Carlsberg Group

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Financial statement as at 31 December 2013

Strong operational performance and underlying earnings growth while investing for the coming years

Unless otherwise stated, comments in this announcement refer to full-year performance.

Financial highlights

- Organic net revenue growth of 1% to DKK 66.6bn (Q4: +2%).
- Continued solid price/mix of +2% (Q4: +4%).
- 11% organic operating profit growth (adjusted for BSP1-related costs and stocking movements in France). Reported operating profit of DKK 9,844m (Q4: DKK 2,322m).
- 5% adjusted net profit growth to DKK 5,795m (Q4: +8%).
- Free operating cash flow of DKK 3.0bn and free cash flow of DKK 200m, impacted by acquisitions in Asia.
- For 2013, Carlsberg A/S proposes a 33% increase in dividend per share to DKK 8.00.
- For 2014, the Group expects to deliver high-single-digit organic operating profit growth (based on restated figures[1]) and mid-single-digit growth in reported adjusted net result.

Operational highlights

- The Group delivered strong performance and achieved market share growth in all three regions driven by focused commercial execution and a number of successful innovations.
- Our Asian markets continued to grow while our Western European markets declined by an estimated 2%. The Russian market declined by an estimated 8% due to outlet restrictions and slower economic growth.
- Group beer volumes declined organically by 2% (Q4: -3%).
- Our international premium portfolio continued to grow, with particularly strong performances by Tuborg (+10%) and Somersby (+78%). Tuborg is the fastest growing international premium beer brand in China and the largest premium brand in India. The Carlsberg brand grew 7% in Q4 in premium markets (declined 2% for the full year, cycling last year's EURO 2012 activations).
- We kept a high level of investments across markets and functions to capture the short- and longer-term earnings growth opportunities.
- The implementation of the supply chain integration and business standardisation project (BSP1) is running according to schedule and with no major disruptions.
- We took several steps to strengthen our presence in Asia, including increased ownership of Chongqing Brewery and construction of breweries in Myanmar and China.
- We established the Carlsberg Circular Community, joining forces with key partners in order to rethink and redevelop packaging with the aim of reducing the impact on the environment.

Commenting on the results, CEO Jørgen Buhl Rasmussen says: "The Carlsberg Group delivered solid earnings growth driven by strong and focused execution in spite of an overall challenging macro-environment and not least the negative market impact in Russia from the outlet restrictions. This shows our ability to constantly execute and innovate effectively while maintaining tight control of our costs.

[1] See appendix 1 for restated figures due to change in accounting policies.

In the coming years we will continue to invest in growth and efficiency opportunities. We have a busy agenda of driving our ambitious commercial priorities, which include continued investment in our brands and ensuring that our sales and marketing capabilities are best-in-class. Furthermore, we will focus on further strengthening our Russian business; develop our Asian business to capture the growth potential of the region; and change our Western Europe business model and organisation, including the continued roll-out of BSP1."

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KEY FIGURES AND FINANCIAL RATIOS

DKK million		2009	2010	2011	2012	2013
Sales volumes, gross (million hl)						
Beer		137.0	136.5	139.8	140.9	138.7
Other beverages		22.2	22.5	22.2	22.0	21.5
Sales volumes, pro rata (million hl)						
Beer		116.0	114.2	118.7	120.4	119.7
Other beverages		19.8	19.3	19.2	19.1	19.7
Income statement						
Net revenue		59,382	60,054	63,561	66,468	66,552
Operating profit before special items		9,390	10,249	9,816	9,793	9,844
Special items, net		-695	-249	-268	85	-466
Financial items, net		-2,990	-2,155	-2,018	-1,772	-1,533
Profit before tax		5,705	7,845	7,530	8,106	7,845
Corporation tax		-1,538	-1,885	-1,838	-1,861	-1,894
Consolidated profit		4,167	5,960	5,692	6,245	5,951
Attributable to:						
Non-controlling interests		565	609	543	638	480
Shareholders in Carlsberg A/S		3,602	5,351	5,149	5,607	5,471
Shareholders in Carlsberg A/S (adjusted)*		4,170	5,425	5,203	5,504	5,795
Statement of financial position						
Total assets		134,515	144,250	147,714	153,961	151,138
Invested capital		109,538	117,119	118,196	121,467	119,372
Interest-bearing debt, net		35,679	32,743	32,460	32,480	35,022
Equity, shareholders in Carlsberg A/S		54,829	64,248	65,866	70,261	67,811
Statement of cash flows						
Cash flow from operating activities		13,631	11,020	8,813	9,871	9,083
Cash flow from investing activities		-3,082	-5,841	-4,883	-3,974	-8,883
Free cash flow		10,549	5,179	3,930	5,897	200
Investments						
Acquisition and disposal of property, plant and equipment, net		-2,342	-2,197	-3,618	-2,264	-4,724
Acquisition and disposal of entities, net		95	-477	-260	-27	-2,340
Financial ratios						
Operating margin	%	15.8	17.1	15.4	14.6	14.8
Return on average invested capital (ROIC)	%	8.2	8.8	8.4	8.0	8.2
Equity ratio	%	40.8	44.5	44.6	45.6	44.9
Debt/equity ratio (financial gearing)	x	0.60	0.47	0.45	0.44	0.49
Debt/operating profit before depreciation and amortisation	x	2.71	2.30	2.39	2.35	2.53
Interest cover	x	3.14	4.76	4.86	5.53	6.42
Stock market ratios						
Earnings per share (EPS)	DKK	23.6	35.1	33.8	36.8	35.9
Earnings per share, adjusted (EPS-A)*	DKK	27.3	35.6	34.1	36.1	38.0
Cash flow from operating activities per share (CFPS)	DKK	89.3	72.1	57.7	64.6	59.3
Free cash flow per share (FCFPS)	DKK	69.1	33.9	25.7	38.6	1.3
Dividend per share (proposed)	DKK	3.5	5.0	5.5	6.0	8.0
Payout ratio	%	15	14	16	16	22
Payout ratio, adjusted*	%	13	14	16	17	21
Share price (B shares)	DKK	384.0	558.5	405.0	554.0	600.0
Number of shares (year-end, excl. treasury shares)	1,000	152,553	152,539	152,523	152,555	152,533
Number of shares (average, excl. treasury shares)	1,000	152,550	152,548	152,538	152,543	152,548

* Adjusted for special items after tax.

BUSINESS DEVELOPMENT

		Change				Change
	2012	Organic	Acq., net	FX	2013	Reported
Q4						
Pro rata, million hl						
Beer	27.1	-3%	2%		26.9	-1%
Other beverages	4.6	2%	1%		4.7	3%
Total volume	31.7	-2%	1%		31.6	-1%
DKK million						
Net revenue	15,770	2%	2%	-5%	15,661	-1%
Operating profit	2,152	17%	0%	-9%	2,322	8%
Operating margin (%)	13.6				14.8	120bp
12 mths						
Pro rata, million hl						
Beer	120.4	-2%	1%		119.7	-1%
Other beverages	19.1	2%	1%		19.7	3%
Total volume	139.5	-1%	1%		139.4	0%
DKK million						
Net revenue	66,468	1%	2%	-3%	66,552	0%
Operating profit	9,793	5%	0%	-4%	9,844	1%
Operating margin (%)	14.7				14.8	10bp

Group financial highlights

In all three regions, our beer volumes grew ahead of the overall markets. Group beer volumes declined organically by 2%, while reported beer volumes declined 1%. The growing volumes in Asia were not enough to offset the volume decline in Eastern and Western Europe. The acquisition impact mainly related to the Nordic Getränke distribution company in Germany and Chongqing Brewery Group in China. Q4 beer volumes declined by 3% organically, but adjusting for the French stocking in 2012, beer volumes in Q4 would have declined 2%. Other beverages grew organically by 2% (Q4: +2%).

Net revenue grew 1% organically (total beverage volume of -1% and +2% price/mix). Reported net revenue was flat as a result of -3% from currencies and a net acquisition impact of +2%. The negative currency impact was mainly due to weaker currencies in Russia, Malawi, Norway, the UK and several Asian countries. In Q4, organic net revenue growth was 2% due to a strong price/mix of 4%.

Cost of goods sold per hl increased organically by approximately 1% (Q4: flat), but due to the positive price/mix, gross profit per hl grew approximately 5% organically (Q4: +8%). Total gross profit grew organically by 3% (Q4: +6%). Reported cost of goods sold per hl declined slightly and reported gross profit per hl grew 1%. Reported gross margin improved by 40bp to 49.5% (Q4: +120bp).

We invested in future efficiency improvements and reported operating expenses grew by 1% (Q4: -1%). In total, BSP1-related costs were approximately DKK 350m. Excluding the BSP1-related costs, reported operating expenses declined by 1%. The reduction was driven by tight cost control in all areas.

