

# 128

## PARENT COMPANY CARLSBERG A/S

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## Income statement

DKK million	Note	2009	2008
Administrative expenses		-50	-44
Other operating income	3	130	322
Other operating expenses	3	-170	-151
<b>Operating profit</b>		<b>-90</b>	<b>127</b>
Financial income	4	154	1,332
Financial expenses	4	-177	-342
<b>Profit before tax</b>		<b>-113</b>	<b>1,117</b>
Corporation tax	5	27	-62
<b>Profit for the year</b>		<b>-86</b>	<b>1,055</b>
<b>Attributable to:</b>			
Dividend to shareholders		534	534
Reserves		-620	521
<b>Profit for the year</b>		<b>-86</b>	<b>1,055</b>
<b>DKK</b>			
<b>Earnings per share:</b>	6		
Earnings per share		-0.6	8.9
Earnings per share, diluted		-0.6	8.9

## Statement of comprehensive income

DKK million	Note	2009	2008
Profit for the year		-86	1,055
<b>Other comprehensive income:</b>			
Value adjustments of hedging instruments	24	-6	-26
Retirement benefit obligations	18	-2	-5
Other		-2	-
Tax on changes in other comprehensive income	5	2	18
<b>Other comprehensive income</b>		<b>-8</b>	<b>-13</b>
<b>Total comprehensive income</b>		<b>-94</b>	<b>1,042</b>

Fair value adjustments comprise changes in the fair value of hedging transactions that qualify for recognition as cash flow hedges and for which the hedged transaction has not yet been realised.

## Statement of financial position

### ASSETS

DKK million	Note	31 Dec. 2009	31 Dec. 2008
<b>Non-current assets:</b>			
Property, plant and equipment	9	1,429	1,418
Investments in subsidiaries	10	45,642	45,630
Investments in associates and joint ventures	11	-	-
Securities	12	9	7
Deferred tax assets	19	116	88
<b>Total non-current assets</b>		<b>47,196</b>	<b>47,143</b>
<b>Current assets:</b>			
Receivables from subsidiaries	13	1,876	6,731
Tax receivables		17	14
Other receivables	13	100	99
Cash and cash equivalents	14	33	124
<b>Total current assets</b>		<b>2,026</b>	<b>6,968</b>
Assets held for sale	15	308	10
<b>Total assets</b>		<b>49,530</b>	<b>54,121</b>

**EQUITY AND LIABILITIES**

DKK million	Note	31 Dec. 2009	31 Dec. 2008
<b>Equity:</b>			
Share capital	16	3,051	3,051
Reserves		-23	-18
Retained earnings		44,073	44,650
<b>Total equity</b>		<b>47,101</b>	<b>47,683</b>
<b>Non-current liabilities:</b>			
Borrowings	17	760	2,389
Retirement benefit obligations and similar obligations	18	25	27
Provisions	20	22	38
Other liabilities	21	175	175
<b>Total non-current liabilities</b>		<b>982</b>	<b>2,629</b>
<b>Current liabilities:</b>			
Borrowings	17	960	3,549
Trade payables		31	110
Provisions	20	12	-
Other liabilities etc.	21	444	149
<b>Total current liabilities</b>		<b>1,447</b>	<b>3,808</b>
Liabilities associated with assets held for sale	15	-	1
<b>Total liabilities</b>		<b>2,429</b>	<b>6,438</b>
<b>Total equity and liabilities</b>		<b>49,530</b>	<b>54,121</b>

## Statement of changes in equity

DKK million	Shareholders in Carlsberg A/S			2009
	Share capital	Hedging reserves	Retained earnings	Total equity
Equity at 1 January 2009	3,051	-18	44,650	47,683
Total comprehensive income for the year, cf. separate statement	-	-5	-89	-94
Acquisition/disposal of treasury shares	-	-	-6	-6
Share-based payment	-	-	6	6
Share-based payment to employees in subsidiaries	-	-	46	46
Dividends paid to shareholders	-	-	-534	-534
<b>Total changes in equity</b>	<b>-</b>	<b>-5</b>	<b>-577</b>	<b>-582</b>
Equity at 31 December 2009	3,051	-23	44,073	47,101

DKK million	Shareholders in Carlsberg A/S			2008
	Share capital	Hedging reserves	Retained earnings	Total equity
Equity at 1 January 2008	1,526	1	15,601	17,128
Total comprehensive income for the year, cf. separate statement	-	-19	1,061	1,042
Capital increase	1,525	-	28,413	29,938
Acquisition/disposal of treasury shares	-	-	2	2
Share-based payment	-	-	3	3
Share-based payment to employees in subsidiaries	-	-	28	28
Dividends paid to shareholders	-	-	-458	-458
<b>Total changes in equity</b>	<b>1,525</b>	<b>-19</b>	<b>29,049</b>	<b>30,555</b>
Equity at 31 December 2008	3,051	-18	44,650	47,683

