NEWS

Shareholder Magazine
May 2014

Carlsberg Group

CONTENTS

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The Carlsberg Group is one of the **leading brewery groups** in the world, with a large portfolio of beer and other beverage brands.

Carlsberg is our flagship brand and one of the **best-known beer** brands in the world.

Our winning portfolio of **high-quality** beer brands includes our **international premium** and **strong local** brands.

We drive top-line **growth** through scalable and consumer-relevant **innovations.**

EDITORIAL

JØRGEN BUHL RASMUSSEN
President & CEO

Our organic first quarter results were in accordance with our expectations but as the months of winter are not calling for a beer in the same way as the warm, sunny days of summer, the first quarter is always a very small one for the Carlsberg Group.

Welcome to this edition of our shareholder magazine.

In the traditionally very small first quarter, our organic business performance was in line with our expectations with net revenue growing organically by 3%.

However, due to the weakening of the Russian Rouble and other currencies and due to a different phasing of some costs versus last year, reported operating profit was DKK 453m which was down compared to the first quarter of 2013.

I am pleased that our Western European business continued its strong performance; however, our results in Eastern Europe were impacted by the uncertain macro situation in the region. We are, of course, closely monitoring the situation, being in touch with all relevant stakeholders on a regular basis.

In Asia, the integration of Chongqing Brewery Group is running according to plan and the integration will continue over the course of the year. Our portfolio of premium brands continued to perform strongly, mainly driven by growth and share gains in the premium segment. I am very proud that Tuborg which was launched in China only two years ago has become the fastest growing beer brand in the country.

We maintain our full-year outlook of a high-single-digit percentage growth in organic operating profit. Due to the currency headwind which on a full-year basis is now expected to be worse than anticipated at the beginning of the year, we have had to adjust our expectations to our reported results from mid-single-digit to low-single-digit percentage growth.

You can read more about our first quarter results and full-year outlook on pages 10-13.

We believe beer to be the obvious choice at many occasions – when you are with friends, enjoying a good meal or watching a great football match. However, for the past number of years, beer market volumes in Western Europe have been challenged.

Many factors have contributed to this development. To stop the decline of the UK beer market, Carlsberg UK last year joined forces with the UK beer industry and launched a campaign in which we share our passion for beer with all the many consumers who may have forgotten how great a beer tastes.

The campaign focused on the many good stories about beer and involved representatives from brewers, pubs, retailers, etc. The response was very positive and the campaign will continue this year. You can read much more about the initiative on page 4.

Carlsberg is proud to be a champion in our industry when it comes to water and energy consumption and CO_2 emissions. But we do not intend to rest on our laurels. Packaging contributes significantly to CO_2 emissions and therefore, we have decided to make packaging a specific focus area. Our efforts to reduce the environmental footprint from packaging are the topic of the article on page 6.

Hopefully, you will be as excited as we are when you read about what can actually be done and the initiatives we are launching with our partners.

Cheers,
Jørgen Buhl Rasmussen

LET'S HEAR IT for the beer!

350,000

More than 350,000 people visited www.lettherebebeer.com

120,000

Let There Be Beer had more than 120,000 Facebook likes

>75%

More than 75% of men and women (aged 18-44) have seen the Let There Be Beer launch advert

3,000

Nearly 3,000 Twitter followers

Like many other Western European countries, United Kingdom has seen the beer category decline over the last 10 years and more. There are several reasons for the decline, including the diminishing pub sector, changing consumer habits and myths around health and calories.

LET THERE BE BEER

In order to help reverse the trend and bring more excitement into the category, Carlsberg UK joined forces with other international and UK brewing companies, publicans, retailers and organisations such as the British Beer & Pub Association (BBPA) in the early summer of 2013, to launch the nationwide campaign "Let There Be Beer".

The campaign celebrates all that is great about beer and aims to encourage a reappraisal of beer by demonstrating the diversity of the category and focusing on pairing beer with food and celebrating the social aspect of enjoying a beer with friends.

IN THE MEDIA

The campaign kicked off with a television commercial and a link-up with one of the UK's top food programmes, Sunday Brunch, which once again got the British public talking about beer.

Public relations has played an important role, with a major stunt seeing British landmarks, including the White Cliffs of Dover, the Tate Modern and Edinburgh Castle, literally adorned with images of beer.

In addition, a continued press office campaign has kept beer at the forefront of journalists' minds and generated a considerable rise in the number of positive media articles about beer.

ENGAGING CONSUMERS

It has been important for the campaign to engage directly with consumers, and consequently social media is at the heart of the campaign.