Consequently, Group operating profit grew organically by 5% (Q4: +17%). Adjusted for the BSP1-related costs and the French stocking movements, organic operating profit growth was 11%. All three regions delivered organic operating profit growth, with particularly strong growth in Asia. Reported operating profit was DKK 9,844m. Group operating profit margin increased by 10bp to 14.8% (Q4: +120bp). Eastern Europe and Asia improved operating profit margins, while the Western European margin was flat versus last year despite the BSP1-related costs.

Reported net profit was DKK 5,471m (2012: DKK 5,607m). Net profit in 2012 was positively impacted by the disposal of the Copenhagen brewery site.

Adjusted net profit (adjusted for special items after tax) grew 5% to DKK 5,795m versus DKK 5,504m last year (Q4: +8%).

Free operating cash flow was DKK 2,958m (2012: DKK 4,797m) as the organic EBITDA growth was offset by negative currency impact, negative impact from other working capital and higher CapEx than last year. CapEx increased mainly due to volume growth in Asia and business model optimisation in Western Europe.

The efforts to reduce average trade working capital continued and average trade working capital to net revenue improved to 0.2% at the end of 2013 versus 1.0% at the end of 2012. Free cash flow was DKK 200m versus DKK 5,897m last year. The reduction was due to lower free operating cash flow, acquisitions in Asia (approx. DKK 2.7bn) and last year's proceeds from the disposal of the Copenhagen brewery site (DKK 1.9bn).

Return on invested capital improved by 20bp to 8.2%.

Net interest-bearing debt was DKK 35.0bn (2012: DKK 32.5bn). The increase was mainly due to acquired net debt from the Chongqing Brewery Group (DKK 1.1bn) and dividend payments.

In December, the Group signed a new long-term revolving credit facility of EUR 2.5bn at favourable pricing and terms. The facility replaced two existing credit facilities.

A new dividend policy was announced on 25 October 2013 in connection with the amendment to the Charter of the Carlsberg Foundation. The Supervisory Board will propose at pay-out ratio of at least 25% of adjusted net profit, to be phased in over two years. As a consequence of this the Supervisory Board has decided to propose a 33% increase in dividend per share to DKK 8.00 for 2013 (DKK 6.00 for 2012), which equals a pay-out ratio of 21%.

Group operational highlights

An important part of the Group's commercial strategy is to grow our international premium brands – Carlsberg, Tuborg, Kronenbourg 1664, Grimbergen and Somersby – and our strong local power brands. In addition, we continue to roll out our best-in-class sales and marketing tools across all markets and ensure that best practices are embedded across relevant markets.

The Carlsberg brand grew 7% in Q4 across its premium markets but declined 2% for the year as we were cycling last year's EURO 2012 activations, when the brand grew 8%. The brand grew in Asia, with particularly strong performances in China and India. During the year, we rolled out the innovative music engagement programme "Where's the Party?" in 20 markets; started activation of our English Premier League sponsorship in 53 markets, including the launch of the innovative "Strikr" app, which is the first app to let fans have real-time football conversation on Twitter; and renewed our long-standing partnership with Liverpool FC. The activation on digital media platforms continued successfully and the viral "Carlsberg puts friends to the test" achieved over 13m views on YouTube.

The Tuborg brand grew 10% for the year. The growth was mainly driven by very strong performance in Asia, not least in China and India. The rejuvenation programme continued, supported by the launch of Tuborg Booster in India, the new Tuborg bottle in the UK and the launch of Skøll by Tuborg in France.

Kronenbourg 1664 continued its positive momentum with 6% growth (excluding France, which was impacted by destocking following a significant excise duty increase). We introduced the brand in new markets, and the successful roll-out of the wheat beer Kronenbourg Blanc contributed to the overall brand development, particularly in Asia.

Somersby continued its very strong progress and grew 78%. The key drivers behind the growth were the launch in the UK, continued positive performance in Poland, and line extensions in established markets, such as Wild Cactus by Somersby in Denmark and Double Press in Norway. The brand is now available in 40 markets around the world.

The Group's Belgian abbey beer Grimbergen continued its successful expansion in 2013 and is now available in 33 markets globally. During the year, Grimbergen was launched in nine new markets, including Denmark and Poland, and we took over the distribution in Russia.

These activities contributed to another year of market share growth – in both volume and value terms – across our regions.

In 2013, the Carlsberg Group delivered on its three-year targets for energy and CO_2. Another key priority in our CSR efforts is packaging, and we joined forces with key global partners to rethink the design and production of packaging material. The aim is to reduce dependency on primary materials and become more resilient to potential resource scarcity and increased costs in the future. The cooperation was formalised through the Carlsberg Circular Community (CCC), where Carlsberg, together with its partners, will develop the next generation of packaging solutions optimised for reuse or recycling.

The BSP1 project was implemented in Sweden in April and Norway in November. We are making the final preparations for implementation in the UK. The implementation process is running according to schedule with no major disruption to our daily business.

Structural changes

During 2013, the Group took several steps in Asia to further strengthen the company's growth profile.

- In August, we started the construction of the first international brewery in Myanmar. The brewery is expected to be operational in the second half of 2014.
- In October, we initiated the construction of a new brewery in the Yunnan province in China. The brewery is expected to be operational in 2015.
- In December, we finalised the partial take-over offer for the shares in Chongqing Brewery Company and now own 60% of the company.
- We increased our shareholdings in the Qinghai and Lanzhou joint ventures to 50%, in Lao Brewery by 10 percentage points to 61% and in Tibet Lhasa Brewery to 50%.
- In December, we announced the purchase of 100% of Chongqing Beer Group Assets Management, further extending our footprint in China. The approvals for this transaction are still pending.

Implementation of change in accounting policies with no impact on the Group's net result

New accounting standards coming into effect as of 1 January 2014 mean that it will no longer be possible to proportionately consolidate jointly controlled entities such as Unicer in Portugal and Cambrew in Cambodia (for more details, refer to the Accounting policies section). Proportionately consolidated entities will hereafter be recognised as associates. Restated income statement and segment reporting by region (beverages) for 2013 including this change are included in appendix 1 to this announcement. Following the change in accounting policies, the restated net interest-bearing debt was DKK 34,634m (reported DKK 35,022m).

2014 earnings expectations

2014 is expected to be a year when the Carlsberg Group will continue to build on the strengths of our company to ensure that we capture both the short- and longer-term opportunities that are present in our markets. To do so, we will:

- Further develop and invest in our Asian business to ensure that we continuously position it to capture the growth opportunities in the region.
- Drive the on-going efficiency improvements in Western Europe and maintain a focused commercial agenda that will further strengthen our business and the region's profitability.
- Utilise the strength of our Russian brand portfolio, route-to-market, innovation capabilities and execution skills to further strengthen our market position and improve profitability.

We will continue our tight cost agenda across all markets and functions to ensure that the Group delivers earnings growth. In 2014, the focus on strong execution, both internally and externally, will be even more important as we assume significant headwind from currencies.

Based on restated figures for 2013[1], for 2014 the Group expects:

- Operating profit to grow organically by high-single-digit percentages (reported mid-single-digit percentage growth).
- Reported adjusted net profit[2] to grow by mid-single-digit percentages.

The major assumptions behind the outlook are listed below.

The outlook, in reported terms, is based on an assumed 2014 average for our major currencies calculated on forward rates, including an average EUR/RUB exchange rate of around 49 (an EUR/RUB change of +/- 1 impacts Group operating profit by slightly less than +/- DKK 100m).

For 2014, the Group assumes the following market development in our major markets/regions:

- The Western European beer markets will decline slightly as consumers in many markets remain under pressure, in spite of the macroeconomic situation in some markets having improved slightly in the second half of 2013.
- The Russian market will decline low-single-digit in volume terms, while continuing healthy value growth. The Russian beer market will be impacted by the macroeconomic slowdown and weaker consumer sentiment. The outlook assumes that no new regulations will be implemented following the significant regulatory changes which have been introduced in recent years.
- The Asian markets will continue to grow in line with 2013.

Based on restated figures (ref. appendix 1), reported cost of goods sold per hl is expected to be lower than in 2013. In organic terms, cost of goods sold per hl is expected to be similar to last year.

Based on restated figures (ref. appendix 1), sales and marketing investments to net revenue is expected to remain at a similar level to last year.

Costs related to the integrated supply chain and business standardisation project in Western Europe are expected to impact Group operating profit in 2014 by DKK 450-500m.

Average all-in cost of debt is assumed to be similar to 2013.

The tax rate is expected to be 24-25%.

Capital expenditures are expected to be at the level of 2013 with continued capacity investments in Asia. In 2014, the DKK 1.4bn acquisition of Chongqing Beer Group Assets Management is expected to be completed.

