

CARLSBERG CONCENTRATES PRODUCTION IN FREDERICIA

All the brewery activities in Valby, Copenhagen, with the exception of Jacobsen brewhouse, are being closed, while the brewery in Fredericia is being future-proofed and expanded at a cost of DKK 800 million into one of Europe's most modern and efficient. The headquarters of the Carlsberg Group and of Carlsberg Denmark, with a total of more than 800 employees, will remain in Valby. The protected and culturo-historical buildings will be preserved.

Carlsberg is now entering negotiations with employee representatives to bring together the production of beer at the brewery in Fredericia. DKK 800 million will be invested in building a new high-bay warehouse and modernising the brewery, which will be one of Europe's leading breweries in terms of quality and efficiency.

The production of speciality beers at the Jacobsen brewhouse will continue unchanged in Valby.

The Carlsberg Group and Carlsberg Denmark will still have their headquarters in Valby, and the famous historical buildings will not be affected by the plans. However, Carlsberg will now begin making plans for the future use of part of the 32-hectare site in Valby.

The moving of production will affect around 240 of the 1,050 employees at Carlsberg in Valby.

Production is expected to be brought together in the modernised brewery in Fredericia before the end of 2008 and will then give Carlsberg Denmark an annual efficiency gain after depreciation of around DKK 130 million with full effect from 2009.

"The brewery in Fredericia dates from 1979 and we need to renovate parts of the production apparatus in both Valby and Fredericia. We therefore want to combine production in Fredericia, where we have the opportunity to secure our future position in Denmark by making the production more efficient and further increasing the focus on quality," says Nils S. Andersen, CEO Carlsberg.

Capacity almost doubled in Fredericia

Carlsberg will be increasing its annual production capacity in Fredericia from 2.5m hl to 4.3m hl. A new brewhouse is being built, and the bottling plant is being expanded from four to seven beer lines. The new production apparatus takes into account that in recent years there has been a fall in sales of bottled beer in favour of canned beer.

New high-bay warehouse in Fredericia

Carlsberg will be building one of Denmark's largest high-bay warehouses in Fredericia with space for 60,000 pallets - or 56 million bottles of beer and soft drinks. The new high-bay warehouse will be fully integrated with production and storage facilities so that the bulk of internal transport will be automated.

Employee terms under negotiation

The terms for the employees who will be affected by the moving of production to Fredericia will be negotiated in the coming weeks with employee representatives.

The negotiations will take place in various committees and will cover a number of retention and redundancy schemes. There will be assistance with training/retraining, opportunities for placements in other jobs and financial support for employees who decide to move to Fredericia.

Carlsberg in Valby

Carlsberg's Valby site covers an area of 32 hectares or 320,000 m², of which 190,000 m² is used for production. When the number of employees peaked at the beginning of the 1970s, there were more than 5,000 employees in Valby. Automation of production and falling beer sales mean that today there are 180 brewery workers employed in Valby.

The closure of production will reduce the traffic load in Copenhagen; every year around 13,500 articulated lorries drive to and from the brewery in Valby.

Carlsberg Denmark will still have its headquarters in Valby for office workers in sales, marketing, HR and accounting. Some administrative functions are scheduled to be moved to Fredericia.

It is Carlsberg's intention to develop the surplus area in close collaboration with the local authorities. Carlsberg wants the architecture to be in harmony with protected buildings and gardens. As part of an overall plan for the site, established architects will be invited to draw up proposals for the site's use.

Site development and the selling off of part of the site are expected, over a longer-term period following closure, to provide a major source of revenue for Carlsberg.

The historical Carlsberg

The famous brewery houses and the historical buildings such as the Elephant Gate, the brewery, the museum, Carl's Villa, the Carlsberg Academy and approximately 20 other buildings that Danes consider to be of major cultural-historical merit, will not be affected by the plans to close production in Valby.

Descriptions of the buildings that can be found at Carlsberg today are given at <http://info.carlsberg.com/Info/Media/Pictures.htm>

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Carlsberg is one of the leading brewing groups in the world, with a large portfolio of beer and soft drinks brands. Its flagship brand – Carlsberg – is one of the fastest-growing and best-known beer brands in the world. More than 30,000 people work for Carlsberg at 92 local production sites in 48 countries, and its products are sold in more than 150 markets. In 2005 Carlsberg sold more than 100 million hectolitres of beer, which is about 83 million bottles of beer a day.

Find out more at www.carlsberg.com/info.