Already, over 300,000 people have engaged with Let There Be Beer online by recommending beers, exchanging recipes and suggesting their ideal beer and food matches.

In addition, a series of films featuring pub landlords interviewing celebrities over a pint has put beer back at the heart of conversation.

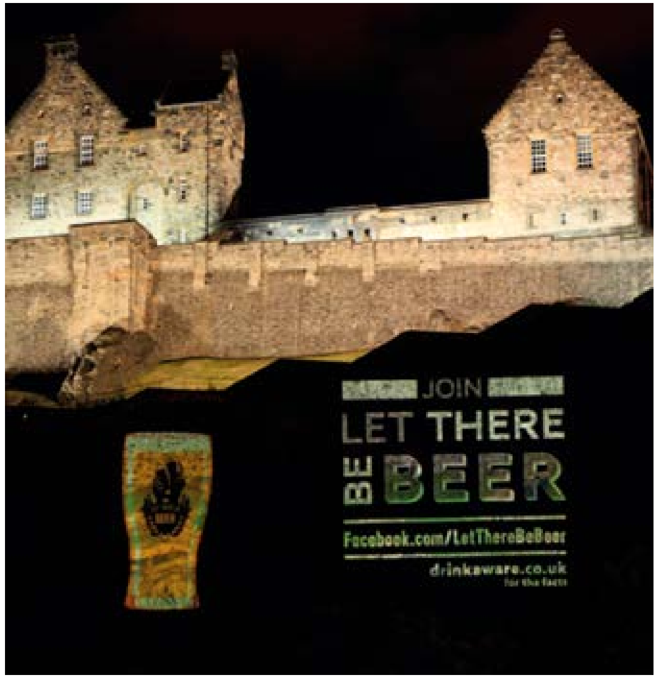
TO BE CONTINUED ...

The Let There Be Beer campaign is a long-term campaign. A brand new TV commercial is planned for 2014, along with many more initiatives that will inspire the people of the United Kingdom to actively choose beer.

For further information, visit www.lettherebebeer.com or search for "Let There Be Beer" on Facebook and Twitter.


JOIN
LET THERE
BE BEER
Facebook.com/LetThereBeBeer
drinkaware.co.uk
for the facts


JOIN
LET THERE
BE BEER
drinkaware.co.uk


JOIN
LET THERE
BE BEER
Facebook.com/LetThereBeBeer
drinkaware.co.uk

COOPERATION on sustainable packaging

At Carlsberg, corporate social responsibility (CSR) is integrated throughout the value chain, and in recent years an especially important CSR initiative has been sustainable packaging.

Carlsberg wants to be a leader in the development of responsible solutions. This is an entirely natural extension of our historical association with research and development and our large research centres in Copenhagen and Strasbourg, which employ more than 100 researchers.

As a global company, Carlsberg is experiencing an increasing need to consider the growing scarcity of resources in the way that we develop our products and production in the long term. It is already in Carlsberg's DNA to continuously monitor our consumption of water and energy and our emissions of CO_2, and in many areas we are a global leader in our industry.

A major focus area for the Group in the coming years will be sustainable packaging. Packaging accounts for around half of the annual CO_2 emissions generated by beer, if we look at the entire value chain. But packaging also represents Carlsberg's public image with customers and consumers, which means it is an extremely important area on which to focus. Whereas just a few years ago consumers only looked at the label and the product, now their choice is determined more and more by the company behind the product and its actions.

PLASTIC BOTTLES TURNED INTO CARPETS

Carlsberg works with the Cradle-to-Cradle® concept. This means that we analyse the impact of our packaging throughout its lifetime – from raw materials, through production, to usage and disposal by the consumer – in order to ensure that it can be recycled or reused without harming the environment.

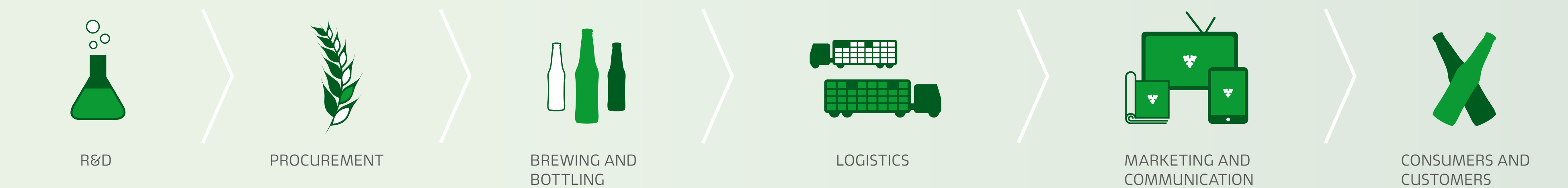
Our initiatives include reducing the weight of our bottles, increasing the recycling frequency of our packaging and rethinking the entire packaging/waste issue, as a result of which, for example, used plastic bottles are designed and collected in such a way that they can be melted down and turned into new plastic bottles or carpets that contribute to a better indoor climate.