[1] See appendix 1
[2] Adjusted for special items after tax

WESTERN EUROPE

		Change				Change
	2012	Organic	Acq., net	FX	2013	Reported
Q4						
Pro rata, million hl						
Beer	11.7	-3%	1%		11.4	-2%
Other beverages	3.6	2%	1%		3.7	3%
Total volume	15.3	-2%	1%		15.1	-1%
DKK million						
Net revenue	9,175	1%	3%	-2%	9,326	2%
Operating profit	1,038	9%	-1%	-3%	1,092	5%
Operating margin (%)	11.3				11.7	40bp
12 mths						
Pro rata, million hl						
Beer	50.3	-3%	0%		49.0	-3%
Other beverages	14.5	2%	1%		14.9	3%
Total volume	64.8	-2%	1%		63.9	-1%
DKK million						
Net revenue	37,727	1%	3%	-1%	38,796	3%
Operating profit	5,121	4%	0%	-1%	5,269	3%
Operating margin (%)	13.6				13.6	0bp

Our positive market share trend of the previous three years continued into 2013. We saw particularly good performance in markets such as Sweden, Norway, Finland, Poland, Portugal, Italy, Bulgaria and Greece.

The Western European markets were impacted by the negative macro and consumer environment in 2013. The overall beer market declined by an estimated 2%.

Our performance was driven by a focused commercial agenda, including the embedding and further development of our value management tools; a continued high level of innovation; a focus on our international premium brands and local power brands; and our improved portfolio optimisation tool. We developed a number of new products and rolled out innovations, such as Skøll by Tuborg, Garage Hard Lemonade and the DraughtMaster™ technology, as well as introducing Somersby and our Radler products into new geographies.

Beer volumes declined organically by 3% (Q4: -3%). Excluding the French stocking in Q4 2012 and the subsequent destocking in Q1 2013, beer volumes declined by an estimated 2% (Q4: flat).

Beer volumes were flat or grew in markets such as Finland, Norway, Poland, Sweden, Italy and Greece, driven primarily by market share growth. The volume of other beverages grew organically by 2% (Q4: +2%).

Net revenue grew organically by 1% (Q4: +1%). We achieved a strong price/mix of +3% (Q4: +3%) due to our successful value management efforts, roll-out of premium brands and innovations, and price increases across the markets.

Operating profit grew organically by 4% (Q4: +9%) despite the negative impact of the French destocking in Q1 and the BSP1-related costs. Adjusting for these, operating profit would have increased organically by low-teens percentages. The earnings improvement was driven by overall tight cost control in all markets and functions, the positive price/mix and supply chain savings. Reported operating profit margin was flat in spite of the BSP1-related costs and the French destocking.

Poland, the Nordics and the Baltics

In Poland, the overall market declined due to tough EURO 2012 comparisons. We gained market share and grew our volumes by 5%. Our value market share improved strongly underpinned by the strong performance of the Kasztelan, Okocim and Harnas brands. Somersby also delivered strong growth.

The Swedish beer market grew slightly (+1%) and we continued to strengthen our market share, driven by our strong portfolio and overall strong commercial execution. The Swedish business continued to strengthen financially and commercially; and in April, BSP1 was implemented.

In a slightly growing Danish beer market (+1%), our volumes declined, due to a temporary delisting at one off-trade customer. Excluding this customer, we increased our market share. The positive Danish business result was a result of efficiency improvements and our continued focus on value management initiatives.

In Norway, we continued to gain market share as a result of strong commercial execution and successful innovations. Value management initiatives supported a strong top-line development. BSP1 was successfully implemented in November.

In the Baltic States, our volumes declined. In Q3, we announced plans to close our brewery in Latvia in 2014 and focus on craft beer production.

France and the UK

The French market was impacted negatively by the 160% excise tax increase at 1 January 2013. The market declined by an estimated 3-4%. Adjusted for the stocking movements, our volumes declined by an estimated 4% (-14% reported). In the second half of the year, our market share improved, driven by good performances by Kronenbourg 1664 and Grimbergen and the launch of Skøll by Tuborg. For the full year, our market share declined slightly.

The UK market was marginally down, positively impacted by favourable weather in Q3 and a flat development in the second half of the year. We continued to strengthen our market share in the on-trade, while our off-trade market share declined, cycling strong market share gains during EURO 2012. Overall market share was slightly down. During the year, we launched Somersby and Carlsberg Citrus with good results.

EASTERN EUROPE

		Change				Change
	2012	Organic	Acq., net	FX	2013	Reported
Q4						
Pro rata, million hl						
Beer	10.4	-9%	0%		9.5	-9%
Other beverages	0.2	-2%	0%		0.2	-2%
Total volume	10.6	-9%	0%		9.7	-9%
DKK million						
Net revenue	4,480	-3%	0%	-8%	3,966	-11%
Operating profit	1,174	7%	0%	-10%	1,139	-3%
Operating margin (%)	26.2				28.7	250bp
12 mths						
Pro rata, million hl						
Beer	44.7	-5%	0%		42.4	-5%
Other beverages	1.8	-5%	0%		1.7	-5%
Total volume	46.5	-5%	0%		44.1	-5%
DKK million						
Net revenue	19,502	-4%	0%	-5%	17,711	-9%
Operating profit	4,302	2%	0%	-6%	4,127	-4%
Operating margin (%)	22.1				23.3	120bp

We grew our market share in Eastern Europe in difficult beer markets that declined by high-single-digit percentages in 2013. The Russian beer market was impacted more than anticipated by continued disruption from the closure of non-stationary outlets, and in general the region was impacted by the macroeconomic slowdown causing consumers to reduce their spending. This became increasingly visible during the second half of the year.

Our Eastern European beer volumes declined organically by 5% (Q4: -9%).

Organic net revenue declined by 4% (Q4: -3%). Reported net revenue declined by 9% (Q4: -11%) due to negative currency impact from the Russian and Ukrainian currencies. We achieved a price/mix for the year of 1% (Q4: +6%), positively impacted by price increases across all markets, which more than offset the Russian excise tax increase and a negative mix.

Operating profit grew organically by 2% (Q4: +7%) and operating profit margin improved by 120bp (Q4: +250bp) to 23.3%. The profit improvement was driven by lower cost of goods sold; efficiency improvements across all markets and functions; and slightly lower marketing expenses due to EURO 2012. Reported operating profit was impacted by the adverse currencies and declined 4% (Q4: -3%).

Russia

We continued our strong focus on balancing volume and value development in our business. Our volume market share strengthened by approximately 30bp to 38.6% and our value share improved slightly more. In Q4, our volume market share was flat year-on-year, while our value market share improved by approximately 50bp (source: Nielsen Retail Audit, Urban & Rural Russia).

The Russian beer market declined by an estimated 8% (Q4: estimated -7%), mainly due to the outlet restrictions, weaker economic growth and consumer sentiment, especially in H2. 2013 was the weakest year-on-year development for the Russian economy since 2009.

Our Russian beer volumes (shipments) declined by 7%. The year-on-year impact in 2013 from stocking and destocking in connection with the excise tax increases on 1 January 2013 and 1 January 2014 was limited.

We improved our market share in both the modern and traditional trade, and across most Russian regions, with particularly strong performances in the super-premium and mainstream segments. Brands such as Baltika 0, Baltika Cooler, Zatecky Gus, Holsten and Zhigulevskoe performed particularly well, while Baltika 7 was negatively impacted by outlet restrictions.

The level of commercial activities remained high in Russia. Several line extensions of Baltika, such as Baltika Praha and Baltika Munich, were launched, and we introduced Grimbergen with good results. In addition, for much of the year the sponsorships of the Sochi Olympic Games and the Russian National Hockey League were being activated. The launch of the rejuvenated Tuborg was an important step in strengthening Tuborg's very strong brand equity in the super-premium category.

We achieved price/mix of +1% (Q4: +6%), positively impacted by price increases in March, May, June and September but offset by the Russian excise tax increase and a negative mix. Price/mix dynamics improved in the second half of 2013.

Ukraine

The Ukrainian market declined by an estimated 7-8% due to the significant macroeconomic slowdown, unfavourable weather and tough comparables following a successful EURO 2012 campaign.

Our market share was flat. We brought a number of important innovations to the market, such as Lvivske in a restyled PET packaging, the rejuvenated Tuborg, line extensions of the Baltika and Lvivske brands, and a retro platform for Zhygulevskoe.

ASIA

	2012	Change Organic	Change Acq., net	Change FX	2013	Change Reported
Q4						
Pro rata, million hl						
Beer	5.0	10%	9%		6.0	19%
Other beverages	0.7	2%	2%		0.8	4%
Total volume	5.7	9%	8%		6.8	17%
DKK million						
Net revenue	2,085	15%	5%	-9%	2,319	11%
Operating profit	319	51%	0%	-13%	442	38%
Operating margin (%)	15.3				19.1	380bp
12 mths						
Pro rata, million hl						
Beer	25.4	6%	6%		28.3	12%
Other beverages	2.8	8%	2%		3.1	10%
Total volume	28.2	6%	5%		31.4	11%
DKK million						
Net revenue	9,114	14%	1%	-7%	9,874	8%
Operating profit	1,685	21%	-1%	-6%	1,921	14%
Operating margin (%)	18.5				19.5	100bp

In 2013, our overall Asian market continued to grow, although some markets were affected during the year by slightly slower economic growth and bad weather.