The proposed dividend of DKK 3.50 per share, in total DKK 534m (2008: DKK 3.50 per share, in total DKK 534m), is included in retained earnings at 31 December 2009. Dividends paid out in 2009 for 2008 amount to DKK

534m (paid out in 2008 for 2007: DKK 458m), which is DKK 3.50 per share (2008: DKK 4.84 per share). Dividends paid out to shareholders in Carlsberg A/S do not impact taxable income in Carlsberg A/S.

## Statement of cash flows

DKK million	Note	2009	2008
Operating profit		-90	127
Adjustment for depreciation		15	13
<b>Operating profit before depreciation</b>		<b>-75</b>	<b>140</b>
Adjustment for other non-cash items	22	-45	-244
Change in working capital	22	406	-14
Interest etc. received		198	256
Interest etc. paid		-257	-328
Corporation tax paid		-3	24
<b>Cash flow from operating activities</b>		<b>224</b>	<b>-166</b>
Capital injections in subsidiaries		-1	-24,000
Loans to subsidiaries (2009: repayment)		4,724	-6,545
Loans to associates		-	143
Dividends from subsidiaries		-	800
Dividends from associates, joint ventures and securities		1	223
<b>Total financial investments</b>		<b>4,724</b>	<b>-29,379</b>
Other investments in property, plant and equipment		-454	-963
Disposal of other property, plant and equipment		181	863
<b>Total other activities<sup>1</sup></b>		<b>-273</b>	<b>-100</b>
<b>Cash flow from investing activities</b>		<b>4,451</b>	<b>-29,479</b>
<b>Free cash flow</b>		<b>4,675</b>	<b>-29,645</b>
Shareholders in Carlsberg A/S	22	-540	29,482
External financing	22	-4,128	169
<b>Cash flow from financing activities</b>		<b>-4,668</b>	<b>29,651</b>
<b>Net cash flow</b>		<b>7</b>	<b>6</b>
Cash and cash equivalents at 1 January <sup>2</sup>		-57	-63
<b>Cash and cash equivalents at 31 December<sup>2</sup></b>	14	<b>-50</b>	<b>-57</b>

<sup>1</sup> Other activities cover real estate and assets under construction, including costs of construction contracts.

<sup>2</sup> Cash and cash equivalents less bank overdrafts.

## Notes

### NOTE 1 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing Carlsberg A/S' financial statements, management makes various accounting estimates and assumptions which form the basis of recognition and measurement of the Company's assets and liabilities. The most significant accounting estimates and judgements for the Company are presented below. The most significant accounting estimates and judgements for the Carlsberg Group are presented in note 1 to the consolidated financial statements. The Company's accounting policies are described in detail in note 28.

#### Estimation uncertainty

Determining the carrying amount of some assets and liabilities requires judgements, estimates and assumptions concerning future events.

The judgements, estimates and assumptions made are based on historical experience and other factors, including assessments from advisors and specialists, which management assesses to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise.

The international economic downturn continued in 2009, causing fluctuations in interest and currency exchange rates, which had a derived effect on the general economic situation and led to uncertainties about future economic development. The impact on the business development and 2009 financials is described in the unaudited Management review, especially the sections describing the segment developments.

Assumptions about the future and estimation uncertainty at the end of the reporting period are described in the notes when there is a significant risk of changes that could result in material adjustments to the carrying amount of assets or liabilities within the next financial year.

**Investments in subsidiaries, joint ventures and associates.** Management performs an annual test for indications of impairment of investments in subsidiaries, joint ventures and associates. Impairment tests are conducted in the same way as for goodwill in the Carlsberg Group, cf. note 40 to the consolidated financial statements. It is management's assessment that no indications of impairment existed at year-end 2009, and impairment tests have therefore not been made of subsidiaries, joint ventures and associates.

**Deferred tax assets.** Carlsberg A/S recognises deferred tax assets, including the tax base of tax loss carryforwards, if management assesses that these tax assets can be offset against positive taxable income in the foreseeable future. This judgement is made annually and based on budgets and business plans for the coming years, including planned commercial initiatives.

A more detailed description of the Company's tax assets is presented in note 19.

#### Assessment in applied accounting policies

In applying the Group's accounting policies, management makes judgements which may significantly influence the amounts recognised in the financial statements.