CARLSBERG CIRCULAR COMMUNITY

However, if we want to achieve the best possible results, Carlsberg needs help. That is why in 2013 the Carlsberg Group established the Carlsberg Circular Community, an initiative in which Carlsberg cooperates with important external partners – suppliers, customers and others – using the Cradle-to-Cradle® concept to develop packaging products that are optimised for recycling and reuse while retaining their quality and value.

The Carlsberg Circular Community was launched by CEO Jørgen Buhl Rasmussen at the World Economic Forum in Davos in January. There was huge interest in the initiative from other companies, politicians and organisations, reflecting the increasing willingness to take greater responsibility for using the world's scarce resources more efficiently.

CARLSBERG VALUE CHAIN



Together with our partners, Carlsberg is aiming to pave the way for future growth without overexploiting scarce natural resources. The aim is to develop responsible solutions that benefit not only Carlsberg but also the societies in which we operate.

4 PRINCIPLES

- Reduce weight or change to packaging with lower environmental impact.
- Increase reuse of packaging materials, with the main focus on glass bottles.
- Encourage consumers to recycle packaging and increase the amount of recycled content in new packaging.
- Rethink packaging and waste, for example recycling of packaging materials by channelling the material into other products.

Packaging is an important part of the identity of a beer brand and also represents the Group's public image with customers and consumers. Consequently, packaging is an important area on which to focus.

CARLSBERG around the world

CARLSBERG DEUTSCHLAND TO APPEAL AGAINST THE DECISION BY THE GERMAN FEDERAL CARTEL OFFICE

The Federal Cartel Office in Germany has issued a decision against Carlsberg Deutschland and another German brewery and imposed a fine of EUR 62m on Carlsberg Deutschland for alleged infringement of competition rules in 2007.

Carlsberg does not agree with the conclusions or findings by the Federal Cartel Office and will appeal against the decision to the relevant German court.

"SEVEN RIVERS" INITIATIVE FROM BALTIKA BREWERIES – ONE OF RUSSIA'S BEST CSR PROJECTS

For the second year in a row, Baltika's Seven Rivers initiative was named among the best CSR projects in Russia. More than 100 projects from leading Russian businesses took part in the contest, with the judging panel consisting of independent auditors and experts.

The Seven Rivers initiative aims to promote waste collection, recycling and reuse in order to cut CO_2 emissions. As part of the project, waste is removed from Russia's largest rivers. PET bottles and cans are sent for recycling, while glass bottles are reused. In 2013, 800 participants collected 6 tonnes of waste, 80% of which was recycled. Baltika also placed waste collection containers in several cities and installed benches made of recycled PET along the banks of the Neva River to remind the public that materials can have a "second life".

NIGHT BOTTLE HITS FRENCH BARS

Carlsberg's French brewery, Brasseries Kronenbourg, has launched a limited edition "Carlsberg Night Bottle" in partnership with the famous Parisian singer and songwriter DJ Sébastien Tellier.

On one side, the bottle features hop leaves, Carlsberg's emblem, and on the other a stylised portrait of Sébastien Tellier. Through a reflective process when exposed to black light, the bottle lights up at night and takes on a new appearance.

The bottle previewed from 14 February at the Colette fashion store in Paris. As of early April, the Carlsberg Night Bottle has been on sale at trendy bars and clubs across France.

RINGNES BRINGS THE PAST BACK TO LIFE WITH FRYDENLUND PALE ALE

Using old documents, analysis and knowledge of ingredients and brewing methods from the 1800s, Carlsberg's Norwegian brewery, Ringnes, has reconstructed the ancient grandeur of Frydenlund Pale Ale.

The 1860s were the golden age for the Norwegian merchant fleet. Mads Langaard, who founded Frydenlund Brewery in 1859 and was originally a windjammer skipper, discovered a new market for Frydenlund beer by exporting it from Norway to warmer countries. His brewery became the first North European brewery to export beer to tropical parts of the world.

Frydenlund Pale Ale has the right blend of crystal malt and light malt to give good fullness, hints of caramel, a dry nutty flavour and a low burnt taste.