Our Asian operations delivered another year of excellent performance with strong volume, revenue and profit growth. The region remains an important growth driver for the Group and we will continue to invest in the region, both organically through brand investments and building new breweries and infrastructure to meet the growing demand, and through our focused M&A approach.

Our Asian beer volumes grew organically by 6% (Q4: +10%) as the quarter was positively impacted by the timing of the Malaysian national budget and an earlier sell-in to the Chinese New Year than last year). Including acquisitions, beer volumes grew by 12% (Q4: +19%) to 28.3m hl and now account for 24% of Group beer volumes. Cambodia, Laos and India did particularly well. The acquisition impact derived from the increased ownership in the Chongqing Jianiang Brewery joint venture in 2012, in Lanzhou and Qinghai in 2013, and in Chongqing Brewery Group in December 2013. Other beverages grew organically by 8%, mainly due to the soft drinks business in Laos.

Our international premium brands continued to be an important driver for our Asian business and we rolled them out in new markets and maintained a high level of support behind the brands. The Carlsberg brand grew approximately 12% in its premium markets, mainly driven by strong performance in India by Carlsberg Elephant and in China by Carlsberg Chill and Light. The Tuborg brand expanded rapidly across the region, becoming the fastest growing international premium brand in China and the largest international beer brand in India. The brand grew 66% in the region. Kronenbourg 1664 is establishing a solid super-premium footprint across the region with particularly good results for 1664 Blanc. The roll-out of Somersby and Grimbergen continued with promising results.

Net revenue grew organically by 14% (Q4: +15%). Reported net revenue grew by 8%, impacted negatively by currency impact from Malawi, but also from India, Nepal and Malaysia. Price/mix continued to develop very favourably at +8% (Q4: +6%) in spite of a negative country mix and was driven by price increases across most markets, the continued premiumisation efforts and market share gains in the premium segments.

Organic operating profit grew strongly by 21%. The operating profit margin improved by 100bp to 19.5%. The main profit drivers were China, Indochina and Nepal. Organic operating profit growth was particularly strong at +51% in Q4 due to volume and revenue growth, positive operational leverage impact and efficiency improvements.

China

Our Chinese volumes grew organically by 4% (Q4: +11%) and by 14% including acquisitions in a beer market that grew by an estimated 3-4%. We strengthened our market share in the international premium segment, where Carlsberg and Tuborg performed very strongly.

Net revenue grew organically by 12% as a result of volume growth, strong performance by our premium portfolio, as Carlsberg Chill, Carlsberg Light and Tuborg continued to perform very strongly, and an improved price/mix for our local brands. Carlsberg Chill was successfully relaunched with a new upgraded design. We secured the deal to sponsor Chinese Super League football, becoming the official beer for the next three years.

In December, we increased our ownership in Chongqing Brewery Company to 60%, thereby strengthening our market position in Chongqing province as well as the surrounding provinces. The integration of Chongqing Brewery, with approximately 6,500 employees and 23 breweries, into the Carlsberg Group has begun and will continue to be an important task for our Chinese and Asian organisation in 2014.

Indochina

Our business in Indochina delivered 8% organic beer volume growth. In particular, Cambodia and Laos reported strong performances, driven by the continued market growth as well as the strong activation of our local power brands Beerlao in Laos and Angkor in Cambodia. The Huda brand in Vietnam was rejuvenated with promising results.

Myanmar

The establishment of the greenfield brewery in Myanmar is progressing according to schedule and the brewery is expected to become operational in the second half of 2014.

India

Our Indian volumes grew organically by 18% as a result of strong performances by the Carlsberg brand, notably Carlsberg Elephant, and Tuborg, with the latter reaching the 1m hl milestone within a calendar year in October. Our overall Indian market share reached 8% and we now hold a number 2 position in seven states. In six states, our market share is 20% or above.

CENTRAL COSTS (NOT ALLOCATED)

Central costs were DKK 1,335m (DKK 1,199m in 2012) and DKK 316m in Q4 (DKK 343m in 2012). Central costs are incurred for ongoing support of the Group's overall operations and strategic development and driving efficiency programmes. In particular, they include the costs of running headquarters functions and central marketing (including sponsorships). The year-on-year increase was due to BSP1-related costs and the establishment of the central supply chain organisation.

OTHER ACTIVITIES

In addition to beverage activities, Carlsberg has interests in the sale of real estate, primarily at its former brewery sites, and the operation of the Carlsberg Research Center. These activities generated an operating loss of DKK 138m (loss of DKK 116m in 2012).

COMMENTS ON THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The 2013 consolidated financial statements of the Carlsberg Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies, cf. the IFRS statutory order pursuant to the Danish Financial Statements Act.

Except for the changes described below, the consolidated financial statements have been prepared using the same accounting policies as the consolidated financial statements for 2012. The consolidated financial statements for 2013 contain a complete description of the accounting policies.

As of 1 January 2013, the Carlsberg Group changed the presentation of listing fees in Russia. According to the Group's accounting policies, specific listing fees closely related to the sale of beer are presented as discounts reducing net revenue. Listing fees in Russia were previously included in sales and distribution expenses in line with the main nature of the activities in prior years, but are now presented as discounts due to the changed nature of the activities following the change in cooperation with and services provided by retailers as a result of the changes in Russian marketing regulation. Comparative figures for 2012 have been restated accordingly.

IFRS 13 "Fair Value Measurement" and the amendments to IAS 19 "Employee Benefits", IAS 1 "Other Comprehensive Income", IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities" and IAS 32 "Offsetting Financial Assets and Financial Liabilities" have been implemented from 1 January 2013. The new and amended standards have changed the presentation of other comprehensive income and valuation of assets in employee benefits. The changes have not had any significant impact on the financial statement.

IFRS 10-12 and the amendments to IAS 27-28 have not yet been implemented. The standards will be implemented as of 1 January 2014, when they become applicable within the EU. This will impact the Carlsberg Group's proportionately consolidated entities, e.g. Unicer and Cambrew. From 1 January 2014, proportionately consolidated entities will be recognised as associates (see appendix 1 for restated figures).

INCOME STATEMENT

Net special items (pre-tax) include costs related to restructuring measures across the Group and amounted to DKK -466m against DKK 85m in 2012. In 2012, special items were positively impacted by DKK 1.7bn related to the sale of the Copenhagen brewery site. A specification of special items is included in note 4.

Net financial items were positively impacted by lower average funding costs and amounted to DKK -1,533m against DKK -1,772m in 2012. Net interest costs were DKK -1,419m compared to DKK -1,560m in 2012, and other net financial items were DKK -114m against DKK -212m last year.

Tax totalled DKK -1,894m against DKK -1,861m in 2012. The tax rate was 24.1%.

Non-controlling interests were DKK 480m, a decrease of DKK 158m versus 2012 (DKK 638m) due to the exclusion of non-controlling interests in Baltika Breweries following the buyout of minority shareholders in 2012.

Carlsberg's share of net profit was DKK 5,471m. Adjusted net profit (adjusted for special items after tax) was DKK 5,795m compared to DKK 5,504m in 2012.

STATEMENT OF FINANCIAL POSITION

At 31 December 2013, Carlsberg had total assets of DKK 151.1bn against DKK 154.0bn at 31 December 2012.

Assets

Intangible assets were DKK 91.9bn (DKK 91.2bn at 31 December 2012). The increase of DKK 0.7bn was mainly due to acquisition of entities offset by foreign exchange adjustments, primarily related to Russia.

Property, plant and equipment increased to DKK 33.5bn against DKK 32.0bn at 31 December 2012, primarily impacted by higher CapEx and net foreign exchange adjustments, primarily related to Russia.

Financial assets declined by DKK 4.0bn to DKK 5.6bn due to the change in the accounting for Chongqing Brewery Group (now fully consolidated).

Inventories and receivables amounted to DKK 12.7bn (DKK 12.4bn in 2012). The change was driven by the acquisition of Chongqing Brewery Group.

Other receivables etc. totalled DKK 3.8bn against DKK 3.0bn at 31 December 2012. The change was mainly due to prepayments in relation to the acquisition of Chongqing Beer Group Assets Management (approval of transaction pending) and prepayments in connection with sponsorships.

Cash decreased from DKK 5.8bn at 31 December 2012 to DKK 3.7bn at 31 December 2013, mainly due to acquisitions, CapEx and paid dividends.

Liabilities

Equity decreased to DKK 71.5bn compared to DKK 73.7bn at 31 December 2012. DKK 67.8bn was attributed to shareholders in Carlsberg A/S and DKK 3.7bn to non-controlling interests.

The change in equity of DKK -2.2bn was mainly due to profit for the period of DKK +6.0bn; foreign exchange losses of DKK -7.5bn; payment of dividends to shareholders of DKK -1.3bn; acquisition of non-controlling interests (mainly in Laos) of DKK -0.6bn; retirement benefit obligations of DKK +0.8bn; and acquisition of entities of DKK +0.5bn related to the acquisition of Chongqing Brewery Group.

