NEWS

November 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

The strength of our business model, brands and people and our ability to execute on our strategic priorities drove organic growth in earnings and increased cash flow.

Welcome to this third quarter edition of our shareholder magazine.

In these uncertain times, particularly in Eastern Europe, we have been able to deliver both organic growth in earnings and increased cash flow. It underpins the strength of our business model, brands, and people as well as our ability and determination to execute on our key strategic priorities which drive the value of the Carlsberg Group.

In Western Europe, we have a solid track record of growing our market share. Once again this year – and for the fourth time in a row – we are on track to deliver growth in market share. In the past decade, the Western European region has undergone impressive development, improving the operating margin by around 75% or by around 6 percentage points. This improvement has mainly been driven by working smarter and more efficiently and this journey still continues. A major step in Western Europe this year is the rollout of the business standardisation project "BSP1" across all markets in the region. In October, we went live in Finland, Poland, and Switzerland and six markets are now on the same system. In spring 2015, the next wave of markets will follow.

Despite the quite significant headwind in Russia and Ukraine, we do what is necessary to maintain very strong businesses in Eastern Europe. This includes supporting and driving our local and international premium brands portfolio, implementing and fully utilising the Group's commercial tools and securing superior commercial execution. Meanwhile, we are actively taking measures to enhance cost efficiency and asset utilisation.

In Asia, the integration of Chongqing Brewery is progressing according to plan. It is a huge integration process, covering areas such as brand portfolio, sales, HR, CSR, finance etc., and we have allowed ourselves 18 months to complete the task. Across Asia, we continued our high level of commercial activities, including continuous support of our international premium brands which are doing very well in the region with strong performance of both Carlsberg and Tuborg. But we also invest in our strong local brands which performed very well in Laos, Cambodia and Vietnam.

You can read more about our results on page 12.

On 1 April this year, Graham Fewkes was appointed Senior Vice President of Group Sales, Marketing & Innovation. Graham has a long history in the drinks industry and has worked in all Carlsberg's regions – Western Europe, Eastern Europe and Asia. He joined the Group in connection with the Scottish & Newcastle acquisition in 2008 and has spent the last number of years in Asia. I am pleased to introduce Graham to you on page 4 on which he explains his ambitions for and approach to our portfolio of great brands.

Speaking of brands, an often overlooked phenomenon is the great attributes of beer in cooking. Unfortunately, we – and the industry – have not paid sufficient attention to the entire concept of beer and food for many years. Having become aware of this fact, however, we are now working on promoting beer in cooking, e.g. in Denmark where Carlsberg has entered into a very exciting co-operation with the Copenhagen Hospitality College with the purpose of bringing beer into fine dining. You can read more about the beer and fine dining co-operation on page 8.

It is not everyone who knows somebody who is turning 350 years old. But in the Carlsberg Group, we are proud to celebrate the 350-year anniversary of Brasserie Kronenbourg this year. Kronenbourg 1664 is our international premium French brand which is growing in popularity around the world. We bring you the story of this fantastic brand and its amazing history on page 7.

I hope you will enjoy reading this edition of News.

Cheers,

J. Buhl R

Jørgen Buhl Rasmussen

GRAHAM FEWKES
A drinks industry veteran

Portrait of the new Senior Vice President of the Carlsberg Group's global sales, marketing and innovation activities.

The Carlsberg Group welcomed Graham Fewkes as Senior Vice President, Group Sales, Marketing and Innovation (GSMI) earlier this year. No stranger to Carlsberg, he brings a wealth of commercial and marketing experience in beverages and the beer category in particular that has seen him work in all Carlsberg's major regions.

Graham Fewkes first joined Carlsberg in connection with the Scottish & Newcastle (S&N) acquisition in 2008, when he begun representing Carlsberg Group's commercial interests in the Asian markets. But even before that he had become familiar with the Carlsberg Group, having been a commercial representative in the joint venture between Carlsberg and S&N in Eastern Europe. His career before that spanned a wide range of sales and marketing roles for Grand Metropolitan plc, Foster's Brewing Group and S&N plc across Western and Eastern Europe.

POWERING UP BRAND PLATFORMS

After half a year heading up GSMI, Graham Fewkes and his team have established a number of very specific goals aimed at accelerating growth and profit margins. Underlying the goals are some carefully formulated brand growth platforms and a number of "enabling disciplines".

"We're extremely conscious of how, where and when GSMI can contribute most usefully to the Carlsberg Group's business model," says Graham Fewkes. "It's important we have the right blend of strong central initiatives and local flexibility."

His top priority is protecting the existing core beer business: "Our international premium brands – Carlsberg, Tuborg, Somersby, Kronenbourg and Grimbergen – are in a growing market segment. "They're at the core of our business and are critical because they are higher-margin products that meet general and replicable consumer needs across many markets. However, our local power brands generate a large portion of the Group's profits and contribute significantly to growth in the emerging markets. So we need to make sure we keep all of our beer brands refreshed."

Graham Fewkes is focused on delivering to Carlsberg's "GloCal" approach, which recognises that although the Group as a whole needs a coordinated approach based on efficiency and economies of scale, beer markets remain very local in terms of different cultures, consumer tastes, brand loyalties, legislation and the like.

"Our main goal is to deliver to the needs of our local operating companies, who, after all, sit close to the market and understand local needs." he adds.

INNOVATION WITH A CAPITAL I

As the GSMI name suggests, innovation, research and development are strategic focus areas.

Graham Fewkes is of the opinion that continued focus on innovation, research and development, together with strong brand platforms, will make a big difference to Group performance.

He believes that the local markets are key to unlocking Carlsberg's innovation potential:

"Our job is to generate tomorrow's revenue streams, which involves global coordination, but at the same time, many interesting innovations start with a local story. A real skill at Group level is spotting local winners and knowing when to scale them up.

At the same time, I also believe that our strong capabilities within research and development, not least in areas such as yeast, barley and liquid, are crucial in giving us a competitive edge."

BOTTLING THE ESSENCE OF CARLSBERG

Graham Fewkes has a special passion for not only the beer category, but also the Carlsberg Group.

