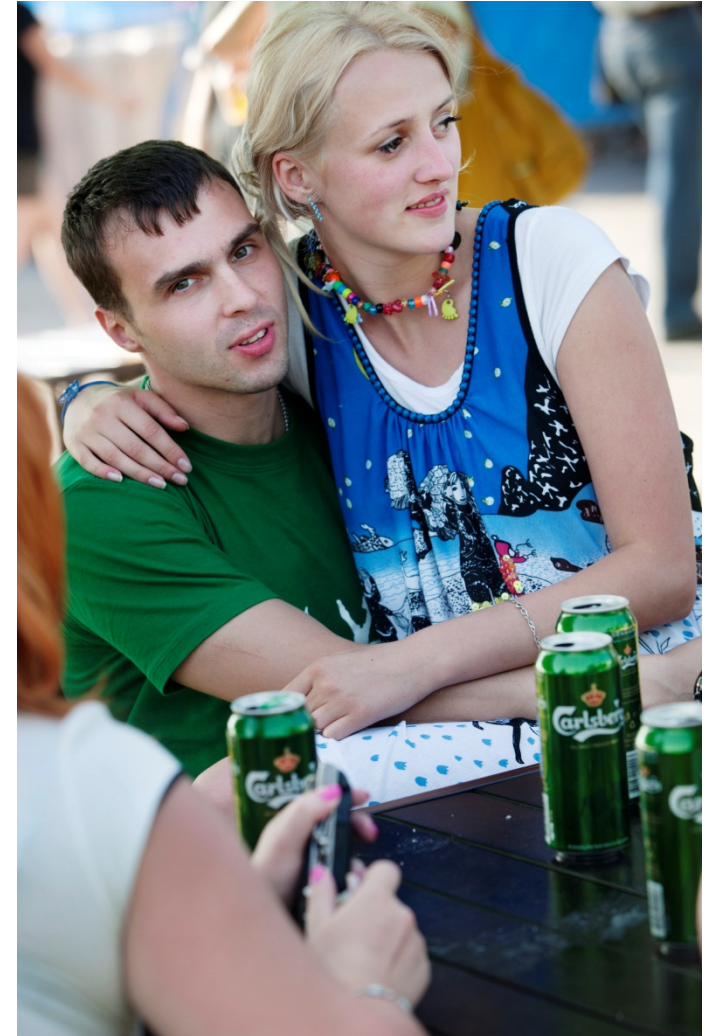
- Slight overall market growth of an estimated 0-1% (Q3: 3-4% decline)
  - Q3 cycling strong comparisons
- Growing overall market share year-to-date
  - Q3 market share increased by 50bp
- Organic beer volume growth of 3% (Q3: flat)
- 3% organic growth in net revenue
  - Price/mix of -1% due to higher non-beer volumes, channel and country mix
- 7% organic growth in operating profit (Q3: +3%)
- 50bp operating profit margin growth to 14.9%





# Eastern Europe – Continued difficult markets

- 10% organic decline in beer volume (Q3: -9%)
- 1% organic decline in net revenue (Q3: flat)
  - Significant negative currency impact
- Strong price/mix of +9% (Q3: +9%)
  - Price increases
  - Mix improvements
  - Launch of slightly smaller pack sizes
- 4% organic decline in operating profit (Q3: -19%)
  - Strong price/mix and efficiency improvements more than offset by lower volumes
  - Q3 further impacted by different phasing of sales and marketing investments, write-off on obsolete stocks and phasing of last year's cost reductions



# Russia – Sequential market share growth in a difficult market

- Estimated 6-7% beer market decline
  - Uncertain macro environment
  - Mixed weather conditions in Q2 and Q3
- Sequential market share improvement to 37.9% (+140bp vs Q2)
  - Price leadership
  - Launch of slightly smaller pack sizes
  - Sales disruption due to changed legal structure in H1
- Better value than volume market share dynamics
- 11% volume decline
- Price/mix (beer) of 8%
  - Price increases
  - Mix improvements
  - Smaller pack sizes



## Asia – Improving volume dynamics

- Market share gains in most markets
  - Strong Carlsberg and Tuborg performance
  - Rejuvenation of local power brands
  - Strengthening of sales capabilities
- 26% reported beer volume growth (Q3: 35%) with flat organic beer volumes (Q3: +4%)
  - 37% organic growth in India
  - 7% organic growth in Indochina
  - Organic decline in China with improving dynamics in Q3
    - Unrest in Xinjiang
    - Bad weather in several provinces
    - Delisting of unprofitable SKUs
- 11% organic growth in revenue (Q3: +16%)
- +7% price/mix (Q3: +5%)
- 7% organic growth in operating profit (Q3: +12%)



