

Q3 2018 AIDE MEMOIRE

A number of events in 2017 and 2018 have an impact on the year-on-year comparison for Q3 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 Q3 2018 versus Q3 2017.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

In the Q3 2017 announcement, we wrote:

“Our Western European business was impacted by the poor weather during the summer.”

In the H1 2018 announcement, we wrote:

“Price/mix was positive in most Western European markets, impacted by successful premiumisation efforts and some price increases, partly countered by the higher growth of non-beer products. On a regional level, the positive price/mix was partly offset by country mix and loss of volumes in high-revenue export markets in the Middle East.”

Asia

At the H1 2018 conference call, we commented on the **strong volume performance** in the Asia region:

“The 10.4% organic volume growth was broadly based and all major markets delivered solid growth in H1. As expected, Q2 was less strong than Q1, as Q1 was positively impacted by the sell-in to the festive season in several Asia markets and easy comparables in India.”

On India specifically, we commented on the market and our volume development at the Q3 2017 conference call

“The Indian market has been very volatile this year due to the so-called highway ban, implementation of GST, and also, heavy rainfall in some provinces. Or volumes declined by a couple of percent in Q3.”

At the H1 2018 conference call we commented specifically on a couple of **regulatory changes** in Malaysia and Nepal:

Malaysia: “The country's Goods and Services Tax is currently being replaced by a Sales and Services Tax.”

Nepal: “At the end of Q2, the Nepalese government implemented a 30% excise tax increase which has led to increases in the retail prices of beer of approximately 15%.”

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.”

And elaborated at the H1 2018 conference call:

“The strong gross margin improvement was largely offset by a significant increase in marketing investments as a sizeable proportion of our SAIL’22 investments is allocated to further strengthening our Asian business.”

Eastern Europe

In the Q3 2017 announcement, we commented on **Russia**:

“The Russian market declined as a result of the PET restrictions, and we lost market share due to the continued price leadership of our products in the PET segment following our value-based approach to the PET downsizing.”

In the H1 2018 announcement we wrote:

“The Russian beer market grew by an estimated 1-2% in H1.”

And continued at the H1 conference call when asked about the **Russian** market growth for 2018:

“...and we expect that the underlying market development for this year will be positive in Russia, for a change, and that that'll in our view be between 1% or 2%.”

Acquisitions

At 13 August, 2018 we announced:

“Carlsberg has increased its ownership in the Cambodian brewer Cambrew Limited (Cambrew) by 25%, as a result of which the Carlsberg Group now owns 75% of Cambrew.”

...and further commented at the H1 conference call:

“...we can say is that in total for the two acquisitions we've done this year, so that is Cambrew and Olympic in Greece, the cash payment is a few hundred million euros.”

OUTLOOK

In the H1 2018 announcement, we commented:

“Based on the strong H1 performance, the upgrade of the expected Funding the Journey benefits and a good start to Q3, we adjust our earnings expectations upwards:

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

A translation impact on operating profit of around DKK -425m (previously DKK -550m) is assumed, based on the spot rates as at 15 August.

Other relevant assumptions remain unchanged

- *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."*

And further commented on **guidance** at the H1 2018 conference call:

"Despite the favourable start to Q3, especially in Western Europe, we still expect H2 profit growth to be lower than H1 for three main reasons. Firstly, in H1, Asia was impacted by the sell-in to the festive season and Eastern Europe witnessed an extraordinarily strong month of June due to weather. Secondly, we will accelerate SAIL investments in second half. And thirdly, there will be different phasing of certain costs, including depreciations versus last year."

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.

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