"The beer category is wonderfully energising to be involved in because consumers really do care about it. You get some highly motivated and interested focus groups that give you great insights. It's all the more powerful because people become emotionally involved. And at the same time, you get all the professional advantages associated with fast-moving consumer goods."

Despite his Carlsberg pedigree, Graham Fewkes' new position has brought some pleasant surprises, including an even deeper appreciation of the Carlsberg Group's history.

"The more I talk to people throughout our regions, the more I realise how galvanising the history of the Carlsberg Group is. There are so many different stories about our brands that mean a lot to people around the world."

Our main goal is to deliver to the needs of our local operating companies, who, after all, sit close to the market and understand local needs.

And as a true marketer, never wanting to miss an opportunity to turn emotional engagement into a commercial opportunity, he has a desire to harness these strong connections to heritage.

"It moves people in a way that advertising can't. If we could bottle even one percent of this, I'm sure we could improve our performance even more!"

His favourite beer? As a passionate beer drinker, he has several, but he is particularly partial to one of the recent additions to Carlsberg's portfolio, India Pale Ale from the Brewmaster's Collection.

Graham Fewkes brings a wealth of commercial and marketing experience in beverages and the beer category in particular and during his career, he has worked in all Carlsberg's regions.


350
1664
2014
YEARS
La Première Bière Française
Kronenbourg
1664
Brassée avec Savoir-Faire depuis 1664
CELEBRATE 350 YEARS OF FRENCH
ART DE VIVRE WITH KRONENBOURG 1664

KRONENBOURG 1664

A little bit of France all over the world

The year was 1664. In the city of Strasbourg in the Alsace region of France, Jérôme Hatt was granted a brewing patent. He went to work and not long after started commercial production of a beer that rapidly grew in popularity among the people of the gastronomy-loving city.

These are the origins of Brasseries Kronenbourg, which has grown into France's largest brewery, building throughout the centuries an immense brewing mastery, while maintaining its strong French heritage.

Now, 350 years later, Brasseries Kronenbourg's premium beer brand, Kronenbourg 1664, is available in 70 countries around the world, representing everything that is the French "Art de Vivre", the art of enjoying life as the French do. This remarkable history is testament to Kronenbourg 1664's success and the Carlsberg Group is delighted to mark the brewery's 350 anniversary with special campaigns and celebrations in the year 2014. Brasseries Kronenbourg became part of the Carlsberg Group following the acquisition of Scottish & Newcastle in 2008.

Manlio Sanna, International Marketing Director for Kronenbourg 1664 at Carlsberg, explains the importance of the brand for Carlsberg's product portfolio:

"Kronenbourg 1664 is the number one French beer in the world in terms of sales and has a unique position within Carlsberg's portfolio. It is without doubt one of our premium brands and it is being activated on a global level through a well-coordinated set of marketing initiatives so that we're able to effectively exploit its growth potential."

A TASTE OF FRENCH REFINEMENT

The refined, subtle taste of Kronenbourg 1664 comes from its special recipe and its premium ingredients, including the Strisselspalt hop, which is unique to the Alsace region. This hop has historically been a strong symbol of the brand's special heritage.

But if the original Kronenbourg 1664 lager beer is the brand steeped in history, one of the more recent innovations is another rising star: sister variant Kronenbourg 1664 Blanc. It is a wheat beer, which, with its modern, fruity and refreshing taste and a distinctive blue bottle, is becoming increasingly popular with beer drinkers throughout the world.

Manlio Sanna comments on the newer variant: "Kronenbourg 1664 Blanc is now sold in 33 markets and, last year, it became one of the top 10 wheat beer brands globally."

The most recent launch is the alcohol-free beer "1664 Sans Alcool".

POSITIVE INTERNATIONAL PERFORMANCE

In France, the Kronenbourg 1664 brand has grown consistently in recent years. It is also performing well in the Carlsberg Group's Eastern and Western European regions. In Asia, the brand is seeing excellent growth in markets such as Singapore, Malaysia, Hong Kong, mainland China and Taiwan. Sales in Canada and Africa are also growing strongly, and Kronenbourg 1664 is already one of the top premium beer brands in Africa.

EMPHASISING THE FRENCHNESS OF THE BRAND

The French essence of the brand is central to the marketing strategy of Kronenbourg. Three campaigns are being rolled out in 2014, and according to Manlio Sanna, all are based on some quintessential element of the French culture.

"At the heart of the new campaigns is the central notion of the French way of enjoying moments of pleasure, but the campaigns were developed with local markets to respond to different consumer preferences in the different parts of the world. For instance, markets in South East Asia, such as Malaysia or Hong Kong, focus on slowing down the pace in order to enjoy some of the pleasures of life, while markets with a higher awareness of French culture, such as Canada, celebrate the enjoyment of a perfect experience, combining taste and style."

CELEBRATING A 350-YEAR LEGACY

In 2014, Kronenbourg 1664 is celebrating 350 years of heritage, tradition and excellence. The 350-year anniversary theme has been widely activated across the world with special events for both consumers and customers.

In December, a grand international celebration will gather customers and consumers from the brand's most important markets.

The event will take place in Paris at a prestigious location by the city's beautiful Champs-Élysées, guests will experience a theme based on taste, creativity and know-how – the symbols of the Kronenbourg 1664 premium brand.

DID YOU KNOW?

- Brasseries Kronenbourg became part of the Carlsberg Group in 2008
- Kronenbourg 1664 is sold in 70 countries
- Kronenbourg 1664 Blanc is among the top 10 global wheat beer brands

BRINGING THE BEER into the gourmet kitchen

DID YOU KNOW?

The Carlsberg Beer Academy is a three-day gastronomy course organised by Carlsberg Danmark and the Copenhagen Hospitality College twice a year.

The largest of its kind in Denmark, the course is held in two different locations in Denmark, and approximately 600 young chefs each year get the opportunity to learn about how beer can be put to use in fine cuisine.

The course culminates in a competition in which students create a serving with beer as the defining ingredient. The judging panel consists of representatives from Carlsberg as well as teachers from the schools. Prizes are awarded within relevant categories.

In the right hands, beer can be the perfect ingredient to enhance flavours in fine cuisine.