Liabilities decreased to DKK 79.6bn compared to DKK 80.3bn at 31 December 2012. The decrease was due to lower deferred tax liabilities and retirement benefit obligations partly offset by higher trade payables.

The increase in current borrowings to DKK 9.5bn from DKK 3.4bn was due to a EUR bond of 1bn maturing in May 2014 and has consequently been moved from non-current to current borrowings.

CASH FLOW

Operating profit before depreciation and amortisation was DKK 13,833m (DKK 13,812m in 2012).

The change in trade working capital was DKK 627m (DKK 852m in 2012). Other working capital was DKK -884m (DKK-523m 2012), impacted negatively primarily by an extraordinary increase in prepayments and a decrease in debt to public authorities. The main part of the development was of a one-off nature. Average trade working capital to net revenue continued to decline and was 0.2% at the end of the year versus 1.0% at the end of 2012.

Paid net interest etc. amounted to DKK -2,122m (DKK -1,996m in 2012). The slight increase versus 2012 was due to phasing into 2013 of coupon payments related to the bond issues in 2012.

In all, cash flow from operating activities was DKK 9,083m (DKK 9,871m in 2012), impacted by net working capital and higher paid restructuring costs versus 2012.

Cash flow from investing activities amounted to DKK -8,883m against DKK -3,974m in 2012.

Total operational investments were DKK 6.1bn (DKK 5.1bn in 2012) and primarily included capacity expansion in Poland and Asia, greenfield breweries in Asia, investments related to network optimisation in Western Europe and sales investments. Financial investments were impacted by the acquisition of 30.29% of the shares in Chongqing Brewery Company at the end of 2013 and prepayments related to the acquisition of Chongqing Beer Group Assets Management at the end of 2013. In 2012, cash flow from investing activities was positively impacted by the proceeds from the sale of the Copenhagen brewery site of DKK 1.9bn.

Free cash flow was DKK 200m against DKK 5,897m in 2012.

FINANCING

At 31 December 2013, gross interest-bearing debt amounted to DKK 40.4bn and net interest-bearing debt amounted to DKK 35.0bn. The difference of DKK 5.4bn was other interest-bearing assets, including DKK 3.7bn in cash and cash equivalents.

Of the gross interest-bearing debt, 76% (DKK 30.7bn) was long-term, i.e. with maturity more than one year from 31 December 2013. The net interest-bearing debt consisted primarily of facilities in EUR and approximately 60% was at fixed interest (fixed-interest period exceeding one year).

INCENTIVE PROGRAMMES

In 2013, a total of 91,000 share options with an exercise price of DKK 573.50 were granted to the Executive Board. In addition, a total of 372,049 performance shares with an exercise price of DKK 0 were granted to 336 members of the long-term incentive plan of which 45,135 performance shares were granted to the Executive Board. The number of performance shares in this programme is preliminary, as the final number will be determined on the basis of the achievement of specific performance criteria as described in the remuneration report in the Annual Report.

In 2014, a total of approximately 100,000 share options will be granted to the Executive Board. The precise number will be calculated using the Black-Scholes formula and on the basis of an exercise price calculated as an average of the share price on the first five trading days after publication of the present Company Announcement. In addition, approximately 365,000 performance shares with an exercise price of DKK 0 will be granted to 342 members of the long-term incentive plan of which approximately 47,000 will be granted to the Executive Board. The preliminary number will be based on the average share price of the trading days before and after the publication of the present Company announcement.

ANNUAL GENERAL MEETING

The Annual General Meeting will take place on Thursday 20 March 2014 at 4.30 pm (CET) at Tap 1, Ny Carlsberg Vej 91, Copenhagen, Denmark.

BOARD RESOLUTION AND PROPOSAL TO THE ANNUAL GENERAL MEETING

The Supervisory Board will recommend to the Annual General Meeting that a dividend be paid for 2013 of DKK 8.00 per share or a total of DKK 1.2bn. This equals a payout ratio of 21% based on adjusted net profit.

FINANCIAL CALENDAR

The financial year follows the calendar year, and the following schedule has been set for 2014:

26 February 2014	Annual report for 2013
20 March 2014	Annual General Meeting
7 May 2014	Interim results for Q1 2014
20 August 2014	Interim results for Q2 2014
10 November 2014	Interim results for Q3 2014

Carlsberg's communication with investors, analysts and the press is subject to special restrictions during a four-week period prior to the publication of interim and annual financial statements.

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 then current expectations or forecasts. 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.

MANAGEMENT STATEMENT

The Supervisory Board and Executive Board have discussed and approved the Company announcement of the financial statement as at 31 December 2013.

The Company announcement of the financial statement as at 31 December 2013 has been prepared using the same accounting policies as the consolidated financial statements for 2013.

Copenhagen, 19 February 2014

Executive Board of Carlsberg A/S

Jørgen Buhl Rasmussen President & CEO	Jørn P. Jensen Deputy CEO & CFO

Supervisory Board of Carlsberg A/S

Flemming Besenbacher Chairman	Jess Søderberg Deputy Chairman	Hans Andersen
Richard Burrows	Donna Cordner	Elisabeth Fleuriot
Kees van der Graaf	Thomas Knudsen	Søren-Peter Fuchs Olesen
Bent Ole Petersen	Nina Smith	Peter Petersen
Lars Stemmerik	Per Øhrgaard	

FINANCIAL STATEMENT

This statement is available in Danish and English. In the event of any discrepancy between the two versions, the Danish version shall prevail.

INCOME STATEMENT

DKK million	Q4 2013	Q4 2012	2013	2012
Net revenue	15,661	15,770	66,552	66,468
Cost of sales	-7,873	-8,111	-33,622	-33,831
Gross profit	7,788	7,659	32,930	32,637
Marketing, sales and distribution expenses	-4,363	-4,456	-18,717	-18,912
Administrative expenses	-1,098	-1,070	-4,502	-4,185
Other operating activities, net	3	5	17	145
Share of profit after tax, associates	-8	14	116	108
Operating profit before special items	2,322	2,152	9,844	9,793
Special items, net	-268	-1,306	-466	85
Financial income	5	68	721	900
Financial expenses	-469	-520	-2,254	-2,672
Profit before tax	1,590	394	7,845	8,106
Corporation tax	-337	-85	-1,894	-1,861
Consolidated profit	1,253	309	5,951	6,245
Attributable to:				
Non-controlling interests	126	117	480	638
Shareholders in Carlsberg A/S	1,127	192	5,471	5,607
DKK				
Earnings per share	7.4	1.3	35.9	36.8
Earnings per share, diluted	7.3	1.2	35.7	36.7

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q4 2013	Q4 2012	2013	2012
Consolidated profit	1,253	309	5,951	6,245
Other comprehensive income:				
Retirement benefit obligations	853	-573	822	-741
Share of other comprehensive income in associates	4	4	4	4
Corporation tax relating to items that will not be reclassified	-203	120	-195	134
Items that will not be reclassified to the income statement	654	-449	631	-603
Foreign exchange adjustments of foreign entities	-2,154	-827	-7,499	1,904
Value adjustments of hedging instruments	-	137	10	111
Effect of hyperinflation	28	18	61	75
Other	-29	-1	-29	-2
Corporation tax relating to items that may be reclassified	-18	-61	-8	-46
Items that may be reclassified to the income statement	-2,173	-734	-7,465	2,042
Other comprehensive income	-1,519	-1,183	-6,834	1,439
Total comprehensive income	-266	-874	-883	7,684
Attributable to:				
Non-controlling interests	4	28	307	582
Shareholders in Carlsberg A/S	-270	-902	-1,190	7,102

STATEMENT OF FINANCIAL POSITION

DKK million	31 Dec. 2013	31 Dec. 2012
Assets		
Intangible assets	91,895	91,216
Property, plant and equipment	33,482	31,991
Financial assets	5,627	9,619
Total non-current assets	131,004	132,826
Inventories and trade receivables	12,650	12,369
Other receivables etc.	3,770	3,006
Cash and cash equivalents	3,714	5,760
Total current assets	20,134	21,135
Total assets	151,138	153,961
Equity and liabilities		
Equity, shareholders in Carlsberg A/S	67,811	70,261
Non-controlling interests	3,688	3,389
Total equity	71,499	73,650
Borrowings	30,686	36,706
Deferred tax, retirement benefit obligations etc.	14,562	16,070
Total non-current liabilities	45,248	52,776
Borrowings	9,525	3,352
Trade payables	12,927	11,862
Deposits on returnable packaging	1,630	1,381
Other current liabilities	10,309	10,940
Total current liabilities	34,391	27,535
Total equity and liabilities	151,138	153,961

