



CARLSBERG FINANS A/S

CVR-NR 12867336

Annual Report 2012

The Annual report has been presented
and approved at the Company's ordinary
meeting 29/4-13

As Chairman:

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be the name of the Chairman.

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This report is provided in English and in Danish. In case of any discrepancy between the two versions, the Danish shall apply.

Management's review

Financial highlights

	2008	2009	2010	2011	2012
Key figures – DKK thousand					
Income statement					
Interest income, net	1,917	1,233	-8,732	-5,518	-468
Other financial income, net	-2,934	-2,214	2,950	6,641	-526
Profit/loss before tax	-1,579	-1,339	-5,581	940	-1,150
Profit/loss for the year	-934	-1,004	-4,186	705	-866
Statement of financial position					
Total assets	5,008,175	5,004,232	4,931,925	2,008,363	2,062,144
Equity	148,652	123,509	107,220	114,325	113,459
Key ratios - %					
Profit margin ¹⁾	-50.0	-83.3	50.0	-12.7	185.0
Return on equity ²⁾	-0.8	-0.7	-3.6	0.6	-0.8
Solvency ratio ³⁾	3.0	2.5	2.2	5.7	5.5

1) Profit for the year expressed as a percentage of revenue (interest income, net)

2) Profit for the year expressed as a percentage of average equity

3) Equity expressed as a percentage of total assets

Comparative figures have been restated due to change in accounting policies, cf. separate section.

Management's review

Activity

The Company is a 100 per cent owned subsidiary of Carlsberg Breweries A/S. The Company funds part of the Carlsberg Breweries Group by raising long-term debt in the international capital markets.

Comments to the annual report for 2012

Result after tax amounts to a loss of DKK 866 thousand corresponds to the expectations.

The Company's equity as of December 31, 2012 amounts to DKK 113,459 thousand.

Risk management

In order to reduce uncertainty, achieve the Company's strategic objectives and ensure value creation for all stakeholders, the Company views effective risk management as an integral part of running its business operations. Risk is viewed as something that can and should be managed, and managed risk is viewed as something that can be turned into opportunities.

Risk management framework

The Supervisory Board reviews the overall risk exposure and the individual risk factors associated with the Group's activities. Such reviews are performed as required and at least once a year.

The Supervisory Board adopts guidelines for key areas of risk, monitors developments and ensures that plans are in place for the management of individual risk factors, including commercial and financial risks.

The Supervisory Board annually reviews the overall risk exposure associated with the Company's activities and updates the existing "heat map" to reflect changes in perceived risks to the business.

Following this review, a new set of high-risk issues for the coming year is identified and, in accordance with the Risk Management Policy, the Supervisory Board identifies risk owners, who have operational responsibility for monitoring and controlling the risks through a programme of risk-reducing activities. The Supervisory Board will continue to monitor the activities throughout 2012 to ensure that sufficient remedial action is taken in line with deadlines.

The current high-risk issues identified within the Company are the Company's financial risks include foreign exchange, interest rate, credit and liquidity risks. They are presented in the notes to the financial statements.

The Audit Committee

In March 2009, the Supervisory Board of Carlsberg A/S (Parent company of Carlsberg Finans A/S) established an Audit Committee in accordance with the Danish Act on Approved Auditors and Audit Firms. As part of the Carlsberg Group, Carlsberg Finans operates under the supervision of the Audit Committee. In 2012, the Audit Committee consisted of four members of the Supervisory Board in Carlsberg A/S (Jess

Søderberg, Chairman, Flemming Besenbacher, Richard Burrows and Donna Cordner). Jess Søderberg and Richard Burrows both qualify as being independent of Carlsberg A/S and both possess the relevant financial expertise.

The Audit Committee is appointed for one year at a time. The Audit Committee works according to Terms of Reference, which are reviewed and approved annually by the Supervisory Board, and a detailed annual meeting plan approved by the Supervisory Board prior to the beginning of each financial year.

In 2012, the Carlsberg A/S Audit Committee held five meetings. All members participated in all meetings. In accordance with its Terms of Reference and annual meetingplan, the Audit Committee primarily a) monitors the financial reporting process, b) monitors the effectiveness of the internal control and risk management systems, c) monitors the internal audit function, and d) monitors the external audit of financial reporting and the independence of the external audit.

At each Audit Committee meeting, the Audit Committee goes through relevant issues with the external auditors and the head of Group Internal Audit, and the Committee invites other relevant function heads from the Carlsberg organisation depending on the topics being discussed at the meeting. The heads of Group Finance and Group Accounting are usually invited to participate in the Audit Committee meetings. In 2012, the Audit Committee held meetings with the external auditors and Group Internal Audit as well as with other relevant function heads without the presence of the Executive Board.