Three gourmet chef students enter the room with a beautifully prepared serving. They position their plates carefully on the table. One by one, the students introduce their work to the four judges sitting in front of them. The judges listen carefully, asking a few pertinent questions and occasionally leaning over to sample the delicious fare. They are especially interested in how the Carlsberg beer has been used in the serving and how it should complement the food's textures and flavours.

After a few words of feedback from the judges, the students take their plates and add them to the long row of other equally delicious servings. The next group of students steps anxiously forward.

PROMOTING THE BEER CATEGORY IN FOOD

One of the judges at this competition at the Copenhagen Hospitality College is Bjarke Bundgaard, marketing consultant at Carlsberg and a true beer enthusiast. He is responsible for the cooperation between Carlsberg Danmark and the Copenhagen Hospitality College, explaining it as one of Carlsberg's efforts in promoting the idea of beer and its use in fine cuisine.

"We believe that beer can be used as a key ingredient in gourmet cooking. It's not about whether someone prefers drinking beer with their meal; it's about that beer is an actual option in the preparation of high-quality food and that it can actually enhance the taste."

Bjarke believes that most people do not see beer as an actual ingredient so they are not aware of its potential. That is why he believes so much in improving the profile of the beer category in food.

"I like to see it as investing in change in the gastronomic world. We've put in place some grass-root initiatives that we think will affect this change in the long term," he says.

THE NEXT GENERATION OF BEER AMBASSADORS

Getting alongside key influencers is an important part of bringing about change. This is one of the key reasons for supporting the Copenhagen Hospitality School.

Bjarke Bundgaard explains:

"Copenhagen Hospitality College has an excellent reputation having trained many elite gourmet chefs through the years. When the school relocated to Valby, very close to Carlsberg's premises, it seemed like the perfect opportunity to engage with them."

The compelling opportunity for Carlsberg was the ability to get close to up-and-coming food professionals and already as part of their training help shape their views on beer in food.

Bjarke Bundgaard believes this could be highly influential in bringing beer into mainstream cooking:

"We can provide them with the latest knowledge and skills in how to get the best out of different beers in their cooking. We have a great chance of them becoming true beer ambassadors."

QUALITY BEER FOR QUALITY FOOD

If beer is to be used in creating cuisine of the highest level, it is essential that the beer delivers the consistency and quality that it is supposed to.

“This is very important in food-making,” Bjarke explains. “It’s where Carlsberg’s production processes, based on, for example, consistency in the choice of yeast and the fermentation process, become a big advantage for chefs. They know that when they choose a particular beer for a particular taste, they can be sure they’ll get it.”

So with quality in mind, what words of advice did Bjarke Bundgaard have for the talented students?

“The standard was very high indeed and it’s always a delight to taste what the students come up with. It’s wonderful to see their eyes light with enthusiasm and a growing passion for beer,” he says.

“Our job is to see how they have integrated beer into their cooking. Generally, I’m very impressed with their craftsmanship and ingenious solutions but I would like them to be even more daring. They can work to use the beer so it brings out flavours even more. It’s not easy to work with beer, but when you crack the code, it’s surely worth it!”

Do you want to explore beer and food? Get inspired on www.carlsberggroup.com/media/presskits/beerfood











CARLSBERG around the world

DANISH PRIME MINISTER ENJOYS A CARLSBERG

At the beginning of September, Danish Prime Minister Helle Thorning-Schmidt went to China to further promote the Danish-Chinese business relations. On September 9, the CEO of Carlsberg China attended a welcoming reception for the Prime Minister.

The reception, featuring a number of Danish companies, included a strong Carlsberg presence, which led the Prime Minister to allow herself to enjoy a glass of Carlsberg.

TUBORG GREENFEST IN RUSSIA AND CHINA

Tuborg GreenFest is going from strength to strength in many markets, including Russia and China.

In St Petersburg, 15,000 people attended this year's music event, which hosted, among others, the legendary band The Prodigy, making it an unforgettable evening for the festival-goers. Aside from the music, the festival-goers could entertain themselves in numerous fun zones. GreenFest animators welcomed the participants at the entrance and elsewhere around the site, while professional stylists helped create some amazing images, including the zombie look. Official Baltika volunteers distributed "Drink Responsibly" badges, while in the EcoZone visitors could exchange used paper glasses and empty cans for "Go Green" bracelets.

In China, Tuborg wrapped up its Chinese 2014 GreenFest tour in Chongqing. Tuborg GreenFest was the first of its kind to land in Chongqing and attracted a considerable number of young fun-chasers. Aiming to be the greenest music festival in China, Tuborg GreenFest once again called for actions to reduce carbon footprints and to drink responsibly.

NEW WASTEWATER TREATMENT FACILITY AT TULA BREWERY

Baltika Breweries has opened a biological water treatment facility at its Tula brewery. The facility is one of the first outcomes of the agreement between Baltika and the United Nations Industrial Development Organization (UNIDO) on the implementation of environmental projects in Russia related to water, agriculture and climate change. The new wastewater treatment facility is unique due to its high degree of wastewater treatment, stability and safety. It will reduce the burden on city treatment facilities and the ecosystem of the Upa river.

BALTIKA – NO. 1 FOR RETAILERS

Baltika Breweries came top of the list when Russian retailers were asked to evaluate alcoholic drink suppliers in 2014. The list is based on the annual survey of retailer satisfaction conducted by the independent international organisation Advantage International. The survey covers areas such as customer service and support, marketing, category development and personnel. It has been conducted annually since 2009 among representatives of the major retail chains in Russia, including X5 Retail Group, METRO, Magnit, Auchan, O'Key and Lenta.

Baltika Breweries was acknowledged to be the absolute leader of 20 alcoholic beverage suppliers, including the major beer companies, achieving the no. 1 spot in six out of seven categories.

CARLSBERG POLSKA GIVES TRASH A CHANCE

This summer, for the fifth time Carlsberg Polska organised its waste collection campaign, “Give trash a chance”, at three events with the aim of promoting ecological attitudes towards the environment. Through a combination of beer packaging, contests and eco education, people were encouraged to segregate litter and take care of the festival premises at the Castle Party Gothic rock festival in Bolków, the Festival of Slavs and Vikings on Wolin island and the Ostróda Reggae Festival. Participants brought used packaging to special ECO zones, where they were rewarded with gadgets, such as eco flashlights or straw mats – ideal for outdoor relaxation. The campaign succeeded in collecting around 4 tonnes of used cups and cans.