Such judgements include the recognition of income from real estate projects.

**Recognition of real estate projects.** When entering into contracts, management makes judgements as to whether the individual real estate project is sufficiently modified for the percentage of completion method to apply. The majority of projects are accounted for using the sales method, under which gains on disposal of real estate are recognised when the real estate is transferred to the buyer. The selling price of real estate projects less production costs is recognised under other operating income.

### NOTE 2 FEES TO AUDITORS APPOINTED BY THE ANNUAL GENERAL MEETING

DKK million	2009	2008
KPMG:		
Statutory audit	1	1
Assurance engagements	-	9
Tax advisory	-	-
Other services	-	-

In 2008 assurance engagements mainly included fees for issuance of declaration and other services related to the capital increase in June 2008.

**NOTE 3** OTHER OPERATING INCOME AND EXPENSES

DKK million	2009	2008
<b>Other operating income:</b>		
Gains on disposal of real estate	48	245
Rental income, real estate	10	5
Funding from the Carlsberg Foundation for the operation of the Carlsberg Laboratory	14	11
Other, incl. grants received	58	61
<b>Total</b>	<b>130</b>	<b>322</b>
<b>Other operating expenses:</b>		
Real estate costs	-51	-36
Expenses relating to the Carlsberg Research Center	-103	-99
Other	-16	-16
<b>Total</b>	<b>-170</b>	<b>-151</b>
Of which staff costs, cf. note 7	-73	-85
<b>Recognised gains on construction contracts comprise:</b>		
Construction contract revenue for work performed during the year	-	184
Production costs	-	-107
<b>Total</b>	<b>-</b>	<b>77</b>

Gains on construction contracts are recognised under "Gains on disposal of real estate" and relate to a construction contract for owner-occupied property. The construction was delivered in 2008.

**NOTE 4** FINANCIAL INCOME AND FINANCIAL EXPENSES

## Financial items recognised in the income statement

DKK million	2009	2008
<b>Financial income:</b>		
Interest income	153	307
Dividends from subsidiaries	-	800
Dividends from associates	-	223
Other financial income	1	2
<b>Total</b>	<b>154</b>	<b>1,332</b>
Interest income relates to interest from cash and cash equivalents.		
<b>Financial expenses:</b>		
Interest expenses	-165	-335
Interest cost on obligations, defined benefit plans	-1	-1
Other financial expenses	-11	-6
<b>Total</b>	<b>-177</b>	<b>-342</b>
<b>Net financial items recognised in the income statement</b>	<b>-23</b>	<b>990</b>

Interest expenses primarily relate to interest on borrowings.

## Financial items recognised in other comprehensive income

DKK million	2009	2008
<b>Value adjustments of hedging instruments:</b>		
Cash flow hedging instruments, effective portion of changes in fair value	-6	-26
<b>Net financial items recognised in other comprehensive income</b>	<b>-6</b>	<b>-26</b>
<b>Total net financial items recognised in comprehensive income</b>	<b>-29</b>	<b>964</b>

**NOTE 5** CORPORATION TAX

DKK million	2009	2008
Tax for the year comprises:		
Change in deferred tax during the year	-27	46
Adjustments to tax for previous years	-2	-2
<b>Total tax for the year</b>	<b>-29</b>	<b>44</b>

Of which recognised in other comprehensive income:		
Deferred tax on items recognised in other comprehensive income	2	18
<b>Tax on profit for the year</b>	<b>-27</b>	<b>62</b>

Reconciliation of the effective tax rate for the year:		
Tax rate in Denmark	-25.0%	25.0%
Tax on partnerships	2.3%	5.0%
Adjustments to tax for previous years	-2.0%	-0.2%
Non-deductible expenses	1.1%	0.1%
Tax-free dividend	0.0%	-22.9%
Other	-0.4%	-1.5%
<b>Effective tax rate for the year</b>	<b>-24.0%</b>	<b>5.5%</b>

## Tax recognised in other comprehensive income:

DKK million	2009			2008		
	Recognised item before tax	Tax (expense) benefit	Net of tax	Recognised item before tax	Tax (expense) benefit	Net of tax
Hedging instruments	-6	1	-5	-26	16	-10
Retirement benefit obligations	-2	1	-1	-5	2	-3
Other	-2	-	-2	-	-	-
<b>Total</b>	<b>-10</b>	<b>2</b>	<b>-8</b>	<b>-31</b>	<b>18</b>	<b>-13</b>

DKK million	2009	2008
The change in deferred tax recognised in the income statement can be broken down as follows:		
Tax losses	-13	68
Property, plant and equipment etc.	-12	-4
<b>Deferred tax recognised in the income statement</b>	<b>-25</b>	<b>64</b>

**NOTE 6** EARNINGS PER SHARE

In 2008 the calculation of basic and diluted earnings per share was adjusted in accordance with IAS 33 Earnings per Share. The Standard requires that if the number of ordinary shares outstanding increases as a result of a bonus element in a rights issue to existing shareholders, the per share calculation

for the current and any prior periods presented shall be based on the new number of shares. The assumptions underlying the calculation of the adjustment of earnings per share are described in note 11 to the consolidated financial statements.