Internal Controls of Financial Reporting

Overall control environment

The Supervisory Board and the Executive Board have overall responsibility for the Company's control environment. The Audit Committee appointed by the Supervisory Board is responsible for monitoring the internal control system related to the financial reporting process on an ongoing basis.

The internal control and risk management systems are designed to mitigate rather than eliminate the risks identified in the financial reporting process. Internal controls related to the financial reporting process are established to mitigate, detect and correct material misstatements in the financial statements.

The Company has a number of policies and procedures in key areas of financial reporting, including the Finance Manual, the Chart of Authority, the Risk Management Policy, the Treasury Policy, the Information Security Policy and the Business Ethics Policy.

Risk assessment

The risk assessment process related to financial reporting is conducted annually based on a topdown, riskbased approach. The significant accounts in the consolidated financial statements are identified based on the assessment of quantitative and qualitative factors. The associated financial reporting risks are identified based on the evaluation of the impact of the risks materialising and the likelihood of the risks materialising. The risk assessment process related to the financial reporting process is approved by the Audit Committee on an annual basis.

Control activities

Based on the risk assessment, the Company has established minimum requirements for the conducting and documentation of IT and manual control activities to mitigate identified significant financial reporting risks. Relevant functions establish and implement internal controls comprising relevant control activities for significant processes. The management is responsible for ensuring that the internal control activities are performed and documented, and reports the compliance quarterly to the Supervisory Board.

In addition, the Company has implemented a formalised financial reporting process for the strategy process, budget process, quarterly estimates and monthly reporting on actual performance.

Information and communication

The Company has established information and communication systems to ensure that accounting and internal control compliance are established, including a finance manual, a controller manual and internal control requirements. The Company is using a standardised financial reporting system.

Monitoring

The monitoring of the internal control and risk management systems related to financial reporting is performed at multiple levels in the Company, such as periodical review of control documentation, controller visits, audits performed by Group Internal Audit and monitoring by the Audit Committee. The Audit Committee's Terms of Reference outline its roles and responsibilities related to supervision and monitoring of the internal control and risk management systems related to financial reporting. The monitoring is performed on the basis of periodical reporting from the finance organisation, internal and external audit.

Corporate Social Responsibility

Integrating CSR into our business functions is necessary to maintain our licence to operate, address risks, and create commercial and efficiency opportunities. Across the Carlsberg Group, we make decisions that have a positive impact on our business and the communities in which we operate and we are committed to conducting our operations in a socially and environmentally responsible way.

For further description of the Carlsberg Group CSR we refer to the full CSR report, including the KPMG assurance statement available online at www.carlsberggroup.com/CSR/reports.

Expectations for 2013

For 2013 the Company anticipates a result before tax close to 0.

Events occurring after the date of balance

No events that have significant influence on the true and fair view of the financial position have occurred since the end of the reporting period.

Income statement 1 January – 31 December

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		DKK ('000)	DKK ('000)
Interest income	3	130,617	288,785
Interest expenses		<u>-131,085</u>	<u>-294,303</u>
Interest income, net		-468	-5,518
Other financial income / expenses	4	-526	6,641
Administrative expenses	5	<u>-156</u>	<u>-183</u>
Profit before tax		-1,150	940
Tax on profit	6	<u>284</u>	<u>-235</u>
Profit for the year		<u>-866</u>	<u>705</u>
Attributable to:			
Dividends to shareholders		0	0
Retained earnings		<u>-866</u>	<u>705</u>
Total		<u>-866</u>	<u>705</u>

Statement of comprehensive income 1 January – 31 December

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		DKK ('000)	DKK ('000)
Profit for the year		<u>-866</u>	<u>705</u>
Other comprehensive income:			
Value adjustment of hedging instruments	15	0	8,532
Tax of other Comprehensive income	6	0	-2,133
Other comprehensive income		<u>0</u>	<u>6,399</u>
Total comprehensive income		<u>-866</u>	<u>7,104</u>

Fair value adjustments comprise changes in the fair value of hedging transactions that qualify for recognition as cash flow hedges. For 2012 there has been none active hedging conditions.