HALF A MILLION PEOPLE AT WUSU BEER FESTIVAL

Every year, the people of Wusu in Xinjiang, China, celebrate the annual Wusu Beer Festival, which is marked by a public holiday. Initiated by the local government and branded under Carlsberg’s local beer brand Wusu for the seventh consecutive year, this year’s fiesta attracted 500,000 locals and visitors from all over the world.

Festival-goers mingled and enjoyed an icy cold Wusu beer in 40 free tasting sites. Carlsberg China also leveraged the festival to promote the responsible enjoyment of beer by setting up prominent signage encouraging people to “Drink Responsibly”.

JACOBSEN IN RUSSIA

Jacobsen, Carlsberg’s super-premium craft beer, has made its debut in Russia. Carlsberg’s Russian subsidiary Baltika Breweries has introduced the brand in famous bars and restaurants, as well as in premium stores in Moscow and St Petersburg.

The Jacobsen Brewhouse, named after Carlsberg’s founder, was established at the historic brewery site in Copenhagen in 2005.

In Russia, the brand will be sold in two variants: Jacobsen Brown Ale and Jacobsen Velvet.

BALTIKA AND ŠVYTURYS-UTENOS ALUS SCOOPS AWARDS

At the annual International Beer Challenge in England, five beers from Baltika Breweries and one beer from the Group’s Lithuanian brewery were awarded for their distinct quality and taste. The International Beer Challenge rewards and promotes excellent beers. This year, brewers from over 30 countries participated in the Challenge. The panel of judges, comprising some of the shrewdest beer connoisseurs, included retailers, importers, publicans, brewers, writers and flavour analysts.

Baltika München scooped a gold medal in the “Wheat Beers” category, while Russian Imperial Stout, from the Baltika Brewmasters’ Collection, scooped silver in “Stouts and Porters”. There were also bronze medals for Baltika #7 Export in “Lagers”, Baltika #8 Wheat in “Wheat Beers” and Old Bobby Ale in “Ales”. From Lithuania, Švyturys Ekstra scooped a gold medal in “Lagers”.

FINANCIAL STATEMENT as of 30 September 2014

POSITIVE MARKET SHARE DEVELOPMENT IN Q3 AND ORGANIC PROFIT GROWTH IN SPITE OF CHALLENGING EASTERN EUROPEAN MARKETS

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

BUSINESS DEVELOPMENT

Group financial highlights

Group beer volumes declined organically by 2% (Q3: -2%), driven by the Eastern European market decline. Reported beer volumes grew by 4% (Q3: +5%) due to the acquisition at the end of last year of Chongqing Brewery in China. Other beverages grew organically by 6% (Q3: +6%).

Net revenue grew organically by 3% as the positive price/mix of +4% more than offset the organic decline in total volume of 1%. Reported net revenue grew by 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 and Belarus.

Cost of sales per hl grew slightly as a result of negative operational leverage and write-off on obsolete stocks in Eastern Europe. Gross profit grew organically by 4%, while gross profit per hl increased organically by 6%. The gross profit margin was up organically by 60bp (Q3: flat) to 50.2% (reported 49.6%).

Operating expenses grew organically by approximately 6%, mainly due to higher logistics costs, primarily in Eastern Europe, higher BSP1-related costs in Western Europe (approximately DKK 350m versus DKK 290m in 2013), and higher sales and marketing investments.

Group operating profit grew organically by 5% (Q3: +1%). We achieved organic operating profit growth in Western Europe and Asia while we saw an organic decline in Eastern Europe. Group operating margin grew organically by 30bp to 15.4% (reported 14.8%).

Adjusted net profit (adjusted for post-tax impact of special items) was DKK 4,422m (2013: DKK 4,474m). Reported net profit was DKK 4,246m (2013: DKK 4,344m).

Free operating cash flow was DKK 2,642m (2013: DKK 2,958m). For the first nine months, total working capital impacted cash flow negatively due to seasonality, higher invoiced prices and lower VAT payables. Average trade working capital continued to improve and was -3.7% to net revenue at the end of Q3 (MAT) versus -3.5% at the end of Q3 2013 (MAT). Free cash flow was DKK 2,611m (2013: DKK 2,492m).

In May, the Group successfully placed 10-year EUR notes at a principal amount of EUR 1bn with a coupon of 2.5%.

Group operational highlights

Our commercial agenda remains unchanged. In 2014, it has included the continued embedding and, in some mature markets, further development and improvement of our value management toolbox, which is an important driver of the Group's overall market share gains and positive price/mix.

Our innovation agenda is a key priority and included the further roll-out of brands, concepts and innovations. Among the many activities were the further roll-out of Radler (now available in 11 markets), new packaging formats for Jacobsen, the roll-out of Seth & Riley's Garage (now available in six markets),and further expansion of our proprietary DraughtMaster™ technology, which – in comparison to using steel kegs – enhances consumer experience and customer portfolios and revenue per hl positively. Additionally, we successfully launched the non-alcoholic beer Carlsberg Nordic in Denmark; Brewmaster's Collection in Russia, Finland and Denmark; and K by Kronenbourg in France.

Supporting and expanding the market shares of our international premium brands is another key priority. The Carlsberg brand grew 3% in its premium markets, with particularly strong performance in markets such as India, China and France. As a result of the overall market decline in Eastern Europe, the brand volume was down in this region. Carlsberg's second season as the official beer of the English Premier League kicked off in August and we activated the sponsorship in 66 markets. The activation of UEFA EURO 2016™ kicked off in September, when the qualifiers for the tournament began. Carlsberg and our local power brands will receive significant exposure during these matches.

The Tuborg brand grew strongly by 23% as a result of impressive growth in Asia, particularly in China and India. The brand has become the fastest growing international premium brand in China and the no. 1 international premium brand in India. We continued the deployment of the brand rejuvenation programme which was rolled out in more markets, such as the Baltics, the Balkans and Nepal. "Always Say Yes" – a fully integrated, 360 degree campaign, encompassing new TVC, print, digital and point-of-purchase materials for the on- and off-trade – was launched globally.