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

DKK million	Shareholders in Carlsberg A/S							31 Dec. 2013
	Share capital	Currency translation	Hedging reserves	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	Non-controlling interests	Total equity
Equity at 1 January 2013	3,051	-5,865	-758	-6,623	73,833	70,261	3,389	73,650
Consolidated profit	-	-	-	-	5,471	5,471	480	5,951
Other comprehensive income:								
Foreign exchange adjustments of foreign entities	-	-7,327	-	-7,327	-	-7,327	-172	-7,499
Value adjustments of hedging instruments	-	-118	128	10	-	10	-	10
Retirement benefit obligations	-	-	-	-	815	815	7	822
Share of other comprehensive income in associates	-	-	-	-	4	4	-	4
Effect of hyperinflation	-	58	-	58	-	58	3	61
Other	-	-	-	-	-18	-18	-11	-29
Corporation tax	-	44	-52	-8	-195	-203	-	-203
Other comprehensive income	-	-7,343	76	-7,267	606	-6,661	-173	-6,834
Total comprehensive income for the year	-	-7,343	76	-7,267	6,077	-1,190	307	-883
Capital increase	-	-	-	-	-	-	32	32
Acquisition/disposal of treasury shares	-	-	-	-	-13	-13	-	-13
Exercise of share options	-	-	-	-	-57	-57	-	-57
Share-based payment	-	-	-	-	57	57	-	57
Dividends paid to shareholders	-	-	-	-	-915	-915	-359	-1,274
Acquisition of non-controlling interests	-	-	-	-	-332	-332	-224	-556
Acquisition of entities	-	-	-	-	-	-	543	543
Total changes in equity	-	-7,343	76	-7,267	4,817	-2,450	299	-2,151
Equity at 31 December 2013	3,051	-13,208	-682	-13,890	78,650	67,811	3,688	71,499

STATEMENT OF CHANGES IN EQUITY (PAGE 2 OF 2)

DKK million	Shareholders in Carlsberg A/S							31 Dec. 2012
	Share capital	Currency translation	Hedging reserves	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	Non-controlling interests	Total equity
Equity at 1 January 2012	3,051	-7,728	-1,159	-8,887	71,702	65,866	5,763	71,629
Consolidated profit	-	-	-	-	5,607	5,607	638	6,245
Other comprehensive income:								
Foreign exchange adjustments of foreign entities	-	1,952	-	1,952	-	1,952	-48	1,904
Value adjustments of hedging instruments	-	-216	327	111	-	111	-	111
Retirement benefit obligations	-	-	-	-	-729	-729	-12	-741
Share of other comprehensive income in associates	-	-	-	-	4	4	-	4
Effect of hyperinflation	-	71	-	71	-	71	4	75
Other	-	-	-	-	-2	-2	-	-2
Corporation tax	-	56	74	130	-42	88	-	88
Other comprehensive income	-	1,863	401	2,264	-769	1,495	-56	1,439
Total comprehensive income for the year	-	1,863	401	2,264	4,838	7,102	582	7,684
Acquisition/disposal of treasury shares	-	-	-	-	12	12	-	12
Exercise of share options	-	-	-	-	-37	-37	-	-37
Share-based payment	-	-	-	-	54	54	-	54
Dividends paid to shareholders	-	-	-	-	-839	-839	-282	-1,121
Acquisition of non-controlling interests	-	-	-	-	-1,897	-1,897	-2,674	-4,571
Total changes in equity	-	1,863	401	2,264	2,131	4,395	-2,374	2,021
Equity at 31 December 2012	3,051	-5,865	-758	-6,623	73,833	70,261	3,389	73,650

STATEMENT OF CASH FLOWS

DKK million	Q4 2013	Q4 2012	2013	2012
Operating profit before special items	2,322	2,152	9,844	9,793
Adjustment for depreciation, amortisation and impairment losses	1,036	1,048	3,989	4,019
Operating profit before depreciation, amortisation and impairment losses[1]	3,358	3,200	13,833	13,812
Adjustment for other non-cash items	202	67	604	334
Change in trade working capital	611	561	627	852
Change in other working capital	-591	332	-884	-523
Restructuring costs paid	-319	-126	-646	-324
Interest etc. received	179	238	333	354
Interest etc. paid	-584	-611	-2,455	-2,350
Corporation tax paid	-525	-503	-2,329	-2,284
Cash flow from operating activities	2,331	3,158	9,083	9,871
Acquisition of property, plant and equipment and intangible assets	-2,318	-1,690	-5,788	-5,067
Disposal of property, plant and equipment and intangible assets	57	26	150	440
Change in trade loans	-183	-148	-487	-447
Total operational investments	-2,444	-1,812	-6,125	-5,074
Free operating cash flow	-113	1,346	2,958	4,797
Acquisition and disposal of entities, net	-2,202	-27	-2,340	-27
Acquisition and disposal of associates, net	-119	-603	-191	-822
Acquisition and disposal of financial assets, net	1	7	5	-14
Change in financial receivables	132	25	-289	-28
Dividends received	3	10	75	100
Total financial investments	-2,185	-588	-2,740	-791
Other investments in property, plant and equipment	-3	-5	-18	-6
Disposal of other property, plant and equipment	-	-2	-	1,897
Total other activities[2]	-3	-7	-18	1,891
Cash flow from investing activities	-4,632	-2,407	-8,883	-3,974
Free cash flow	**-2,301**	**751**	**200**	**5,897**
Shareholders in Carlsberg A/S	-26	-9	-985	-864
Non-controlling interests	-49	-1,606	-679	-5,198
External financing	3,281	2,029	-114	2,473
Cash flow from financing activities	3,206	414	-1,778	-3,589
Net cash flow	905	1,165	-1,578	2,308
Cash and cash equivalents at 1 January	2,464	3,964	5,059	2,835
Foreign exchange adjustments of cash and cash equivalents	-53	-70	-165	-84
Cash and cash equivalents at 31 December[3]	3,316	5,059	3,316	5,059

[1] Impairment losses excluding those reported in special items.

[2] Other activities cover real estate and assets under construction, separate from beverage activities.

[3] Cash and cash equivalents less bank overdrafts.

NOTE 1 (PAGE 1 OF 2)

Segment reporting by region (beverages)

	Q4 2013	Q4 2012	2013	2012
Beer sales (pro rata, million hl)				
Western Europe	11.4	11.7	49.0	50.3
Eastern Europe	9.5	10.4	42.4	44.7
Asia	6.0	5.0	28.3	25.4
Total	26.9	27.1	119.7	120.4
Other beverages (pro rata, million hl)				
Western Europe	3.7	3.6	14.9	14.5
Eastern Europe	0.2	0.2	1.7	1.8
Asia	0.8	0.7	3.1	2.8
Total	4.7	4.6	19.7	19.1
Net revenue (DKK million)				
Western Europe	9,326	9,175	38,796	37,727
Eastern Europe	3,966	4,480	17,711	19,502
Asia	2,319	2,085	9,874	9,114
Not allocated	50	30	171	125
Beverages, total	15,661	15,770	66,552	66,468
Operating profit before depreciation, amortisation and special items (EBITDA, DKK million)				
Western Europe	1,571	1,544	7,093	6,984
Eastern Europe	1,485	1,550	5,567	5,883
Asia	625	458	2,551	2,194
Not allocated	-290	-320	-1,248	-1,144
Beverages, total	3,391	3,232	13,963	13,917
Operating profit before special items (EBIT, DKK million)				
Western Europe	1,092	1,038	5,269	5,121
Eastern Europe	1,139	1,174	4,127	4,302
Asia	442	319	1,921	1,685
Not allocated	-316	-343	-1,335	-1,199
Beverages, total	2,357	2,188	9,982	9,909
Operating margin (%)				
Western Europe	11.7	11.3	13.6	13.6
Eastern Europe	28.7	26.2	23.3	22.1
Asia	19.1	15.3	19.5	18.5
Not allocated	…	…	…	…
Beverages, total	15.1	13.9	15.0	14.9

NOTE 1 (PAGE 2 OF 2)

Segment reporting by region (beverages)

DKK million	2013	2012
Capital expenditure (DKK million)		
Western Europe	2,235	2,114
Eastern Europe	1,208	1,233
Asia	1,670	1,339
Not allocated	651	374
Beverages, total	5,764	5,060
Depreciation and amortisation (DKK million)		
Western Europe	1,818	1,835
Eastern Europe	1,440	1,582
Asia	630	508
Not allocated	87	55
Beverages, total	3,975	3,980
Capital expenditure/Depreciation and amortisation (%)		
Western Europe	123%	114%
Eastern Europe	84%	78%
Asia	265%	264%
Not allocated	-	-
Beverages, total	145%	126%
Invested capital, year-end (DKK million)		
Western Europe	27,761	28,002
Eastern Europe	65,681	67,194
Asia	20,891	17,075
Not allocated	-7,549	-3,175
Beverages, total	106,784	109,096
Return on average invested capital, ROIC (%)		
Western Europe	18.0	17.3
Eastern Europe	6.4	6.3
Asia	10.8	10.3
Not allocated	…	…
Beverages, total	9.3	9.0