Statement of financial position as at 31 December

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		DKK ('000)	DKK ('000)
ASSETS			
Non-current assets			
Receivables from Group companies	7	0	1,764,661
Deferred tax assets	8	<u>29,520</u>	<u>15,185</u>
Total non-current assets		<u>29,520</u>	<u>1,779,846</u>
Current assets			
Receivables from Group companies	7	1,923,341	82,188
Other receivables	9	109,283	106,329
Tax receivable		<u>0</u>	<u>40,000</u>
Total current assets		<u>2,032,624</u>	<u>228,517</u>
Total assets		<u>2,062,144</u>	<u>2,008,363</u>

Statement of financial position as at 31 December

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		DKK ('000)	DKK ('000)
EQUITY AND LIABILITIES			
Equity			
Share capital	11	25,000	25,000
Hedging reserves		0	0
Retained earnings		<u>88,459</u>	<u>89,325</u>
Total equity		<u>113,459</u>	<u>114,325</u>
Non-current liabilities			
Bond loans	12	<u>0</u>	<u>1,780,427</u>
Total non-current liabilities		<u>0</u>	<u>1,780,427</u>
Current liabilities			
Credit institutions	12	389	387
Affiliated undertakings	12	8,889	126
Short term part of long term debt	12	1,826,465	0
Other current liabilities	13	112,942	113,098
Total current liabilities		<u>1,948,685</u>	<u>113,611</u>
Total liabilities		<u>1,948,685</u>	<u>1,894,038</u>
Total equity and liabilities		<u>2,062,144</u>	<u>2,008,363</u>

Statement of change in equity

	Share capital	Hedging reserves	Retained earnings	Total equity
	DKK ('000)			
Equity at 1 January 2012	25,000	0	89,325	114,325
Profit for the year			-866	
Fair value adjustment				
Tax of other Comprehensive income				
Total comprehensive income				-866
Equity at 31 December 2012	25,000	0	88,459	113,459
Equity at 1 January 2011	25,000	-7,015	89,236	107,221
Profit for the year			705	
Fair value adjustment		8,532		
Tax of other Comprehensive income		-1,517	-616	
Total comprehensive income	0	7,015	89	7,104
Equity at 31 December 2011	25,000	0	89,325	114,325

Statement of cash flows

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		DKK ('000)	DKK ('000)
Interest received		127,663	293,476
Interest paid		-128,531	-293,434
Administrative expenses		-156	-183
Change in working capital		8,766	26
Joint taxation contribution received		25,950	448
Other Changes		<u>6</u>	<u>-56</u>
<i>Cash flow from operating activities</i>		33,698	277
Change in loans		-33,700	-84
Borrowings and change in loans		<u>0</u>	<u>-31</u>
<i>Cash flow from financing activities</i>		-33,700	-115
Net cash flow		<u>-2</u>	<u>162</u>
Cash and cash equivalents at 1 January		-387	-549
Cash and cash equivalents at 31 December	10	<u>-389</u>	<u>-387</u>

Transfers from non-current assets to current assets and the transfer from non-current liabilities to current liabilities are not reflected in the statement of cash flows as these are considered as non-cash transactions.

Notes

1 Significant accounting estimates and judgements

In preparing the Carlsberg Finans A/S financial statements, management makes various accounting estimates and assumptions which form the basis of presentation, recognition and measurement of the Company's assets and liabilities. The most significant accounting estimates and judgements for the Company are presented below. The Company's accounting policies are described in detail in note 20.

Estimation uncertainty

Determining the carrying amount of some assets and liabilities requires judgements, estimates and assumptions concerning future events.

The judgements, estimates and assumptions made are based on historical experience and other factors which management assesses to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise.

The Company is subject to risks and uncertainties which may lead to actual results differing from these estimates, both positively and negatively. Specific risks for Carlsberg Finans A/S are discussed in the notes.

Assumptions about the future and estimation of uncertainty at the end of the reporting period are described in the notes when there is a significant risk of changes that could result in material adjustments to the carrying amount of assets or liabilities within the next financial year.

2 Fee to auditors appointed by the annual general meeting

	2012	2011
	DKK ('000)	DKK ('000)
Statutory audit	156	126
	156	126

3 Interest income, net

Interest income from affiliated undertakings of DKK 130,617 thousand is included (2011: DKK 288,785 thousand). Interest expenses to affiliated undertakings amounted to DKK 54 thousand (2011: DKK 1,386 thousand).

4 Other financial income / expense

	<u>2012</u>	<u>2011</u>
	DKK ('000)	DKK ('000)
Recognised in the income statement:		
Exchange rate adjustments	-489	6,701
Fair value adjustments	0	2
Other financial income	<u>-37</u>	<u>-62</u>
	<u>-526</u>	<u>6,641</u>
Recognised in the statement of comprehensive income:		
Fair value adjustments	<u>0</u>	<u>8,532</u>
	<u>0</u>	<u>8,532</u>
Total other financial income / expense	<u>-526</u>	<u>15,173</u>

5 Administrative expenses

Carlsberg Breweries A/S handles the administration of the Company and is compensated for any administrative expenses.