Kronenbourg 1664 grew by 10%, partly as a result of easy comparisons last year due to

French destocking in Q1 2013. The growth was, however, also driven by market share gains in France, growth in export markets and further roll-outs in new markets. 1664 Blanc achieved good results in several Asian markets.

Somersby continued its very successful progression, growing 43%. The key reasons for this impressive growth were continued positive performance in Poland, the UK and Portugal, the new activation programme #Friendsie, line extensions in established markets and launches in new markets. Somersby continues to be the fastest growing cider brand among the top 10 biggest ciders globally and is now available in 43 markets across the world.

Our Belgian abbey ale, Grimbergen, grew 30% for the nine months, and since 2011 it has been the fastest growing international abbey beer. We are continuing to expand the brand's footprint and it is now available in 33 markets around the world.

We are expanding our digital activities and aim to continuously strengthen content, maximise connections and develop and implement tools and systems to reach consumers and customers. We use digital platforms such as YouTube, Twitter, Facebook, brand websites etc. Currently, our digital activities include #happybeertime for on-trade customers; the Carlsberg Premier League Live Match Centre; UEFA EURO 2016™ engagement through Facebook and Twitter; and in Denmark Zulu BFF, a new reality show showcasing multiple channel viewing.

GROUP

Q3		Change				Change
Pro rata, million hl	2013	Organic	Acq., net	FX	2014	Reported
Beer	32.7	-2%	7%		34.3	5%
Other beverages	5.3	6%	0%		5.6	6%
Total volume	**38.0**	**-1%**	**6%**		**39.9**	**5%**
DKK million						
Net revenue	17,419	2%	6%	-4%	18,120	4%
Operating profit	3,392	1%	4%	-5%	3,390	0%
Operating margin (%)	19.5				18.7	-80bp
9 mths.						
Pro rata (million hl)						
Beer	92.8	-2%	6%		96.3	4%
Other beverages	15.0	6%	0%		16.0	6%
Total volume	**107.8**	**-1%**	**5%**		**112.3**	**4%**
DKK million						
Net revenue	49,181	3%	5%	-6%	50,178	2%
Operating profit	7,419	5%	3%	-8%	7,444	0%
Operating margin (%)	15.1				14.8	-30bp

During Q3 2014, Carlsberg joined forces with a coalition of the world's biggest companies and non-profit organisations to launch a global digital media platform, "Collectively", which aims to drive conversation and action on sustainability.

In March, BSP1 was rolled out in the UK and on 1 October, in Finland, Poland and Switzerland. The next wave of markets is expected to be in the spring of 2015.

Structural changes

During the first nine months of the year, 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.
- On 23 October, we completed the acquisition of Chongqing Beer Group Assets Management Co. Ltd ("Eastern Assets").

2014 EARNINGS EXPECTATIONS

The Group's earnings expectations for 2014 are unchanged:

- Organic operating profit to grow low- to mid-single-digit percentages. Reported operating profit is expected to decline low- to mid-single-digit percentages versus last year.
- Reported adjusted net profit to decline by mid- to high-single-digit percentages.

REGIONS

Western europe

The Western European beer markets grew by 0-1% for the nine months, but declined by an estimated 3% in Q3 cycling a strong quarter last year that was impacted by very warm weather in July.

Overall, our market share grew slightly for the nine months and by 50bp for Q3. We delivered good share performance in France, Denmark, Norway, Poland, Portugal, Italy, Greece, Germany and Bulgaria.

Our numerous commercial activities included further deployment of our commercial tools, roll-out of our international premium brands, and launches of products and innovations. A few examples are the Carlsberg Nordic Collection in a number of markets, Somersby in Germany, K by Kronenbourg in France, Radler in new markets and the non-alcoholic beer Carlsberg Nordic in Denmark.

Our beer volume grew organically by 3% (Q3: flat), with particularly strong growth in France, Denmark, Poland, Norway and Germany. Beer volume declined in the Balkans, Italy, the Baltics and Finland. Other beverages grew organically by 6% (Q3: +6%), mainly due to strong performance in the Nordics and Switzerland.

The Polish market grew by an estimated 1%, and we continued to gain volume and value market share and increased volumes by 6%. Price/mix per hl was flat. The continued

WESTERN EUROPE

Q3		Change				Change
Pro rata, million hl	2013	Organic	Acq., net	FX	2014	Reported
Beer	14.1	0%	0%		14.1	0%
Other beverages	4.1	6%	0%		4.4	6%
Total volume	**18.2**	**1%**	**0%**		**18.5**	**1%**
DKK million						
Net revenue	10,542	0%	0%	0%	10,575	0%
Operating profit	1,985	3%	0%	0%	2,038	3%
Operating margin (%)	18.8				19.3	50bp

9 mths.						
Pro rata (million hl)						
Beer	37.6	3%	0%		38.8	3%
Other beverages	11.2	6%	0%		11.9	6%
Total volume	**48.8**	**4%**	**0%**		**50.7**	**4%**
DKK million						
Net revenue	28,395	3%	0%	0%	29,160	3%
Operating profit	4,102	7%	0%	-1%	4,349	6%
Operating margin (%)	14.4				14.9	50bp

EASTERN EUROPE

Q3		Change				Change
Pro rata, million hl	2013	Organic	Acq., net	FX	2014	Reported
Beer	11.0	-9%	0%		10.0	-9%
Other beverages	0.5	-1%	0%		0.4	-1%
Total volume	**11.5**	**-9%**	**0%**		**10.4**	**-9%**
DKK million						
Net revenue	4,598	0%	0%	-15%	3,916	-15%
Operating profit	1,297	-19%	0%	-11%	907	-30%
Operating margin (%)	28.2				23.2	-500bp

9 mths.						
Pro rata (million hl)						
Beer	32.9	-10%	0%		29.5	-10%
Other beverages	1.5	1%	0%		1.5	1%
Total volume	**34.4**	**-10%**	**0%**		**31.0**	**-10%**
DKK million						
Net revenue	13,745	-1%	0%	-16%	11,392	-17%
Operating profit	2,988	-4%	0%	-15%	2,417	-19%
Operating margin (%)	21.7				21.2	-50bp

strong performance was driven by excellent commercial execution, increased distribution and growth of the local brands Kasztelan, Harnás and Okocim as well as the continued good progress of our innovations such as Somersby and Radler.