THE CARLSBERG BREWHOUSE

It may not be a new Little Mermaid like the one Carl Jacobsen donated to Copenhagen in 1913, but Carlsberg is now ready to create another inspiring attraction in Copenhagen. Indeed, development work has started on the new, visionary Carlsberg experience centre, The Carlsberg Brewhouse.

The Brewhouse will unite the Carlsberg family of brands under one roof, sharing Carlsberg's heritage, values and passion with a new generation. It is expected to become a must-see attraction in Copenhagen, with more than 500,000 visitors a year.

The renovation of the Brewhouse will be carried out in accordance with the best traditions of Carlsberg, not only safeguarding a national icon by ensuring its continued use, but also investing in a new era in its history with the best contemporary design and technology.

The Brewhouse will be a vibrant space celebrating all the things associated with Carlsberg – great people, great moments and great brands. Opening in March 2017 – the same year as Carlsberg's 170th anniversary – the Brewhouse will be an innovative platform to further strengthen Carlsberg's bond with consumers.

MULTIPACKS IN RUSSIA – A MULTI SUCCESSFUL PROJECT

Before 2013, multipacks were practically non-existent in Russia. Almost all beer was sold as single units. However, Baltika, Carlsberg's Russian brewery, set out to change this. In 2013, Baltika set itself the ambitious goal of introducing multipacks as an attractive alternative for the Russian consumer, and becoming the market leader in the segment. The results speak for themselves: from representing less than 1% of the market, the multipack segment accounted for approximately 4% by the end of 2013. What's more, Baltika's market share within the segment reached 80%. Baltika offers the consumer various brands in multipack options, including Carlsberg, Tuborg, Baltika 7 and Zatecky Gus.

BUY JACOBSEN BEER ONLINE

Carlsberg fans all over the world can now order a bottle of Jacobsen online and have it shipped to their doorstep within just a couple of days.

Jacobsen is Carlsberg's super-premium brand brewed in the Jacobsen Brewhouse in Copenhagen. Following growing demand, all Jacobsen beers are now available to purchase online from Carlsberg's web shop www.thirstforgreat.com – including the limited edition Mermaid Porter, which can normally only be purchased at the Carlsberg Brand Store in Copenhagen.

www.thirstforgreat.com is part of Carlsberg's Brand Store in Copenhagen. In 2013, the store sold 150,000 items, an all-time record. Alongside Jacobsen and Carlsberg beer, the most popular products were Carlsberg clothes, such as sweatshirts, T-shirts and, of course, the ever-popular Carlsberg underwear. More traditional branded souvenirs and merchandise, such as quality beer glasses and bottle openers, sold very well too.

ENGLISH PREMIER LEAGUE AND THE CHINESE NEW YEAR

The Chinese New Year is the most important public holiday in China. People gather with friends and family, just relaxing or doing something fun.

Carlsberg China leveraged this festive season to connect with consumers and drive sales in China.

To tie in with Carlsberg's Premier League sponsorship, Carlsberg China launched a TV commercial featuring famous football players and coaches greeting viewers in Chinese.

The commercial aired prior to, during half-time, and after Premier League games on 12 local Chinese sports channels, playing more than 625 times and reaching 6 million viewers.

FINANCIAL STATEMENT as at 31 March 2014

ORGANIC PERFORMANCE IN LINE WITH OUR EXPECTATIONS IN TRADITIONALLY SMALL Q1

Group financial highlights[1]
Group beer volumes declined organically by 3%, while reported beer volumes grew 4%. The growing organic volumes in Western Europe were not enough to offset the organic volume decline in Eastern Europe and Asia, although the underlying Asian volumes grew by low-single-digit percentages. The acquisition impact was mainly related to Chongqing Brewery in China. Other beverages grew organically by 3%.

Net revenue grew 3% organically as the strong +5% price/mix more than off-set the total organic volume decline of -2%. Reported net revenue grew 2% as a result of -6% from currencies and a net acquisition impact of +5%. The negative currency impact was due to weaker currencies in several markets, including Russia, Ukraine, Norway, Malaysia and Indochina.

Gross profit grew organically by 4% with a 6% growth in gross profit per hl.

Group operating profit declined by 28% mainly as a result of the negative currency impact (-14%) and phasing of un-allocated costs. Group operating margin declined 140bp to 3.5%.

Reported net profit was DKK -67m (DKK 62m in 2013).

Adjusted net profit (adjusted for special items after tax) was DKK -50m (DKK 95m in 2013).

Group operational highlights
Our commercial agenda remained unchanged and included continued embedding and, in some mature markets, further development and improvement of our Value Management tool box. In addition, our innovation efforts remained at a high level and included the further roll-out of brands and concepts, such as Radler, Brewmasters' Collection, Jacobsen, our proprietary DraughtMaster technology and Seth & Riley's Garage.