During the accounting year, one managing director has been employed at the company. The Board of Directors and the Executive Board have not received remuneration.

6 Tax

	2012	2011
	DKK ('000)	DKK ('000)
Tax for the year comprises:		
Change in deferred tax during the year	-284	2,368
Tax on comprehensive income for the year	-284	2,368
Tax for the year comprises:		
Income statement	-284	235
Other comprehensive income	0	2,133
Tax for the year	-284	2,368
Reconciliation of the effective tax rate for the year:		
Tax rate in Denmark	25.0%	25.0%
Adjustments to tax for previous years	0%	0%
Effective tax rate for the year	25.0%	25.0%

Tax recognised in other comprehensive income

DKK ('000)	Recognised item before tax	2012 Tax (expense) benefit	Net of tax	Recognised item before tax	2011 Tax (expense) benefit	Net of tax
Hedging instruments	0	0	0	-8,532	2,133	-6,399

7 **Receivables from Group companies**

	2012	2011
	DKK ('000)	DKK ('000)
Non-current receivables:		
Non-current receivables at 1 January	1,764,661	1,718,245
Disposals	-1,747,015	0
Currency translation adjustments	-17,646	46,416
Non-current receivables at 31 December	0	1,764,661

	2012	2011
	DKK ('000)	DKK ('000)
Current receivables:		
Current receivables at 1 January	82,187	3,044,659
Changes	94,139	-2,962,472
Current portion of non-current receivables	1,747,015	0
Current receivables at 31 December	1,923,341	82,187

8 **Deferred tax assets**

	2012	2011
	DKK ('000)	DKK ('000)
Deferred tax assets at 1 January	15,185	18,001
Tax refund	-34,713	-448
Transferred fromo tax receivables	40,000	0
Change previous year against I/C debt	8,764	0
Change in deferred tax	284	-2,368
Deferred tax assets at 31 December	29,520	15,185

Deferred tax assets can be specified as:

Tax loss	32,987	36,327
Financial Liability	-3,467	-21,142
	29,520	15,185

9 Other receivables

Other receivables consist of receivable interest.

10 Cash and cash equivalents

In the statement of cash flows overdraft is deducted in cash and cash equivalents:

	2012	2011
	DKK (’000)	DKK (’000)
Cash and cash equivalents	0	0
Overdraft used for cash management purpose	-389	-387
Cash and cash equivalents, net	<u>-389</u>	<u>-387</u>

11 Share capital

The share capital consists of 2 shares of a nominal value of DKK 10m each and 1 share of a nominal value of DKK 5m. The share capital has been unchanged the last five years. No shares carry special rights.

12 Liabilities

Against security provided by Carlsberg Breweries A/S, the Company has raised fixed-interest public bond loans totalling DKK 1,826 m (2011: DKK 1,780m).

	2012	2011
	DKK (’000)	DKK (’000)
Current liabilities:		
Bank borrowings and overdraft	389	387
Payables to affiliated undertakings	8,889	126
Current portion of non-current liabilities	<u>1,826,465</u>	<u>0</u>
Total current liabilities:	<u>1,835,743</u>	<u>513</u>
Non-current liabilities:		
Bonds loans	<u>0</u>	<u>1,780,427</u>
Total non-current liabilities	<u>0</u>	<u>1,780,427</u>

12 Liabilities – continued

The non-current liabilities fall due from the balance sheet day:

Between 1 and 5 years	0	1,780,427
Over 5 years	<u>0</u>	<u>0</u>
	<u>0</u>	<u>1,780,427</u>

Specification of the weighted interest as of December 31, 2012, and the reporting periods for new interest rate fixing of the Company's external debt liabilities:

Interest rate risk at 31 December:

2012

Issued bonds:	Type	Average effective interest rate	Fixed for	Carrying amount	Interest rate risk
GBP 200m maturing 26 February 2013	Fixed	<u>7,01%</u>	0-1 years	<u>1,826</u>	Fair value
Total	Fixed	<u>7,01%</u>		<u>1,826</u>	

Interest rate risk at 31 December:

2011

Issued bonds:	Type	Average effective interest rate	Fixed for	Carrying amount	Interest rate risk
GBP 200m maturing 26 February 2013	Fixed	<u>7,01%</u>	1-2 years	<u>1,780</u>	Fair value
Total	Fixed	<u>7,01%</u>		<u>1,780</u>	

12 Liabilities – continued

Debt by currency before swap:

	2012		
	Repricing period		
	1 year	1-5 years	Over 5 years
GBP	1,826,465	0	0
DKK	389	0	0
Total	1,826,854	0	0

	2011		
	Repricing period		
	1 year	1-5 years	Over 5 years
GBP	0	1,780,427	0
DKK	387	0	0
Total	387	1,780,427	0

13 Other current liabilities

Other liabilities concerning the market value of financial instruments and payable interest can be specified as follows:

	2012	2011
	DKK ('000)	DKK ('000)
Sold floor option	2,946	6,074
Payable interest	109,996	107,024
Carrying amount at 31 December	112,942	113,098

14 Financial risks

Financial risks

Carlsberg Finans A/S raises long-term debt in the international capital markets in order to cover part of the funding needs of the Carlsberg Breweries Group. This means that all external debt will be re-lent to Carlsberg Breweries A/S who manages the final debt allocation to the Group companies in question. As a consequence, Carlsberg Finans A/S has no significant financial exposure (net). In February 2013 both the last remaining external loan and internal loan in Carlsberg Finans A/S will be repaid, after which the company is without significant activities..

Foreign exchange risk

All the debt is obtained in foreign currency. Carlsberg Finans A/S has the main risk exposure, gross relating to GBP.

Carlsberg Finans A/S has receivables from loans of a corresponding foreign currency composition after currency- and interest rate swaps. Therefore, Carlsberg Finans A/S has no significant foreign exchange risk.

Interest rate risk

Carlsberg Finans A/S has a substantial interest-bearing debt. At year-end, the entire debt portfolio consisted of 1 fixed-rate loan. The Company has interest-bearing assets which likewise are predominantly fixed-rated.

In control of the gross-interest rate risk interest rate derivatives have been used during the year. Specification of gross-debt, including the financial instruments used for adapting the interest rate risk, can be found in the notes.

Credit exposure

The credit exposure is the risk that a counterpart fails to discharge its contractual obligations and thereby causes a loss to the Company. The Company's treasury policies ensure that financial transactions can only be entered with financial institutions with high credit rating.

Liquidity risk

The liquidity risk is the risk that the Company fails to discharge its contractual obligations due to liquidity shortfall. As at 31 December Carlsberg Finans A/S had no unutilised committed credit facilities, but have access to unutilised credit facilities through the Carlsberg Breweries Group. Liquidity for the repayment of the GBP 200m bond that matures in February is secured via a simultaneous redemption of the intercompany loans of the same amount .

15 Financial instruments

The fair value of financial instruments is calculated on the basis of observable market data using generally accepted methods. Both external valuation reports and internally calculated fair values based on discounting of cash flows are used. Internally calculated fair values, are tested against external market valuations on a quarterly basis.

Carlsberg Finans A/S has in 2012 not used hedge accounting :

Financial derivatives not designated as hedging instruments (economic hedges)

	2012 DKK ('000)		2011 DKK ('000)	
	Fair value adjustment recognised in income statement	Fair value	Fair value adjustment recognised in income statement	Fair value
Interest rate instruments	0	0	0	0
Exchange rate instruments	0	0	2	0
I alt	0	0	2	0

Value adjustments on fair value hedges in the financial year are recognised in the income statement. The adjustments are included in financial income and financial expenses. In 2012 an adjustment of DKK 0 thousand was recognised (2011: DKK 2 thousand).

15 Financial instruments – continued

Cash flow hedges

DKK ('000)	2012		
	Fair value adjustment recognised in other comprehensive income	Fair value	Expired
Interest rate instruments	0	0	
Total	0	0	

DKK ('000)	2011		
	Fair value adjustment recognised in other comprehensive income	Fair value	Expired
Interest rate instruments	8,532	0	
Total	8,532	0	

Fair value adjustments on cash flow hedges in the financial year are recognised in other comprehensive income and amount to tDKK 0 in 2012 and tDKK 8,532 in 2011. The adjustments are included in valuation of hedges.

15 **Financial instruments – continued**

Presentation in notes to the financial statements:

	2012	2011
	DKK ('000)	DKK ('000)
Receivables at affiliates	2,946	6,074
Other payables	-2,946	-6,074
Total	0	0

Liquidity risk

Financial liabilities: DKK ('000)	2012				
	Contractual cash flows	Maturity < 1 year	Maturity > 1 year < 5 years	Maturity > 5 years	Carrying amount
Derivative financial instruments:					
Derivative financial instruments, payables	2,948	2,948	0	0	2,946
Non-derivative financial instruments:					
Financial debt gross	1,826,400	1,826,400	0	0	1,826,657
Interest expense	127,848	127,848	0	0	N/A
Non-derivative financial instruments total	1,954,248	1,954,248	0	0	N/A
Financial liabilities total	1,957,196	1,957,196	0	0	N/A

Derivative financial instruments, payables include the liability regarding a sold floor-option maturing in February 2013. The notional of this option is 25m GBP and the strike is 3.5%. The market value pr. December 31st 2012 is tDKK 2,946 (2011: tDKK 6,074) and in the table with contractual negative cash flows <1 year tDKK 2,948 is included (2011: tDKK 2,613). The amount is the payment that is fixed as a consequence of the GBP reference rate being below 3.5% and is due February 2013 (2011: February 2012).