In France, the market grew by an estimated 3% despite a very weak Q3 that was impacted by poor weather. Our French beer volumes grew by 13%, impacted positively by last year's destocking in Q1 and a slight market share improvement. Our premium brands Kronenbourg 1664, Grimbergen and Skøll by Tuborg, as well as the flavoured K by Kronenbourg in the mainstream category, all delivered strong performance.

The UK market grew by approximately 1%. The UK market has been very volatile this year, with strong growth in Q2 due to favourable weather and World Cup activations, and a soft Q3. The channel shift from on-trade to off-trade continued. Our market share declined.

Our Nordic business performed strongly, driven by better weather versus last year, soft drink category growth and strong commercial execution (including product launches and value management). All beer markets grew except Finland, which was flat. Our beer volumes grew in Denmark, Norway and Sweden, with improved market share in Denmark and Norway, and our soft drink business did particularly well in Denmark and Sweden, with double-digit growth in both markets.

The Balkan markets were negatively impacted by a wet summer and severe flooding in some of the countries, with our businesses in Serbia and Bosnia particularly negatively impacted.

Net revenue increased organically by 3% (Q3: flat) to DKK 29,160m. While we achieved a positive effect from our value management efforts, price/mix declined by 1%, impacted negatively by strong growth in other beverages, a negative channel mix, and last year's strong price/mix development.

Operating profit grew organically by 7% (Q3: +3%) to DKK 4,349m in spite of higher BSP1-related costs than last year. The improvement was driven by volume growth, cost savings within supply chain and our ongoing focus on improving efficiencies in all areas. Operating margin improved 50bp (Q3: +50bp) to 14.9%.

Eastern europe

The value of the Russian beer market grew in the first nine months of the year while market volumes declined by an estimated 6-7%, due to the uncertain and challenging macro-environment. Q3 declined by an estimated 6-7%, supported by favourable weather conditions, especially in the latter part of the quarter.

Our Russian volume market share improved sequentially and reached 37.9% for Q3 (Q2: 36.5%). For the nine months, our volume market share declined by 110bp to 37.6% (source: Nielsen Retail Audit, Urban & Rural Russia). Our value share declined considerably less as the market share loss was most pronounced in the economy segment and due to our value management efforts and supported by the launch of slightly smaller pack sizes.

The year-to-date market share loss was mainly in the modern trade channel and driven by the launch of slightly smaller pack sizes to minimise price increases in addition to our price leadership and the temporary disruption in late Q1 and early Q2 as a consequence of a change in the legal structure of Baltika Breweries. Our mix was positive, driven by particularly good progress of our local brands Baltika 7 and Baltika 9, while some of our brands, such as Baltika 3 and Bolshaya Kruzhka, declined.

The Ukrainian beer market declined by an estimated 10% due to the very challenging and uncertain macroeconomic climate. Q3 developed slightly more favourably than Q2, mainly due to easy comparisons as Q3 last year was impacted by very poor weather. There were significant variances between regions, with a relatively stable market in the western part of the country and more than a 20% decline in the eastern part. We have been able to operate our business in Ukraine although with disruptions. We estimate that our market share was slightly up. In Belarus and Kazakhstan, we also gained market share.

The Group's regional beer volumes declined organically by 10% (Q3: -9%). Our Russian shipments declined 11% due to the overall market decline and market share development. In Ukraine, our volumes declined by 12%, while we saw double-digit volume growth in Kazakhstan.

In spite of a challenging Russian market, we continued to invest in our brands and maintained a high level of commercial activities. These activities included activation of sponsorships such as the Continental Hockey League and local football teams, with the Baltika brand activated in stadium and TV commercials. Other activities included events such as the Tuborg GreenFest music festival, which was rolled out to more cities. In addition, we continued to upgrade our regional brands and launched innovations such as Koff, Brewmaster's Collection, Jacobsen and Seth & Riley's Garage.

Organic net revenue declined by 1% (Q3: flat). Price/mix remained strong at +9% (Q3: +9%), driven by price increases, a positive mix and slightly smaller pack sizes in Russia. We increased prices in Russia in March, May and October. Reported net revenue declined by 17% due to the substantial negative currency impact of -16% as the Ukrainian hryvna devalued by 33% and the Russian rouble by 13%.

Organic operating profit declined by 4% (Q3: -19%). The organic decline was further compounded by the very negative currency impact, resulting in a decline of 19% (Q3: -30%) in reported operating profit to DKK 2,417m.

The year-on-year fluctuations in operating profit margins for Q2 (+460bp) and Q3 (-500bp) were caused by different phasing of sales and marketing investments versus

last year, write-off on obsolete stocks in Q3 and last year's cost reductions, which started impacting profitability positively in Q3 last year.

Asia

Beer volume dynamics in our Asian region improved in Q3 versus the first six months. Our quarterly beer volume grew organically by 4%, putting beer volume for the nine months, measured in organic terms, on a par with last year. Including acquisitions, beer volume grew by 26% (Q3: +35%). We achieved particularly strong growth in India, Nepal, Cambodia and Laos, and for our international premium brands in China. Our Chinese volumes declined due to specific circumstances in some provinces. The acquisition impact related mainly to the consolidation of Chongqing Brewery Group. Other beverages grew organically by 12% (Q3: 12%), mainly due to strong performance in Laos.

As a result of driving our international premium portfolio, constantly upgrading local power brands and further strengthening our commercial capabilities, we grew market share in all Asian markets, except China.

The Carlsberg brand grew by approximately 4% (Q3: +9%) mainly as a result of good results in India, driven by Carlsberg Elephant, and in China, driven by Carlsberg Chill and Carlsberg Light.

