Q4 2018 AIDE MEMOIRE

A number of events in 2017 and 2018 have an impact on the year-on-year comparison for H2 and Q4 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 H2 2018 versus H2 2017.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

In the Q3 announcement, we made the following statement concerning Western Europe volume development:

"Several markets in the northern part of the region benefited from the warm summer in addition to cycling easy comparables due to last year's poor summer."

In the Q3 2018 announcement, we commented on **price/mix**:

"As we've reported throughout the year, we saw lower volumes to high-priced export markets in the Middle East but growth in the license markets such as Turkey."

Asia

At the Q3 2018 conference call, we commented on the **strong performance** in the Asia region:

"Our Asian region had another strong quarter, although growth, as expected, moderated somewhat compared to the very strong first half performance."

On India specifically, we commented on the market and our volume development in the FY 2017 announcement:

" 2017 was a very volatile year for our Indian business due to the highway ban and the introduction of GST. Consequently, our volumes declined by 2%."

…and at the Q3 2018 conference call we elaborated on India:

"Our Indian volumes grew by 15%, supported by strong growth of the Carlsberg brand. Price/mix was positive in the mid-single digits. As always in India, market conditions varied significantly from state to state. Overall, we've seen a rebound of volumes this year, following the very disruptive year of 2017. The first nine months market growth is estimated at 12%, with our volumes growing ahead of the market."

At the at the H1 2018 conference call we said:

"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

At the Q3 conference call we commented on Russian market development:

"The Russian market grew by an estimated 4% for the quarter and 2%-3% year-to-date. The quarter was positively impacted by the World Cup."

At the H1 conference call when asked about the **Russian** market growth for 2018 we answered:

"…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%."

At the Q3 conference call we gave the following comment on **Russian price/mix**:

"Price/mix was impacted by the continued high level of promotion activities in the PET segment and was plus 1%."

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."

At 13 December, 2018 we announced:

"Carlsberg Group increases ownership of Super Bock Group in Portugal"

…and continued:

"Viacer continues to be controlled by our partner and consequently, Super Bock Group will remain an associated company in the Group accounts. Following the transaction, the Carlsberg Group's direct and indirect ownership in Super Bock Group makes up 60%."

OUTLOOK

In the Q3 2018 announcement, we commented:

"On 24 October, we increased our earnings outlook due to the strong third-quarter results, which were driven by good progress on our strategic priorities, strong execution of Funding the Journey and a warm summer in Western Europe. Consequently, for 2018 we expect to deliver:

- *10-11% organic growth in operating profit.*

On 24 October, the following changes to assumptions were also made:

A translation impact on operating profit of around DKK -500m (previously around DKK -425m).

Capital expenditures of DKK 4.0-4.5bn (previously around DKK 4.5bn).

Other relevant assumptions remained 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%."

And further commented on the **H2 performance** at the Q3 2018 conference call:

"In spite of the strong Q3 and last week's earnings upgrade, we still expect second-half profit growth to be lower than first half. Let me briefly reiterate the reasons for this. Firstly, in first half, Asia was impacted by the sell-in to the festive seasons and Eastern Europe witnessed an extraordinary strong month in June due to weather. Secondly, we've been accelerating SAIL'22 investments in second half, which especially will have an impact on central costs. And thirdly, there is a different phasing of certain costs, mainly depreciation, between first half and second half compared with last year."

…and when asked very specifically at Q3 conference call, Heine tried to explain reported operating profit outlook very detailed when taking the Cambrew impact and currency impact into account:

"…that means you take the 10% to 11% and, then you take the FX out of DKK 500 million and then you take the acquisition impact, the DKK 50 million from Cambrew, out."

Regarding the change in trade working capital in H1 versus FY 2018, the following comment was made at the H1 2018 conference call:

"So on cash and the trade working capital performance, it is important to say that there are two main drivers behind the strong first half performance, and that is strong focus within the company, and then it is mainly driven, that's the second part, by Asia, and here in particular by China. And with a negative sort of trade working capital to revenue ratio in China and high revenue growth in first half, we did see a very strong trade working capital for first half from Asia. We do not see the same revenue growth in second half. And hence, we do not expect the same positive for year-end."

When asked **about 2019**, the following comment was made at the Q3 2018 conference call:

"So on 2019, for good reasons, we cannot give detailed comments on 2019 for now. We will come back to this in February 2019. But it is clear that with a very positive 2018, we will have a tough base for next year. We don't comment specifically on 2019. It's clear on the positive side that we have good momentum from our strategic priorities. Our tight cost control, our performance management is very strong. We will enter 2019 with a strong underlying momentum. We've been able to and we'll continue to be able to invest into our brand activities and also capabilities.

And then, as you're seeing on the negative side, there are two main factors. One is the higher input costs which will require price increases as we will pass on the higher input costs to our sales price and then the tough comps, in particular, in Western Europe and Eastern Europe. But the conclusion is from outside that the business has a very strong momentum. We believe that we are very well-prepared for 2019, and we should be able to continue to grow both top- and bottom-line."

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