15 **Financial instruments – continued**

Financial liabilities:	2011				
	Contractual cash flows	Maturity < 1 year	Maturity > 1 year < 5 years	Maturity > 5 years	Carrying amount
DKK ('000)					
Derivative financial instruments:					
Derivative financial instruments, payables	2,613	2,613	0	0	6,074
Non-derivative financial instruments:					
Financial debt gross	1,780,000	0	1,780,000	0	1,780,427
Interest expense	144,328	124,600	19,728	0	N/A
Non-derivative financial instruments total	1,924,328	124,600	1,799,728	0	N/A
Financial liabilities total	1,926,941	127,213	1,799,728	0	N/A

Fair value hierarchy for financial instruments measured at fair value in the statement of financial position

	2012	2011
	DKK ('000)	DKK ('000)
	Level 2 – Observable data	Level 2 – Observable Data
Financial assets		
Fair value of economic hedges	2,946	6,074
I alt	2,946	6,074
Financial liabilities		
Fair value of economic hedges	-2,946	-6,074
I alt	-2,946	-6,074

Carlsberg Finans A/S has no financial instruments measured at fair value at level 1 (quoted prices) or at level 3 (non-observable data).

The fair value of all derivatives calculated internally (whether designated as fair value or economic hedges, cash flow hedges) is calculated by a) estimating the notional future cash flows using observable market data such as yield curves b) discounting the estimated and fixed cash flow to present value c)

converting the amounts in foreign currency into the functional currency at the end-of-period foreign exchange rate. On a quarterly basis the internally calculated fair values are compared to externally calculated fair values.

16 Related parties

Related parties with a controlling influence:

Carlsberg Breweries A/S, Ny Carlsberg Vej 100, DK-1799 Copenhagen V, owns 100% of shares in Carlsberg Finans A/S. The Company's ultimate owner is Carlsbergfondet, H.C. Andersens Boulevard 35, DK-1553 Copenhagen V.

The Company's annual report is included in the consolidated financial statements of the Carlsberg Breweries A/S and for Carlsberg A/S. Copies of the consolidated financial statements can be obtained upon request to the corporate headquarters at Ny Carlsberg Vej 100, DK-1799 Copenhagen V.

Other related parties

Other related parties of the Company are the Board of Directors, the Executive Board and subsidiaries in the Carlsberg Group.

Transactions with related parties in the financial year

The Company's transactions with related parties are stated in note 2. Outstanding amounts with affiliated companies at the end of the reporting period are presented in the statement of financial position.

There have been no transactions with the Board of Directors and the Executive Board in the financial year.

17 Contingent liabilities

The Company has no contingent liabilities.

18 Managerial office

The Company's Board of Directors and Executive Board hold the following managerial offices:

Lars Cordi

Executive Vice President in Treasury department of Carlsberg Breweries A/S.

Jørn P. Jensen

Executive Vice President, CFO in Carlsberg A/S

Chairman or member of the Board of Directors in companies of the Carlsberg Group.

Member of the supervisory Boards of Danske Bank A/S and DONG Energy A/S and the Committee on Corporate Governance in Denmark.

Ulrik Andersen

Chairman or member of the Board of Directors in companies of the Carlsberg Group.

Helle Bjørnskov Fischer

Member of the Board of Directors in companies of the Carlsberg Group.

19 Accounting policies

The 2012 financial statements of Carlsberg Finans A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports; cf. the statutory order pursuant to the Danish Financial Statements Act.

The financial statements are presented in Danish kroner (DKK thousand), which is the Company's functional currency.

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities, which are measured at fair value: derivative financial instruments, financial instruments in the trading portfolio and financial instruments classified as available for sale.

19 Accounting policies - continued

The accounting policies set out below have been used consistently in respect of the financial year and the comparative figures.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rate ruling at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rate ruling at the end of the reporting period. The difference between the exchange rate at the end of the reporting period and the exchange rate at the date on which the receivable or payable arose or the exchange rate in the last annual report is recognised in the income statement under financial income or financial expenses.