NOTE 2

Segment reporting by activity

DKK million	Q4 2013 Beverages	Q4 2013 Other activities	Q4 2013 Total	Q4 2012 Beverages	Q4 2012 Other activities	Q4 2012 Total
Net revenue	15,661	-	15,661	15,770	-	15,770
Operating profit before special items	2,357	-35	2,322	2,188	-36	2,152
Special items, net	-268	-	-268	-1,307	1	-1,306
Financial items, net	-458	-6	-464	-450	-2	-452
Profit before tax	1,631	-41	1,590	431	-37	394
Corporation tax	-350	13	-337	-59	-26	-85
Consolidated profit	1,281	-28	1,253	372	-63	309
Attributable to:						
Non-controlling interests	126	-	126	117	-	117
Shareholders in Carlsberg A/S	1,155	-28	1,127	255	-63	192

DKK million	2013 Beverages	2013 Other activities	2013 Total	2012 Beverages	2012 Other activities	2012 Total
Net revenue	66,552	-	66,552	66,468	-	66,468
Operating profit before special items	9,982	-138	9,844	9,909	-116	9,793
Special items, net	-473	7	-466	-1,812	1,897	85
Financial items, net	-1,512	-21	-1,533	-1,735	-37	-1,772
Profit before tax	7,997	-152	7,845	6,362	1,744	8,106
Corporation tax	-2,086	192	-1,894	-1,529	-332	-1,861
Consolidated profit	5,911	40	5,951	4,833	1,412	6,245
Attributable to:						
Non-controlling interests	480	-	480	638	-	638
Shareholders in Carlsberg A/S	5,431	40	5,471	4,195	1,412	5,607

NOTE 3

Segment reporting by quarter

DKK million	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Net revenue								
Western Europe	7,524	10,667	10,361	9,175	7,767	10,764	10,939	9,326
Eastern Europe	2,951	6,266	5,805	4,480	2,902	6,245	4,598	3,966
Asia	2,261	2,379	2,389	2,085	2,555	2,608	2,392	2,319
Not allocated	39	24	32	30	54	23	44	50
Beverages, total	12,775	19,336	18,587	15,770	13,278	19,640	17,973	15,661
Other activities	-	-	-	-	-	-	-	-
Total	12,775	19,336	18,587	15,770	13,278	19,640	17,973	15,661
Operating profit before special items								
Western Europe	477	1,799	1,807	1,038	426	1,737	2,014	1,092
Eastern Europe	19	1,509	1,600	1,174	83	1,608	1,297	1,139
Asia	433	431	502	319	493	493	493	442
Not allocated	-332	-238	-286	-343	-290	-377	-352	-316
Beverages, total	597	3,501	3,623	2,188	712	3,461	3,452	2,357
Other activities	-23	-30	-27	-36	-51	-26	-26	-35
Total	574	3,471	3,596	2,152	661	3,435	3,426	2,322
Special items, net	-48	1,445	-6	-1,306	-60	-93	-45	-268
Financial items, net	-467	-411	-442	-452	-360	-414	-295	-464
Profit before tax	59	4,505	3,148	394	241	2,928	3,086	1,590
Corporation tax	-15	-974	-787	-85	-60	-732	-765	-337
Consolidated profit	44	3,531	2,361	309	181	2,196	2,321	1,253
Attributable to:								
Non-controlling interests	120	176	225	117	119	122	113	126
Shareholders in Carlsberg A/S	-76	3,355	2,136	192	62	2,074	2,208	1,127

NOTE 4

Special items

DKK million	2013	2012
Special items, income:		
Gain on disposal of entities and adjustments to gain in prior years	-	107
Gain on disposal of the Copenhagen brewery site	-	1,719
Recycling of cumulative exchange rate differences of entities acquired in step acquisitions	239	-
Gain on disposal of property, plant and equipment impaired in prior years	40	-
Income total	279	1,826
Special items, expenses:		
Impairment of trademarks	-200	-
Impairment of Vena Brewery, production and sales equipment, Russia	-	-589
Impairment and restructuring of Carlsberg Uzbekistan	-	-290
Restructuring of Ringnes, Norway	-88	-262
Impairment of Nordic Getränke, Germany	-7	-118
Impairment of other non-current assets	-23	-93
Restructuring of Carlsberg Deutschland	-40	-37
Impairment and restructuring in relation to optimisation and standardisation in Western Europe	-207	-188
Termination benefits and restructuring of sales, logistics and administration, Carlsberg UK	-27	-4
Termination benefits and impairment of Brasseries Kronenbourg, France	-59	-76
Restructuring of Baltika Breweries, Russia	-37	-
Restructuring of Aldaris, Latvia	-74	-
Impairment and restructuring of Wusu Brewery, China	-62	-
Costs related to acquisitions and disposals	-28	-
Reversal of provision for onerous malt and hops contracts	107	-
Other	-	-84
Special items, net	-466	85

NOTE 5 (PAGE 1 OF 2)

Debt and credit facilities

DKK million	31 Dec. 2013
Non-current borrowings:	
Issued bonds	21,413
Bank borrowings	7,495
Mortgages	1,457
Other non-current borrowings	321
Total	30,686
Current borrowings:	
Issued bonds	7,455
Current portion of other non-current borrowings	185
Bank borrowings	1,835
Other current borrowings	50
Total	9,525
Total non-current and current borrowings	40,211
Cash and cash equivalents	-3,714
Net financial debt	36,497
Other interest-bearing assets, net	-1,475
Net interest-bearing debt	35,022

All borrowings are measured at amortised cost. However, the EMTN GBP 300m bond, at fixed rate swapped to floating rate, is measured at fair value. The carrying amount of this bond is DKK 2,824m.

NOTE 5 (PAGE 2 OF 2)

Debt and credit facilities

DKK million Time to maturity for non-current borrowings	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	31 Dec. 2013 Total
Issued bonds	-	2,824	7,413	-	11,176	21,413
Bank borrowings	277	78	30	33	7,077	7,495
Mortgages	-	-	-	-	1,457	1,457
Other non-current borrowings and leases	271	8	6	22	14	321
Total	548	2,910	7,449	55	19,724	30,686

DKK million Interest risk at 31 December 2013	Net financial debt	Interest* Floating	Fixed	Floating %	Fixed %
EUR	28,733	7,091	21,642	25%	75%
DKK	2,038	1,816	222	89%	11%
Other currencies	5,726	5,673	53	99%	1%
Total	36,497	14,580	21,917	40%	60%

* After interest rate and currency swaps.

DKK million Committed credit facilities*	31 Dec. 2013
Less than 1 year	9,525
1 to 2 years	2,549
2 to 3 years	2,910
3 to 4 years	7,449
4 to 5 years	55
More than 5 years	31,376
Total	53,864
Short-term	9,525
Long-term	44,339

* Defined as short-term borrowings and long-term committed credit facilities.

NOTE 6

Net interest-bearing debt

DKK million	Q4 2013	Q4 2012	2013	2012
Net interest-bearing debt is calculated as follows:				
Non-current borrowings			30,686	36,706
Current borrowings			9,525	3,352
Payables, acquisitions			188	-
Gross interest-bearing debt			40,399	40,058
Cash and cash equivalents			-3,714	-5,760
Loans to associates			-95	-110
On-trade loans			-1,916	-2,022
less non-interest-bearing portion			935	1,012
Other receivables			-2,168	-2,088
less non-interest-bearing portion			1,581	1,390
Net interest-bearing debt			35,022	32,480
Changes in net interest-bearing debt:				
Net interest-bearing debt at beginning of period	31,490	31,790	32,480	32,460
Cash flow from operating activities	-2,331	-3,158	-9,083	-9,871
Cash flow from investing activities, excl. acquisition of entities	2,430	2,380	6,543	3,947
Cash flow from acquisition of entities, net	2,202	27	2,340	27
Dividend to shareholders and non-controlling interests	48	21	1,274	1,121
Acquisition of non-controlling interests	1	1,585	320	4,916
Acquisition/disposal of treasury shares	27	9	70	25
Acquired net interest-bearing debt from acquisition/ disposal of entities	1,030	-7	1,039	-154
Change in interest-bearing lending	206	-107	249	18
Effects of currency translation	88	-106	-134	327
Other	-169	46	-76	-336
Total change	3,532	690	2,542	20
Net interest-bearing debt, end of period	35,022	32,480	35,022	32,480

NOTE 7

Acquisition of entities

Step acquisition of entities in 2013

In 2013, Carlsberg gained control of Chongqing Brewery Group (China), South Asian Breweries Group (India) and distribution entities acquired from Nordic Getränke Group (Germany).