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# Organic growth in net revenue and operating profit

- Strong organic results in Western Europe and Asia offsetting challenging trading conditions in Eastern Europe
- Organic growth in Group ratios
  - Price/mix +4%
  - Gross profit/hl +6%
  - Operating profit/hl +6%
- Free cash flow up 5% vs. last year
- BSP1 now in 6 countries



# Income statement (1)

September YTD, DKKm	2013	Organic	Acq., net	FX	2014
<b>Net revenue</b>	<b>49,181</b>	<b>1,457</b>	<b>2,229</b>	<b>-2,689</b>	<b>50,178</b>
Gross profit	24,353	1,047	836	-1,345	24,891
Operating expenses incl. brands marketing	-17,269	-969	-601	795	-18,044
Other income, net.	335	291	-8	-21	597
<b>Operating profit before special items</b>	<b>7,419</b>	<b>369</b>	<b>227</b>	<b>-571</b>	<b>7,444</b>
- Brewing	7,522	364	227	-571	7,542
- Other activities	-103	5	0	0	-98

- Organic revenue growth of 3% driven by positive price/mix
- Organic growth in gross profit of 4%
- Operating expenses impacted by BSP1, higher logistics costs and higher sales and marketing investments
- Organic growth in operating profit of 5%

# Income statement (2)

September YTD, DKKm	2013	2014	△
Special items, net	-173	-218	-45
Financials, net	-1,048	-1,013	35
- Interests	-1,111	-926	185
- Other financial items	63	-87	-150
<b>Profit before tax</b>	<b>6,198</b>	<b>6,213</b>	<b>15</b>
Tax	-1,501	-1,553	-52
<b>Profit</b>	<b>4,697</b>	<b>4,660</b>	<b>-37</b>
Non-controlling interests	353	414	61
<b>Carlsberg's share of profit</b>	<b>4,344</b>	<b>4,246</b>	<b>-98</b>
<b>Carlsberg's share of profit (adjusted)</b>	<b>4,474</b>	<b>4,422</b>	<b>-52</b>

- Net financials impacted by lower average funding costs
- Profit before tax flat versus last year
- Tax rate of 25%



# Cash flow (1)

September YTD, DKKm	2013	2014	△
Operating profit	7,419	7,444	25
Depreciation	2,864	3,014	150
Other non-cash items	-183	-333	-150
△ Trade working capital (TWC)	180	-427	-607
△ Other working capital	-355	-706	-351
Restructuring costs paid	-302	-278	24
Paid interests, net	-1,697	-1,084	613
Paid tax	-1,775	-1,644	131
<b>Cash flow from operations</b>	<b>6,151</b>	<b>5,986</b>	<b>-165</b>

- TWC/net revenue (MAT) of -3.7% vs -3.5% last year
- Total working capital impacted mainly by seasonality, higher invoiced prices and lower VAT payables
- Decline in paid net interests due to lower funding costs and settlement of financial instruments last year





## Cash flow (2)

September YTD, DKKm	2013	2014	△
Capital expenditures, net	-3,193	-3,344	-151
Acq/sale of companies, minority shareholdings etc.	-450	-23	427
Real estate / other activities	-16	-8	8
<b>Cash flow from investments</b>	<b>-3,659</b>	<b>-3,375</b>	<b>284</b>
<b>Free cash flow</b>	<b>2,492</b>	<b>2,611</b>	<b>119</b>

- CapEx on par with last year
  - Capacity expansion in Asia, structural enhancements in Western Europe and investments in sales equipment
- Financial investments last year impacted by prepayment for the acquisition of shares in Chongqing
- Free cash flow up 5%



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# Unchanged 2014 earnings expectations

Earnings expectations	
Operating profit	Low- to mid-single-digit percentage organic increase (low- to mid-single-digit percentage decline in reported terms)
Adj. net profit*	Mid- to high-single-digit percentage decline

\*2013 adj. net profit: DKK 5,772m (adjusted for after-tax impact of special items)