The Carlsberg brand grew 2% in its premium markets. Our English Premier League sponsorship was activated in 58 markets across the world with a campaign featuring both high-reach television and outdoor commercials, and strong retail promotions, activating an extensive array of exclusive rights. We carried on our efforts to innovate and excel in digital and mobile marketing. To this end, we launched #CarlsbergTalk: live chats on Twitter with Liverpool FC celebrities, which so far have reached up to 1.2m impressions.

The Tuborg brand grew strongly by 21% for the quarter, driven by strong performance in Asia, with particularly strong growth in China and India.

Kronenbourg 1664 will celebrate its 350th anniversary in 2014. The brand came off to a good start to 2014, mainly driven by easy comparisons with prior year due to the French destocking in Q1 2013 as well as further roll-out in new markets.

Somersby continued its very strong progress, growing 85%. For two years in a row now, the brand has been the fastest growing global cider brand. The key reasons for the impressive growth were last year's launch in the UK, continued positive performance in Poland, line extensions in established markets, and launches in new markets.

Our Belgian abbey ale, Grimbergen, also continued to strengthen its position and since 2011, it has been the fastest growing international abbey beer. We continue to strengthen the brand's footprint and it is now being sold in 33 markets across the world.

In February, the Group reported its deliverance of its three-year targets for energy and CO_2. In addition, we reported that our focus on health and safety has resulted in a significant reduction of lost-time accidents over the past three years. We have announced new 2016 targets for CO_2 emission, energy and water consumption as well as for health and safety, sustainable packaging, responsible drinking and marketing communication.

In March, BSP1 was rolled out in the UK and we are preparing for the implementation in three more markets after the summer season.

Structural changes
In the first three months of 2014, the Group took further steps to strengthen its growth profile:

- In Vietnam, we increased the ownership of South-East Asia Brewery Ltd to 100% (previously 60% ownership) and of Hanoi-Vung Tau Beer Joint Stock Company to 100% (previously 55% ownership).
- In the Czech Republic, we acquired 51% of Zatecký Pivovar, spol. s r.o.

2014 EARNINGS EXPECTATIONS
For 2014, the Group maintains its organic earnings growth expectation:

- Operating profit to grow organically by high-single-digit percentages.

Due to a more negative currency outlook than previously anticipated (notably the Russian Rouble), reported results expectations have been adjusted accordingly:

- Reported operating profit to grow by low-single-digit percentages (previously mid-single-digit).

[1] 2013 numbers have been restated as previously proportionately consolidated entities are now recognised as associates

- Reported adjusted net profit[1] to grow by low-single-digit percentages (previously mid-single-digit).

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 approximately 51 (an EUR/RUB change of +/- 1 impacts Group operating profit by approximately +/- DKK 100m).

Included in the outlook is a more uncertain macro situation in Russia and Ukraine. Consequently, the Russian market is now assumed to decline mid-single-digit (previously low-single-digit) in volume terms, while continuing healthy value growth. The impact of the expected lower Russian market will be off-set by continued positive performance in other regions and overall cost consciousness.

All other assumptions remain unchanged (see the February edition of News).

In line with our strategy of being a majority owner of our breweries, we increased our ownership of South-East Asia Brewery Ltd and Hanoi-Vung Tau Beer Joint Stock Company, both in Vietnam, to 100% in the first months of 2014.

GROUP

Q1		Change				Change
Pro rata, million hl	2013	Organic	Acq., net	FX	2014	Reported
Beer	24.1	-3%	7%		25.0	4%
Other beverages	4.1	3%	0%		4.3	3%
Total volume	**28.2**	**-2%**	**6%**		**29.3**	**4%**
DKK million						
Net revenue	12,704	3%	5%	-6%	12,896	2%
Operating profit	628	-21%	7%	-14%	453	-28%
Operating margin (%)	4.9				3.5	-140bp

WESTERN EUROPE IN FIGURES

Q1		Change				Change
Pro rata, million hl	2013	Organic	Acq., net	FX	2014	Reported
Beer	9.6	3%	0%		9.9	3%
Other beverages	3.1	1%	0%		3.2	1%
Total volume	**12.7**	**2%**	**0%**		**13.1**	**2%**
DKK million						
Net revenue	7,483	4%	0%	-2%	7,640	2%
Operating profit	408	11%	0%	-3%	440	8%
Operating margin (%)	5.5				5.8	30bp