Derivative financial instruments

Derivative financial instruments are recognised in the statement of financial position at cost on the transaction date and subsequently at fair value.

The fair value of derivative financial instruments is included in other receivables and other payables respectively. Positive and negative values are offset only when the company has a right and an intention to settle several financial instruments net. Fair values of derivative financial instruments are computed on the basis of current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability in relation to the hedged part. Hedging of future cash flows under a specific agreement, with the exception of foreign currency hedges, is treated as a fair value hedge of a recognised asset or liability.

Changes in the part of the fair value of derivative financial instruments which is designated as and qualifies for hedging of future cash flows and which effectively hedges changes in the value of the hedged item are recognised in other comprehensive income and attributed to a separate reserve in equity. When the hedged transaction is realised, any gains or losses regarding such hedging transactions are transferred from equity and recognised in the same financial item as the hedged item. When hedging proceeds from future borrowings, however, any gains or losses regarding hedging transactions are transferred from equity over the maturity period of the borrowings.

19 **Accounting policies - continued**

For derivative financial instruments which do not meet the criteria for hedge accounting, changes in fair value are recognised in the income statement under financials.

Income statement

As the operations of the Company are of financial character, net interest income is regarded as the primary income. The income statement is prepared in accordance with this.

Interest income, net

Net interest income is comprised of interest income of receivables from loans to subsidiaries and interest expenses of debt liabilities.

Other financial income and expenses

This item is constituted of financial income and expenses which are not included in net interest income, this including realised and unrealised currency translation adjustments and fair value adjustments of derivative financial instruments.

Tax on profit/loss for the year

Tax for the year – comprising current corporation tax for the year, joint taxation contributions for the year and changes in deferred tax (including as a result of changes in tax rates) – is recognised in the income statement where it relates to the profit/loss for the year and in other comprehensive income where it relates to items recognised in other comprehensive income.

Carlsberg Finans A/S is covered by the Danish rules on compulsory joint taxation of the Carlsberg Group's Danish companies. Carlsberg A/S is the administration company for the joint taxation scheme and therefore makes all payments of corporation tax to the tax authorities.

Current Danish corporation tax is allocated between the jointly taxed Danish companies by making joint taxation contributions in proportion to their taxable income. In this context, companies with tax losses receive joint taxation contributions from companies which have been able to use these losses to reduce their own taxable profits.

Current tax is calculated on the applied tax rate for the current year. Deferred tax is calculated on the adopted or expected tax rates.

19 Accounting policies - continued

Statement of financial position

Long-term receivables

Receivables from subsidiaries are included at amortised cost.

Financial liabilities

Bond issues etc. are recognised at the date of borrowing as the net proceeds received less transaction costs paid. In subsequent periods financial liabilities are measured at amortised cost using the effective interest rate method. Accordingly the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. Thus, capital loss and borrowing costs are allocated over the duration of the liabilities, based on a calculated effective interest rate at the time of the raising of loans.

Equity

Proposed dividend

A proposed dividend is recognised as a liability as soon as it has been approved by the Annual General Meeting (declaration date). The dividend recommended by the Board of Directors and therefore expected to be paid for the year is disclosed in the notes.

An interim dividend is recognised as a liability as soon as the decision has been made.

Corporation tax and deferred tax

Current tax payable and receivable, including joint taxation contributions, is recognised in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is calculated using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax effect of tax loss carry forwards, are recognised under other non-current assets at their anticipated value either as an offset against tax on future income or as an offset against deferred tax liabilities in the same legal tax entity and jurisdiction.

19 Accounting policies - continued

Deferred tax is measured on the basis of the tax rules and tax rates which will apply at the balance sheet date when the deferred tax is expected to be realised as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement except for changes in deferred tax recognised in other comprehensive income, which are changed in other comprehensive income.

Statement of cash flows

The statement of cash flows shows cash flows allocated to the operating and financing activity for the year, the changes in cash and cash equivalents, and the cash and cash equivalents at the beginning and end of the year. The company has no investment activities, as loans to the Carlsberg Breweries Group are regarded as part of the financing activities.

Cash flow from operating activities

Cash flow from operating activities is calculated as operating profit - including paid and received interest - adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flow from financing activities

Cash flow from financing activities comprises changes in loans to Carlsberg Breweries A/S, borrowings and repayment of interest-bearing debt.

Furthermore, changes of value or composition of share capital and costs related to this are included.

Cash and cash equivalents

Cash and cash equivalents comprise cash, less bank overdrafts.

Segment reporting

The company has one sole activity, and for that reason the annual report does not include segment reporting.

20 **New IFRS and Interpretations**

New and amended IFRSs and Interpretations considered relevant for the company not yet adopted by or applicable within the EU.

