

Earnings expectations

PROTECTING EARNINGS AND INCREASING CASH FLOW IN 2009

As a result of the global economic downturn in the second half of 2008, business conditions are now tougher than our mid-year expectations. Carlsberg has therefore adjusted its business plans for 2009 to reflect lower visibility and greater uncertainty.

Although our long-term business strategy remains unchanged, action plans have been put in place to ensure that Carlsberg emerges from 2009 as an even stronger business.

2009 will demonstrate a sharp focus on increasing cash flow and protecting earnings, cost control, significantly reduced capital expenditure, and accelerated debt repayment.

Our focus on short-term planning and execution has increased. Consequently, should external factors develop more negatively than currently expected, Carlsberg will take the necessary actions to drive cash flow and protect earnings.

To ensure that Carlsberg delivers on the business plans in each market, and especially to protect against a less positive development in volumes and net revenue than originally planned, all local businesses have revised their business plans since end 2008 and worked intensively on implementing cost and capital expenditure reductions and on contingency planning.

The contingency plans are focused on further cost reductions to a high degree. Carlsberg also intends to benefit from the reduced costs within several categories of procured goods. Notwithstanding this Carlsberg will continue to drive brand growth through focused innovation, marketing support and

strong execution. Furthermore focus has been and will be on all initiatives that can increase free cash flow, such as improving working capital, and hereby reducing capital employed and net interest-bearing debt.

Our internal expectations are based on an updated budget reflecting the assumptions that we are currently using.

Developments in foreign exchange rates, especially the Russian rouble (RUB), are important to the results being reported in Danish kroner (DKK). The RUB has been devalued significantly since mid-2008. The guidance and expectations provided in this announcement are based on an assumption of an *average* EUR/RUB rate in 2009 of 47.

The expectations for 2009 are based on an assumption of contraction of the beer markets in Northern & Western Europe and largely flat beer markets in Eastern Europe (slightly declining in Russia). On this basis, and including other factors such as the above mentioned EUR/RUB rate, a rapid implementation of many cost initiatives in all markets throughout the Group, and in general our insights into our business as per today, we expect net revenue in 2009 to amount to c. DKK 63bn. Excluding effects from acquisitions/divestments net revenue in DKK is not expected to grow.

Operating profit is expected to grow to more than DKK 9bn, an increase of more than 12%.

Net profit is expected to grow to more than DKK 3.5bn.

Carlsberg reconfirms the previously stated financial targets to improve the operating margin to 14-16% in Northern & Western Europe and to 23-25% in Eastern Europe in the medium term.

EXPECTATIONS AND
RESULTS 2008 (DKKm)

		Net revenue		Operating profit, brewing activities		Operating profit, other activities	Carlsberg's share of profit
		Organic (DKK)	Total	Organic	Acquisitions		
19.02.2008	Actual (financial statements for 2007)	44,750		5,001		261	2,297
19.02.2008	Financial statement for 2007	~ +10%		~ 5,600		~ 300	~ +20%
05.08.2008	Q2 financial statement 2008	~ +10%	~ 62,000-63,000	~ 5,600	~ 2,200	~ 300	> 3,000
05.11.2008	Q3 financial statement 2008	~ +7%	~ 61,000	~ 5,400	~ 2,200	~ 300	~ 2,600-2,700
18.02.2009	Actual (financial statements for 2008)	+5%	59,944	5,223	2,382	374	2,631

Monetisation of redundant assets, including the Valby site, is not factored into the 2009 expectations

12%

Operating profit is expected to grow by more than 12% (to more than DKK 9bn).

Since the significant acquisition in 2008 part of Carlsberg's strategy has been to reduce debt. In the current environment, reducing the interest-bearing debt more rapidly than originally planned can benefit our shareholders. Initiatives to strengthen and improve working capital have been implemented. Consequently, operating capital expenditures for 2009 are expected to be less than DKK 3.75bn (DKK 5.3bn in 2008, exclusive of real estate projects).

The earnings and capital expenditure expectations lead to an expectation of free cash flow of more than DKK 6bn. Consequently, significant deleverage of the Group is expected to occur leading to a net interest-bearing debt to EBITDA ratio end 2009 of around 3. Monetisation of redundant assets, including the Valby site, is not factored into these expectations.

According to Carlsberg's banking documentation, Carlsberg should be at an adjusted net interest-bearing debt vs EBITDA end 2009 of no more than 4 (4.25 end June 2009). The adjustment adds around 0.17 to the ratio calculated using the reported numbers.