# Q&A



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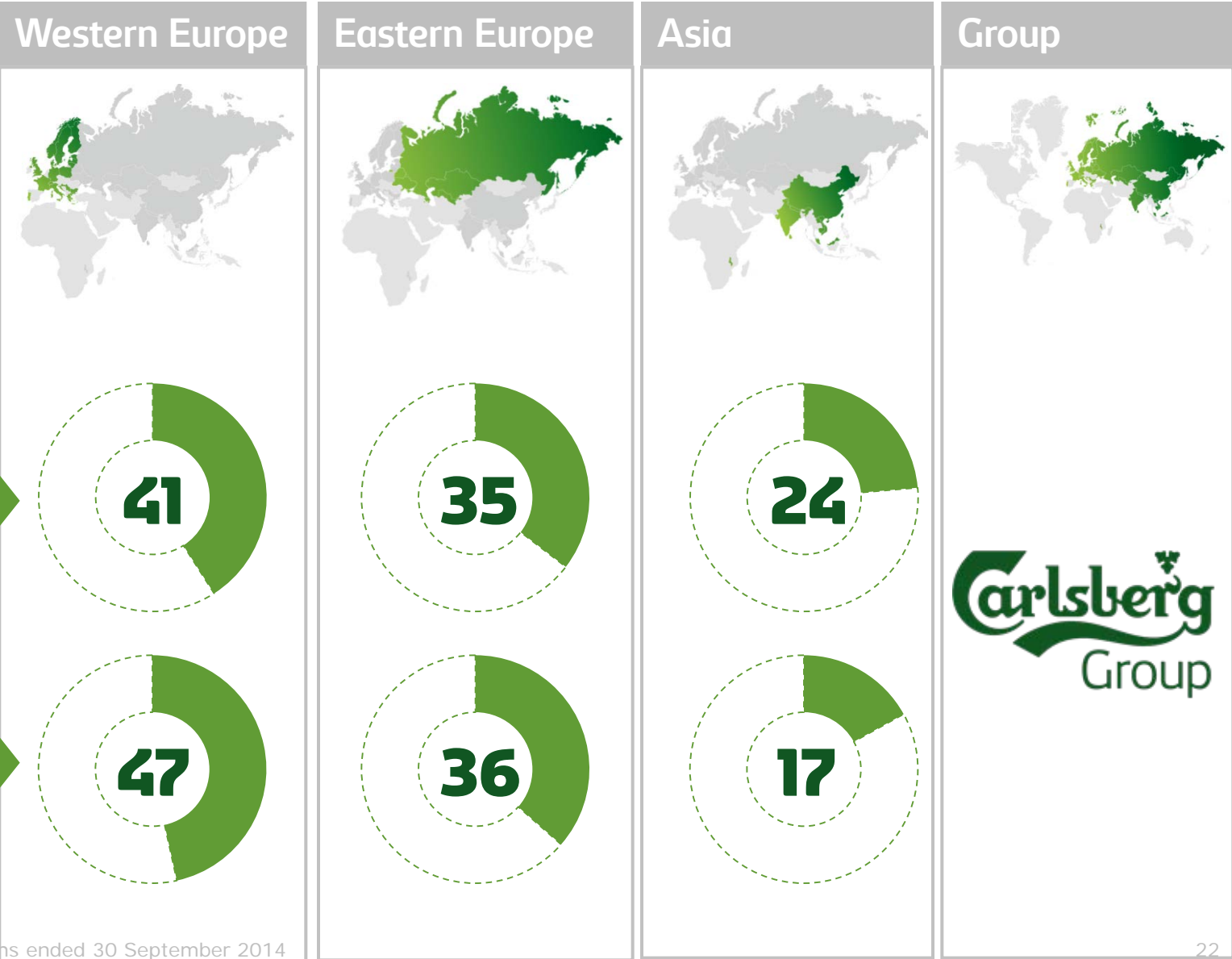
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# Three regions



# Innovation and further roll-out of innovations



## Radler

- Global expansion of the low-alcoholic beer and juice mix
- Launched in Portugal, Germany and Greece in 2014
- Available in 11 markets



## Brewmasters' Collection

- A collection of premium specialty beers
- Launched in Russia, Denmark, Finland and Ukraine
- More markets to follow



## Jacobsen

- Super premium specialty beer
- Launched in premium off-trade in Russia.
- Continued portfolio expansion in Denmark



## Seth & Riley's Garage

- Launched in 2 new markets in 2014
- Available in 6 markets globally



## DraughtMaster™

- Proprietary one way keg draught technology
- Expanded from Italy and Greece into new markets in Western Europe