[1] Adjusted for special items after tax

EASTERN EUROPE IN FIGURES

Q1		Change				Change
Pro rata, million hl	2013	Organic	Acq., net	FX	2014	Reported
Beer	7.7	-7%	0%		7.1	-7%
Other beverages	0.2	-7%	0%		0.2	-7%
Total volume	**7.9**	**-7%**	**0%**		**7.3**	**-7%**
DKK million						
Net revenue	2,902	4%	0%	-18%	2,484	-14%
Operating profit	83	-51%	0%	-59%	-8	-110%
Operating margin (%)	2.9				-0.3	-320bp

ASIA IN FIGURES

Q1		Change				Change
Pro rata, million hl	2013	Organic	Acq., net	FX	2014	Reported
Beer	6.8	-5%	22%		8.0	17%
Other beverages	0.8	14%	2%		0.9	16%
Total volume	**7.6**	**-3%**	**20%**		**8.9**	**17%**
DKK million						
Net revenue	2,262	3%	25%	-7%	2,732	21%
Operating profit	477	-9%	9%	-5%	455	-5%
Operating margin (%)	21.1				16.7	-440bp

REGIONS

Western Europe

The Western European beer markets declined by an estimated 1%. We gained market shares in markets such as Poland, Greece and Portugal.

Our beer volumes grew organically by 3%. The volumes were negatively impacted by the later sell-in to Easter in the Nordics and the UK this year versus last year whereas the destocking in France in Q1 last year had a positive impact. Beer volumes grew in markets such as France, Poland and Germany while they declined in the Nordics and the UK. Other beverages grew organically by 1%.

Net revenue increased organically by 4% to DKK 7,640m. Price/mix grew 1%. Across the region, price increases were executed or are planned.

Operating profit grew organically by 11% to DKK 440m and operating margin improved 30bp to 5.8%.

Eastern Europe

The Russian beer market declined by an estimated 5% due to the final year-on-year impact from kiosk closures, the uncertain macro environment and weaker economic growth. The Ukrainian beer market declined by mid-single-digit percentages, driven by a very challenging macroeconomic climate which more than off-set the more favourable weather conditions this year compared to last year.

Our Russian volume market share improved by 20bp to 38.4% (source: Nielsen Retail Audit, Urban & Rural Russia). The solid market share improvement was driven by brands such as Baltika 7, Baltika 9 and Zhigulevskoe.

The Group's regional beer volumes consequently declined organically by 7%.

In Ukraine, our business has been operating with very limited disruption and we have been able to produce, sell and distribute our products across the country. In February, we had to stop production at two breweries for a few days. The Ukrainian government has decided to increase beer excise duties by 43% as of 1 May. This will require a consumer price increase of approximately 5-6%.

Organic net revenue grew 4%, driven by a strong 11% price/mix. Reported net revenue declined by 14% due to the substantial negative currency impact of -18%.

Due to the strong price/mix improvement, organic gross profit grew by mid-single-digit percentages and by double-digit percentages per hl. The gross profit improvement was, however, off-set by the negative operational leverage in our fixed cost base in a seasonally small Q1 and consequently, operating profit declined.

Asia

The Asian region continued the growth trend in the first quarter. Some markets developed less favourably, such as Vietnam due to the economic slowdown and the Xinjiang province in China due to bad weather. We continued to deliver solid market share performance in the region.

Beer volumes declined organically by 5% cycling a strong +14% organic volume growth in Q1 last year. Including acquisitions, they grew by 17%. We achieved particularly strong growth in India, Laos, Cambodia, and for our international premium portfolio in China and India. Our volumes were negatively impacted by the market slowdown in Vietnam and the earlier sell-in to the Chinese New Year this year versus last year in China and Malaysia. In addition, our Chinese business was impacted by bad weather in Xinjiang and a decision to reduce unprofitable volumes in China.

Adjusting for these factors, the Asian region would have delivered a low-single-digit percentage volume growth. The acquisition impact derived mainly from the consolidation of Chongqing Brewery.

Our international premium portfolio grew stronger than the regional volume growth. The Carlsberg brand grew approximately 3% in its premium markets, mainly because of good performance in China where the re-launch of Carlsberg Chill progressed well and Carlsberg Light continued to grow.

Tuborg almost doubled its volumes in the quarter, delivering particularly strong performance in China where volumes tripled. In India, Tuborg continued to be a key driver of the continued market share growth. We continued the further roll-out of Kronenbourg 1664. The brand is establishing a solid footprint in the super premium segment across our Asian region and is now available in Malaysia, Singapore, Hong Kong, China and, most recently, in India and Malawi.