- IFRS 13 “Fair Value Measurement”. The standard supersedes the definitions of fair value in the individual IFRS s and requires further disclosure of fair value estimates. The standard does not change recognition and measurement for Carlsberg Finans A/S. The standard is effective for financial years beginning on or after 1 January 2013.
- Amendment to IAS 1 “Other Comprehensive Income” (issued 16 June 2011). The standard changes the presentation of other comprehensive income. The standard is effective for financial years beginning on or after 1 July 2012.
- Amendment to IFRS 7 “Disclosures – Offsetting Financial Assets and Financial Liabilities”. The standard is effective for financial years beginning on or after 1 January 2013.
- Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”. The standard is effective for financial years beginning on or after 1 January 2014.
- Improvements to IFRSs issued in June 2011.

Furthermore, the following new or amended IFRS s and Interpretations of relevance to the Carlsberg Finans A/S have been issued but not yet adopted by the EU and are not applicable for 2012:

- IFRS 9 “Financial Instruments”, most recently revised in November 2010. As further changes to the standard are being drafted and planned, the impact of the final standard on the consolidated financial statements cannot yet be estimated. The standard is effective for financial years beginning on or after 1 January 2015.
- Improvements to IFRSs 2009-2011 (issued 17 May 2012), effective for financial years beginning on or after 1 January 2013.

The new and amended Standards and Interpretations are not mandatory for the financial reporting for 2012. Carlsberg Finans A/S expects to adopt the Standards and Interpretations when they become mandatory.

Company information

Company:	Carlsberg Finans A/S Ny Carlsberg Vej 100 DK-1799 Copenhagen V Denmark Municipality: Copenhagen
Board of Directors:	Jørn P. Jensen, Executive Vice President and CFO Ulrik Andersen, Vice President Helle Bjørnskov Fischer, Legal Counsel
Executive Board:	Lars Cordi, Managing Director
Auditors:	KPMG Statsautoriseret Revisionspartnerselskab Osvold Helmuths Vej 4 Postboks 250 2000 Frederiksberg Denmark
Parent Company:	Carlsberg Breweries A/S Ny Carlsberg Vej 100 DK-1799 Copenhagen V

MANAGEMENT STATEMENT

The Supervisory Board and the Executive Board have today discussed and approved the Annual Report of Carlsberg Finans A/S for 2012.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

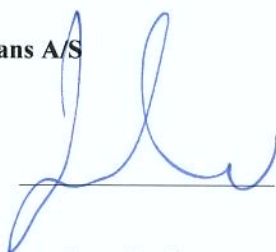
In our opinion the financial statements give a true and fair view of Carlsberg Finans A/S's assets, liabilities and financial position at 31 December 2012 and of the results of Carlsberg Finans A/S's operations and cash flows for the financial year 2012.

Further, in our opinion the Management's review includes a fair review of the development in Carlsberg Finans A/S's operations and financial matters, the result for the year and of Carlsberg Finans A/S's financial position as well as describes the significant risks and uncertainties affecting Carlsberg Finans A/S.

We recommend that the Annual General Meeting approve the Annual Report.

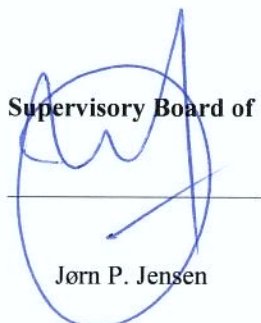
Copenhagen, 29.04.2013

Executive Board of Carlsberg Finans A/S

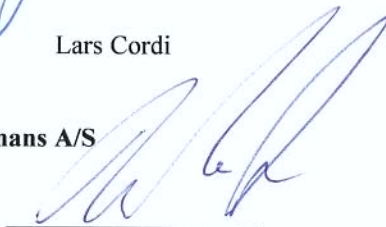


Lars Cordi

Supervisory Board of Carlsberg Finans A/S



Jørn P. Jensen



Ulrik Andersen



Helle Bjørnskov Fischer

INDEPENDENT AUDITORS' REPORT

To the shareholder of Carlsberg Finans A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Carlsberg Finans A/S for the financial year 2012. The financial statements comprise income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies for the Carlsberg Group. The company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Carlsberg Finans A/S's financial position at 31 December 2012 and of the results of Carlsberg Finans A/S's operations and cash flows for the financial year 2012 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with financial statements.

Copenhagen, 29.04.2013

KPMG

Statsautoriseret Revisionspartnerselskab


Jesper Koefoed

State Authorised Public Accountant


Anders Stig Lauritsen

State Authorised Public Accountant

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Carlsberg