# Russian market shares

Russian market shares (%)	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014
Baltika	39.0	38.9	38.2	38.6	38.4	36.5	37.9
Efes RUS	13.1	13.2	13.6	13.3	13.7	13.9	13.5
ABI	13.9	13.9	13.9	13.9	13.1	13.4	12.9
Heineken	13.6	13.6	13.5	13.7	13.2	13.4	12.9
Others	20.4	20.4	20.8	20.5	21.6	22.8	22.8
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

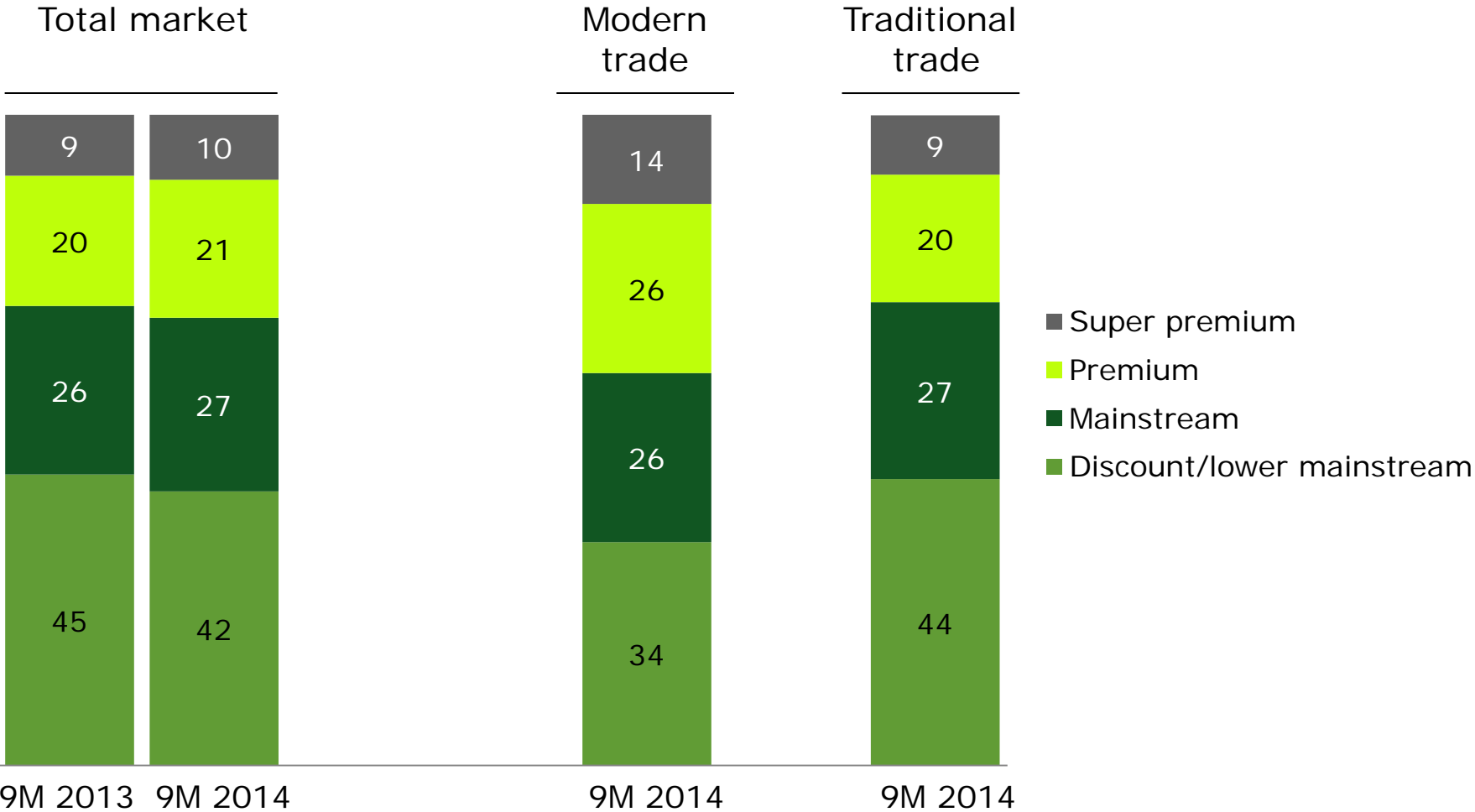
Note: Nielsen updated its retail universe from Q3 2013. All historical numbers have been adjusted accordingly.

Source: Nielsen Retail Audit, Urban & Rural Russia





# Russian market segment mix



## Forward-looking statements

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