Tuborg is becoming a key international brand in the region, and the brand more than doubled its volumes thanks to very strong performance in China and India as well as the more established Tuborg market, Nepal, where the 3G bottle was launched at the beginning of Q3. We continued the further

ASIA

Q3		Change				Change
Pro rata, million hl	2013	Organic	Acq., net	FX	2014	Reported
Beer	7.6	4%	31%		10.2	35%
Other beverages	0.7	12%	0%		0.8	12%
Total volume	**8.3**	**5%**	**28%**		**11.0**	**33%**
DKK million						
Net revenue	2,232	16%	46%	-2%	3,583	60%
Operating profit	485	12%	28%	-3%	664	37%
Operating margin (%)	21.7				18.5	-320bp

9 mths.						
Pro rata (million hl)						
Beer	22.3	0%	26%		28.0	26%
Other beverages	2.3	12%	0%		2.6	12%
Total volume	**24.6**	**1%**	**23%**		**30.6**	**24%**
DKK million						
Net revenue	6,910	11%	33%	-6%	9,507	38%
Operating profit	1,446	7%	16%	-5%	1,699	18%
Operating margin (%)	20.9				17.9	-300bp

roll-out of Kronenbourg 1664, primarily the Blanc variety. The brand is establishing a solid footprint in the super-premium segment across our Asian markets and is now available in Malaysia, Singapore, Hong Kong and China. Somersby doubled its volumes, albeit from a low base, due to very good results in the more mature markets of Hong Kong, Singapore and Malaysia.

Our Chinese volumes grew by 35% (Q3: +44%) due to the consolidation of Chongqing Brewery Group. The Chinese market declined by an estimated 2% (Q3: -8%) while the beer market in our major provinces declined by an estimated 5% as several of the provinces were impacted by poor weather, compounded by the unrest in the Xinjiang province. Our business improved slightly in Q3 versus the first six months. In addition to the market decline, our volumes were impacted by the reduction of unprofitable products in Southern China. Price/mix improved by double-digit percentages due to growth of our international premium brands, good premiumisation results for our local power brands and portfolio optimisation.

The integration of Chongqing Brewery Group is progressing according to plan. We are strengthening and refreshing sales capabilities and the brand portfolio, and at the same time, implementing Carlsberg Group tools and processes in functions such as finance, HR, supply chain and IT. Last year's purchase of Chongqing Beer Group Assets Management Co. Ltd ("Eastern Assets") was approved in October and will be consolidated from November.

In Indochina, our beer volume grew organically by 7% (Q3: +19%), driven by consistent growth in Laos and Cambodia as well as a strong recovery in Vietnam during the year. The strong performance was driven by our strong local power brands Angkor in Cambodia, Beerlao in Laos and Huda in Vietnam. In Vietnam, Huda gained substantial share in the central region with refreshed primary packaging. The Halida brand was relaunched in northern Vietnam with a new brand positioning, packaging and advertising support. In Laos, Beerlao continues to hold its strong market position, and we have seen promising results of the relaunch of the Beerlao Gold premium line extension.

Our Indian business continued its strong growth trend and delivered 37% organic volume growth in a market growing at an estimated mid-single-digit rate. The growth was mainly driven by very strong performance of Tuborg, which has now become the third-largest brand and the largest international premium brand in the country. Our market share in India now exceeds 10%.

Net revenue grew organically by 11% (Q3: +16%). Reported growth, including the consolidation of Chongqing Brewery Group and the negative impact from currencies in China, Laos, India, Malawi and Malaysia was 38% (Q3: +60%). Price/mix was +7% (Q3: +5%), with positive price/mix in most markets.

Operating profit increased by 7% organically (Q3: +12%) and 18% in reported terms (Q3: +37%) to DKK 1,699m. The organic growth was driven by the very positive price/mix, which resulted in double-digit organic gross profit growth, and income from a terminated licence agreement in Q2. The improvement in operating profit more than offset our investments in growth opportunities, such as the start-up in Myanmar, and investments in our local power brands and our international brand portfolio. Gross profit and operating profit margins declined as expected due to the consolidation of Chongqing Brewery Group, which has lower revenue per hl and lower margins than the regional average.

KEY FIGURES AND FINANCIAL RATIOS

DKK million	Q3 2014	Q3 2013	9 mths. 2014	9 mths. 2013	2013
SALES VOLUMES, GROSS (MILLION HL)					
Beer	37.6	38.6	105.3	108.4	138.7
Other beverages	6.2	5.8	17.4	16.4	21.5
SALES VOLUMES, PRO RATA (MILLION HL)					
Beer	34.3	32.7	96.3	92.8	119.7
Other beverages	5.6	5.3	16.0	15.0	19.7
INCOME STATEMENT					
Net revenue	18,120	17,419	50,178	49,181	64,350
Operating profit before special items	3,390	3,392	7,444	7,419	9,723
Special items, net	-94	-43	-218	-173	-435
Financial items, net	-299	-290	-1,013	-1,048	-1,506
Profit before tax	2,997	3,059	6,213	6,198	7,782
Corporation tax	-749	-738	-1,553	-1,501	-1,833
Consolidated profit	2,248	2,321	4,660	4,697	5,949
Attributable to:					
Non-controlling interests	145	113	414	353	478
Shareholders in Carlsberg A/S	2,103	2,208	4,246	4,344	5,471
Shareholders in Carlsberg A/S, adjusted[1]	2,184	2,245	4,422	4,474	5,772
STATEMENT OF FINANCIAL POSITION					
Total assets	-	-	148,819	146,946	149,993
Invested capital	-	-	116,340	116,734	119,000
Interest-bearing debt, net	-	-	34,308	31,014	34,636
Equity, shareholders in Carlsberg A/S	-	-	65,521	68,264	67,811