Organic net revenue grew 3%. Reported growth was 21%, impacted negatively by the currency impact from Malaysia, Malawi, Laos and India. We achieved a positive price/mix in most markets and despite a negative country mix, overall price/mix developed favourably (+6%). This was mainly due to a strong double-digit price/mix in China, which was positively impacted by the decision to reduce unprofitable volumes, price increases and market share gains in the growing premium segment.

Gross profit grew organically by mid-single digit percentages while operating profit declined organically by 9% with a 5% reported decline. The decline was mainly driven by our decision to invest in the Asian growth opportunities, such as the establishment of our business in Myanmar and increased marketing investments behind our premium brands, as well as different phasing of marketing investments versus last year. As expected, the operating margin declined by 440bp (of which 200bp were due to the consolidation of Chongqing Brewery).

The Group's international premium brands continued to grow in the first three months of 2014. The Carlsberg brand grew 2% in its premium markets. Tuborg and Somersby delivered strong growth rates of 21% and 85%, respectively.

KEY FIGURES AND FINANCIAL RATIOS

DKK million	Q1 2014	Q1 2013	2013
SALES VOLUMES, GROSS (MILLION HL)			
Beer	27.4	28.3	138.7
Other beverages	4.6	4.5	21.5
SALES VOLUMES, PRO RATA (MILLION HL)			
Beer	25.0	24.1	119.7
Other beverages	4.3	4.1	19.7
INCOME STATEMENT			
Net revenue	12,896	12,704	64,350
Operating profit before special items	453	628	9,723
Special items, net	-29	-49	-435
Financial items, net	-346	-353	-1,506
Profit before tax	78	226	7,782
Corporation tax	-16	-46	-1,833
Consolidated profit	62	180	5,949
Attributable to:			
Non-controlling interests	129	118	478
Shareholders in Carlsberg A/S	-67	62	5,471
Shareholders in Carlsberg A/S, adjusted[1]	-50	95	5,772
STATEMENT OF FINANCIAL POSITION			
Total assets	145,875	155,460	149,993
Invested capital	115,869	124,907	119,000
Interest-bearing debt, net	38,571	35,759	34,636
Equity, shareholders in Carlsberg A/S	61,273	70,315	67,811

DKK million		Q1 2014	Q1 2013	2013
STATEMENT OF CASH FLOWS				
Cash flow from operating activities		-1,196	-859	8,142
Cash flow from investing activities		-900	-1,687	-8,038
Free cash flow		-2,096	-2,546	104
FINANCIAL RATIOS				
Operating margin	%	3.5	4.9	15.1
Return on average invested capital (ROIC)	%	8.1	7.9	8.1
Equity ratio	%	42.0	45.2	45.2
Debt/equity ratio (financial gearing)	x	0.60	0.49	0.49
Interest cover	x	1.31	1.78	6.46
STOCK MARKET RATIOS				
Earnings per share (EPS)	DKK	-0.4	0.4	35.9
Earnings per share, adjusted (EPS-A)[1]	DKK	-0.3	0.6	37.8
Cash flow from operating activities per share (CFPS)	DKK	-7.8	-5.6	53.4
Free cash flow per share (FCFPS)	DKK	-13.7	-16.7	0.7
Share price (B-shares)	DKK	539.0	566.0	600.0
Number of shares (period-end, excl. treasury shares)	1,000	152,539	152,555	152,533
Number of shares (average, excl. treasury shares)	1,000	152,535	152,549	152,548

[1] Adjusted for special items after tax.

STATEMENTS

INCOME STATEMENT

DKK million	Q1 2014	Q1 2013	2013
Net revenue	12,896	12,704	64,350
Cost of sales	-6,957	-6,828	-32,423
Gross profit	**5,939**	**5,876**	**31,927**
Sales and distribution expenses	-4,284	-4,188	-18,181
Administrative expenses	-1,298	-1,128	-4,415
Other operating activities, net	13	-2	22
Share of profit after tax, associates and joint ventures	83	70	370
Operating profit before special items	**453**	**628**	**9,723**
Special items, net	-29	-49	-435
Financial income	153	307	717
Financial expenses	-499	-660	-2,223
Profit before tax	**78**	**226**	**7,782**
Corporation tax	-16	-46	-1,833
Consolidated profit	**62**	**180**	**5,949**
Attributable to:			
Non-controlling interests	129	118	478
Shareholders in Carlsberg A/S	-67	62	5.471
DKK			
Earnings per share	-0.4	0.4	35.9
Earnings per share, diluted	-0.4	0.4	35.7