Acquired entities	Country of main opera-tions	Previous method of consolidation	Previously held ownership interest	Acquired ownership interest	Total Carlsberg interest	Acquisition date	Main activity	Consid-eration, DKK million
Chongqing Brewery Group	China	Equity method	30%	30%	60%	11 Dec. 2013	Brewery	2,636
South Asian Breweries Group	India	Proportionate	60%	7%	67%	31 Oct. 2013	Brewery	108
Distribution entities	Germany	Equity method	50%	50%	100%	1 Jan. 2013	Logistics	143

These step acquisitions were a natural step for Carlsberg and in line with the strategy of obtaining full control of key operating activities. The calculation of goodwill, DKK 6,166m in total, represents staff competences as well as expectations of positive growth.

DKK million	Chongqing Brewery Group	Other	Total
Fair value of consideration transferred for acquired ownership interest	2,636	251	2,887
Fair value of previously held ownership interest	4,115	226	4,341
Fair value of put options recognised as part of acquisition	428	-	428
Total cost of acquisition	7,179	477	7,656
Net assets of acquired entities, attributable to Carlsberg	1,013	477	1,490
Goodwill from step acquisitions	6,166	-	6,166
Other adjustments of goodwill related to acquisitions in prior years			-184
Total change in recognised goodwill			5,982

In December 2013, Carlsberg gained control of Chongqing Brewery Group in China by completing a partial takeover offer acquiring 30.29% of the shares at a purchase price of DKK 2,636m. In addition, a put option was granted allowing a non-controlling interest of 4.95% of the shares to be sold to Carlsberg within a 12-month period at the same price per share as the partial takeover offer price. This put option was recognised at fair value, amounting to DKK 428m. Prior to Carlsberg gaining control, Chongqing Brewery Group was classified as an associate and consolidated according to the equity method.

In October 2013, Carlsberg gained control of South Asian Breweries Group through the exercise by a non-controlling interest of a put option of 6.67% of the shares at a price of DKK 108m. Prior to Carlsberg gaining control, South Asian Breweries Group was classified as a joint venture and proportionately consolidated.

The acquisitions of Chongqing Brewery Group and South Asian Breweries Group were both made in several steps over a period of 2-3 years, leading to Carlsberg gaining control in December and October 2013 respectively. The shareholding for each of these groups recognised prior to gaining control had a fair value equal to the carrying amount, which is why no revaluation adjustment has been recognised. The purchase price allocations of the fair value of identified assets, liabilities and contingent liabilities are still ongoing. Adjustments are therefore expected to be made to all items in the opening statement of financial position, especially in relation to trademarks and property, plant and equipment in Chongqing Brewery Group. Accounting for the acquisition will be completed within the 12-month period required by IFRS 3.

In January 2013, Carlsberg gained control of distribution entities acquired from Nordic Getränke following the termination of the cooperation between Carlsberg and its partner. As a result, Carlsberg acquired entities from Nordic Getränke for a consideration consisting of assumed net debt of DKK 143m. Prior to Carlsberg gaining control, Nordic Getränke Group was classified as an associate and consolidated according to the equity method. The shareholding recognised prior to gaining control was impaired to fair value in December 2012, which is why no revaluation adjustment has been recognised. The purchase price allocation of the fair value of identified assets, liabilities and contingent liabilities has been completed.

DKK million	Chongqing Brewery Group	Other	Total
Intangible assets	106	9	115
Property, plant and equipment	2,297	135	2,432
Financial assets, excl. deferred tax	132	29	161
Inventories	265	101	366
Loans and receivables, current	226	429	655
Cash and cash equivalents	444	103	547
Provisions	-89	-32	-121
Deferred tax assets and liabilities, net	25	20	45
Borrowings	-1,101	62	-1,039
Trade payables and other payables	-753	-375	-1,128
Net assets of acquired entities	1,552	481	2,033
Non-controlling interests' proportional share of acquired net assets, recognised	-539	-4	-543
Net assets of acquired entities, attributable to Carlsberg	1,013	477	1,490

APPENDIX 1 (PAGE 1 OF 2)

Income statement, restated

IFRS 10-12 and the amendments to IAS 27-28 will be implemented as of 1 January 2014. This will impact the Carlsberg Group's proportionately consolidated entities, e.g. Unicer and Cambrew. From 1 January 2014, proportionately consolidated entities will be recognised as associates. This appendix 1 shows the restated figures.

DKK million	Q1 2013 Reported	**Q1 2013 Restated**	Q2 2013 Reported	**Q2 2013 Restated**	Q3 2013 Reported	**Q3 2013 Restated**	Q4 2013 Reported	**Q4 2013 Restated**	Full-year 2013 Reported	**Full-year 2013 Restated**
Net revenue	13,278	**12,704**	19,640	**19,058**	17,973	**17,419**	15,661	**15,169**	66,552	**64,350**
Cost of sales	-7,165	**-6,828**	-9,795	**-9,489**	-8,789	**-8,511**	-7,873	**-7,595**	-33,622	**-32,423**
Gross profit	6,113	**5,876**	9,845	**9,569**	9,184	**8,908**	7,788	**7,574**	32,930	**31,927**
Sales and distribution expenses	-4,315	**-4,188**	-5,301	**-5,150**	-4,738	**-4,589**	-4,363	**-4,254**	-18,717	**-18,181**
Administrative expenses	-1,150	**-1,128**	-1,180	**-1,161**	-1,074	**-1,053**	-1,098	**-1,073**	-4,502	**-4,415**
Other operating activities, net	-4	**-2**	34	**37**	-16	**-18**	3	**5**	17	**22**
Share of profit after tax, associates	17	**70**	37	**104**	70	**144**	-8	**52**	116	**370**
Operating profit before special items	661	**628**	3,435	**3,399**	3,426	**3,392**	2,322	**2,304**	9,844	**9,723**
Special items, net	-60	**-49**	-93	**-81**	-45	**-43**	-268	**-262**	-466	**-435**
Financial income	309	**418**	503	**682**	-96	**135**	25	**286**	741	**1,521**
Financial expenses	-669	**-771**	-917	**-1,087**	-199	**-425**	-489	**-744**	-2,274	**-3,027**
Profit before tax	241	**226**	2,928	**2,913**	3,086	**3,059**	1,590	**1,584**	7,845	**7,782**
Corporation tax	-60	**-46**	-732	**-717**	-765	**-738**	-337	**-332**	-1,894	**-1,833**
Consolidated profit	181	**180**	2,196	**2,196**	2,321	**2,321**	1,253	**1,252**	5,951	**5,949**
Attributable to:										
Non-controlling interests	119	**118**	122	**122**	113	**113**	126	**125**	480	**478**
Shareholders in Carlsberg A/S	62	**62**	2,074	**2,074**	2,208	**2,208**	1,127	**1,127**	5,471	**5,471**

APPENDIX 1 (PAGE 2 OF 2)

Segment reporting by region (beverages), restated

DKK Million	Q1 2013 Reported	**Q1 2013 Restated**	Q2 2013 Reported	**Q2 2013 Restated**	Q3 2013 Reported	**Q3 2013 Restated**	Q4 2013 Reported	**Q4 2013 Restated**	Full-year 2013 Reported	**Full-year 2013 Restated**
Net revenue										
Western Europe	7,767	**7,483**	10,764	**10,371**	10,939	**10,542**	9,326	**8,997**	38,796	**37,393**
Eastern Europe	2,902	**2,902**	6,245	**6,245**	4,598	**4,598**	3,966	**3,966**	17,711	**17,711**
Asia	2,555	**2,262**	2,608	**2,416**	2,392	**2,232**	2,319	**2,153**	9,874	**9,063**
Not allocated	54	**57**	23	**26**	44	**47**	50	**53**	171	**183**
Beverages, total	13,278	**12,704**	19,640	**19,058**	17,973	**17,419**	15,661	**15,169**	66,552	**64,350**
Operating profit before special items										
Western Europe	426	**408**	1,737	**1,709**	2,014	**1,985**	1,092	**1,081**	5,269	**5,183**
Eastern Europe	83	**83**	1,608	**1,608**	1,297	**1,297**	1,139	**1,139**	4,127	**4,127**
Asia	493	**477**	493	**484**	493	**485**	442	**436**	1,921	**1,882**
Not allocated	-290	**-288**	-377	**-376**	-352	**-350**	-316	**-316**	-1,335	**-1,330**
Beverages, total	712	**680**	3,461	**3,425**	3,452	**3,417**	2,357	**2,340**	9,982	**9,862**
Operating profit margin (%)										
Western Europe	5.5%	**5.5%**	16.1%	**16.5%**	18.4%	**18.8%**	11.7%	**12.0%**	13.6%	**13.9%**
Eastern Europe	2.9%	**2.9%**	25.8%	**25.8%**	28.2%	**28.2%**	28.7%	**28.7%**	23.3%	**23.3%**
Asia	19.3%	**21.1%**	18.9%	**20.0%**	20.6%	**21.7%**	19.1%	**20.2%**	19.5%	**20.8%**
Not allocated	…	**…**	…	**…**	…	**…**	…	**…**	…	**…**
Beverages, total	5.4%	**5.3%**	17.6%	**18.0%**	19.2%	**19.6%**	15.1%	**15.4%**	15.0%	**15.3%**