DKK million		Q3 2014	Q3 2013	9 mths. 2014	9 mths. 2013	2013
STATEMENT OF CASH FLOWS						
Cash flow from operating activities		3,114	3,222	5,986	6,151	8,142
Cash flow from investing activities		-1,144	-747	-3,375	-3,659	-8,038
Free cash flow		1,970	2,475	2,611	2,492	104
FINANCIAL RATIOS						
Operating margin	%	18.7	19.5	14.8	15.1	15.1
Return on average invested capital (ROIC)	%	-	-	8.3	7.9	8.1
Equity ratio	%	-	-	44.0	46.5	45.2
Debt/equity ratio (financial gearing)	x	-	-	0.49	0.43	0.49
Interest cover	x	-	-	7.35	7.08	6.46
STOCK MARKET RATIOS						
Earnings per share (EPS)	DKK	13.8	14.5	27.8	28.5	35.9
Earnings per share, adjusted (EPS-A)[1]	DKK	14.3	14.7	29.0	29.3	37.8
Cash flow from operating activities per share (CFPS)	DKK	20.4	21.1	39.2	40.3	53.4
Free cash flow per share (FCFPS)	DKK	12.9	16.2	17.1	16.3	0.7
Share price (B-shares)	DKK	-	-	524	568	600
Number of shares (period-end, excl. treasury shares)	1,000	-	-	152,536	152,547	152,533
Number of shares (average, excl. treasury shares)	1,000	152,536	152,550	152,536	152,550	152,548

[1] Adjusted for special items after tax.

STATEMENTS

INCOME STATEMENT

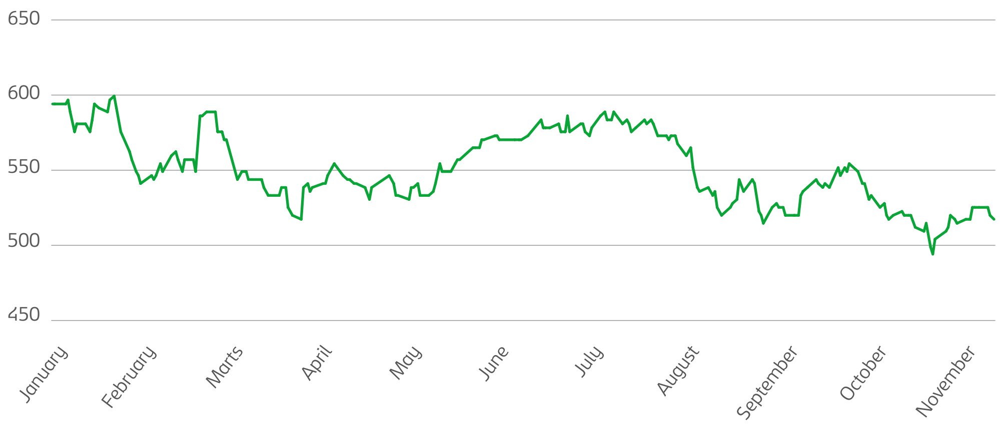
DKK million	Q3 2014	Q3 2013	9 mths. 2014	9 mths. 2013	2013
Net revenue	18,120	17,419	50,178	49,181	64,350
Cost of sales	-9,065	-8,511	-25,287	-24,828	-32,423
Gross profit	**9,055**	**8,908**	**24,891**	**24,353**	**31,927**
Sales and distribution expenses	-4,947	-4,589	-14,447	-13,927	-18,181
Administrative expenses	-981	-1,053	-3,597	-3,342	-4,415
Other operating activities, net	128	-18	256	17	22
Share of profit after tax, associates and joint ventures	135	144	341	318	370
Operating profit before special items	**3,390**	**3,392**	**7,444**	**7,419**	**9,723**
Special items, net	-94	-43	-218	-173	-435
Financial income	205	-96	466	714	717
Financial expenses	-504	-194	-1,479	-1,762	-2,223
Profit before tax	**2,997**	**3,059**	**6,213**	**6,198**	**7,782**
Corporation tax	-749	-738	-1,553	-1,501	-1,833
Consolidated profit	**2,248**	**2,321**	**4,660**	**4,697**	**5,949**
Attributable to:					
Non-controlling interests	145	113	414	353	478
Shareholders in Carlsberg A/S	2,103	2,208	4,246	4,344	5,471
DKK					
Earnings per share	13.8	14.5	27.8	28.5	35.9
Earnings per share, diluted	13.7	14.4	27.7	28.4	35.7

STATEMENT OF FINANCIAL POSITION

DKK million ASSETS	30 Sept. 2014	30 Sept. 2013	31 Dec. 2013
Intangible assets	87,577	86,500	91,196
Property, plant and equipment	32,079	29,748	32,377
Financial assets	7,163	11,067	6,963
Total non-current assets	**126,819**	**127,315**	**130,536**
Inventories and trade receivables	13,588	12,250	12,245
Other receivables etc.	5,054	4,097	3,626
Cash and cash equivalents	3,358	3,284	3,586
Total current assets	**22,000**	**19,631**	**19,457**
Total assets	**148,819**	**146,946**	**149,993**
EQUITY AND LIABILITIES			
Equity, shareholders in Carlsberg A/S	65,521	68,264	67,811
Non-controlling interests	3,938	3,231	3,675
Total equity	**69,459**	**71,495**	**71,486**
Borrowings	37,558	27,066	30,239
Deferred tax, retirement benefit obligations etc.	14,002	15,195	14,502
Total non-current liabilities	**51,560**	**42,261**	**44,741**
Borrowings	1,672	8,998	9,417
Trade payables	13,744	12,289	12,621
Deposits on returnable packaging	1,556	1,306	1,598
Other current liabilities	10,828	10,597	10,130
Total current liabilities	**27,800**	**33,190**	**33,766**
Total equity and liabilities	**148,819**	**146,946**	**149,993**

OVERVIEW

SHARE PRICE 2014 (DKK PER SHARE, CARLSBERG B)



PEOPLE NEWS

KAARE ZOFFMANN JESSEN

New General Manager, Chongqing Brewery Company

Kaare Zoffmann Jessen has been appointed General Manager of Chongqing Brewery Company. He comes from a position as General Manager, Southwest China. Kaare joined Carlsberg in 2005, initially in the Asian Procurement team. Later on, he led the integration in Thailand of the Carlsberg business and the sales and marketing joint venture with Singha Corporation.

FINANCIAL CALENDAR 2015

18 February	Financial statement as at 31 December 2014
26 March	Annual General Meeting
12 May	Interim results for Q1
19 August	Interim results for Q2
11 November	Interim results for Q3