STATEMENT OF FINANCIAL POSITION

DKK million

ASSETS	31 March 2014	31 March 2013	31 Dec. 2013
Intangible assets	87,191	91,381	91,196
Property, plant and equipment	31,151	31,160	32,377
Financial assets	7,166	11,163	6,963
Total non-current assets	**125,508**	**133,704**	**130,536**
Inventories and trade receivables	13,061	13,108	12,245
Other receivables etc.	4,254	3,870	3,626
Cash and cash equivalents	3,052	4,778	3,586
Total current assets	**20,367**	**21,756**	**19,457**
Total assets	**145,875**	**155,460**	**149,993**
EQUITY AND LIABILITIES			
Equity, shareholders in Carlsberg A/S	61,273	70,315	67,811
Non-controlling interests	3,511	3,352	3,675
Total equity	**64,784**	**73,667**	**71,486**
Borrowings	33,776	40,639	30,239
Deferred tax, retirement benefit obligations etc.	13,953	15,927	14,502
Total non-current liabilities	**47,729**	**56,566**	**44,741**
Borrowings	9,444	1,686	9,417
Trade payables	11,983	11,082	12,621
Deposits on returnable packaging	1,335	1,260	1,598
Other current liabilities	10,600	11,199	10,130
Total current liabilities	**33,362**	**25,227**	**33,766**
Total equity and liabilities	**145,875**	**155,460**	**149,993**

OVERVIEW

PEOPLE NEWS

GRAHAM FEWKES

New Senior Vice President, Group Sales, Marketing & Innovation

Graham Fewkes has been appointed Senior Vice President, Group Sales, Marketing & Innovation and member of Carlsberg's Executive Committee. His previous position was as Commercial Vice President, Asia region. Graham joined Carlsberg in connection with the S&N transaction in 2008, having served as S&N's commercial representative in the BBH joint venture company in Eastern Europe. He has solid experience of the global drinks business, having held a wide range of sales and marketing roles in companies across Western and Eastern Europe, including Grand Metropolitan plc, Foster's Brewing Group and S&N plc.

VIVEK SHARMA

New CEO, Carlsberg Uzbekistan

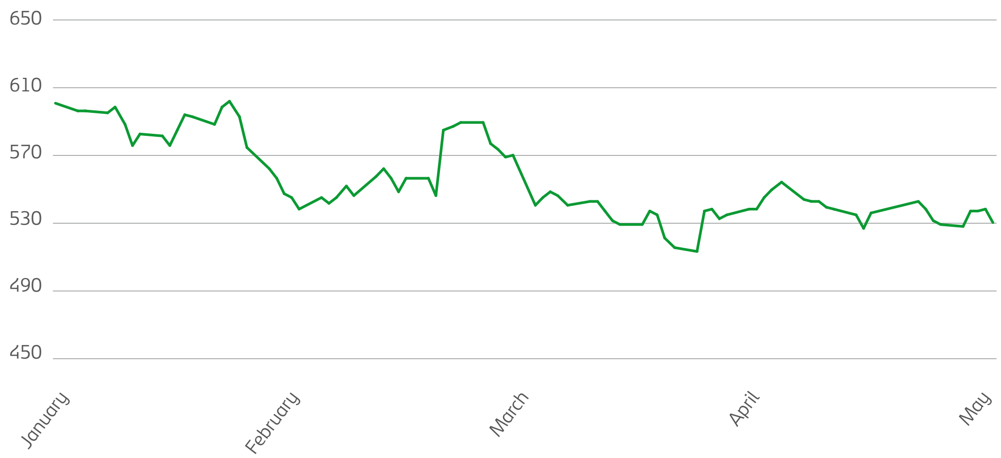
Vivek Sharma has been appointed CEO of Carlsberg Uzbekistan. His previous position was as Vice President, Commercial Productivity & Insights in Group Sales, Marketing & Innovation. Before joining Carlsberg in 2009, Vivek spent 10 years with The Coca-Cola Company and, prior to that, worked for Unilever in the Middle East and for the international market research and insights consulting firms TNS and IMRB International in India.

MARGUS KASTEIN

New CEO, Aldaris (Latvia)

Markus Kastein, currently CEO of Saku Brewery, Estonia, has been appointed CEO of Saku Brewery and Aldaris as of June 2014. Margus joined Saku Brewery as Sales Director in 2008 and became CEO of Saku in 2011. Prior to joining Carlsberg, Margus was CEO of Ingman Ice Cream AS, a leading ice-cream company in the Baltics.

SHARE PRICE 2014 (DKK PER SHARE, CARLSBERG B)



FINANCIAL CALENDAR 2014

Quarterly financial statements

20 August	Interim results – Q2
10 November	Interim results – Q3