DKK million	2009	2008
Profit for the year	-86	1,055
<b>1,000 shares</b>		
Average number of shares	152,550	118,785
Average number of treasury shares	-7	-7
Average number of shares outstanding	152,543	118,778
Average dilutive effect of outstanding share options	34	-
<b>Diluted average number of shares outstanding</b>	<b>152,577</b>	<b>118,778</b>
<b>DKK</b>		
Earnings per share of DKK 20 (EPS)	-0.6	8.9
Diluted earnings per share of DKK 20 (EPS-D)	-0.6	8.9

Diluted earnings per share exclude from the calculation 145,298 share options (2008: 327,031) that do not have a dilutive effect since the sum of the

exercise price and the fair value of the options at the grant date was higher than the average market price of the Carlsberg B share for the year.

**NOTE 7** STAFF COSTS AND REMUNERATION OF THE SUPERVISORY BOARD, THE EXECUTIVE BOARD AND OTHER EXECUTIVE EMPLOYEES

DKK million	2009	2008
Salaries and other remuneration	80	91
Retirement benefit costs – defined contribution plans	7	6
Share-based payment	6	3
Other employee benefits	-	2
<b>Total</b>	<b>93</b>	<b>102</b>
<b>Staff costs are included in the following items in the income statement:</b>		
Administrative expenses	20	17
Other operating expenses	73	85
<b>Total</b>	<b>93</b>	<b>102</b>

The Company had an average of 134 (2008: 141) full-time employees during the year.

DKK million	2009		2008	
	Group Executive Board	Executive employees	Group Executive Board	Executive employees
<b>Remuneration of Group Executive Board and executive employees:</b>				
Salaries and other remuneration	30	4	27	6
Share-based payment	6	-	3	-
<b>Total</b>	<b>36</b>	<b>4</b>	<b>30</b>	<b>6</b>

Following the acquisition of part of the activities in S&N the salary to the Group Executive Board increased as of May 2008. The salary and other remuneration have not increased during 2009 and will not increase during 2010.

Remuneration of the Group Executive Board and executive employees is based on a fixed salary and cash bonus payments of up to 60% of the fixed salary and non-monetary benefits such as company car, telephone etc. Furthermore, share option programmes and incentive schemes are established for the Group Executive Board and executive employees. These programmes and schemes cover a number of years. The remuneration is specified in note 12 to the consolidated financial statements.

The remuneration of the Executive Board comprises the total remuneration of members of the Executive Board, some of which is paid by other entities in the Carlsberg Group.

Employment contracts for members of the Group Executive Board contain terms and conditions that are considered common to executive board members in Danish listed companies, including terms of notice and non-competition clauses.

Executive employees comprise non-Group Executive Board members who, directly or indirectly, have influence over and responsibility for planning, implementing and controlling the Group's activities.

The Supervisory Board of Carlsberg A/S received remuneration of DKK 6m (2008: DKK 6m) for duties performed in the Company and some subsidiaries. The remuneration is a fixed annual amount. The Supervisory Board is not included in share option programmes, retirement benefit plans and other schemes. No agreements have been entered into concerning termination benefits and no such payments were made.

**NOTE 8** SHARE-BASED PAYMENT

In 2009 a total of 64,100 (2008: 92,649) share options were granted to 4 (2008: 4) key employees. The grant date fair value of these options was a total of DKK 6m (2008: DKK 8m). The total cost of share-based payment was DKK 6m (2008: DKK 3m), which is recognised in the income statement under staff costs. Refunds etc. between Carlsberg A/S and its subsidiaries are recognised directly in equity.

To ensure that holders of share options receive the same nominal yield on a given increase in the share price after the capital increase in Carlsberg A/S in 2008, an adjustment was made to the share option programmes which existed at the time of the rights issue. The assumptions underlying the calculation of the adjustment of share options are described in notes 13 and 11 to the consolidated financial statements.

Grant year	Exercise year	Granted/		Expired/ forfeited	Exercised	Transferred	31 Dec. 2009	Number For exercise 31 Dec.	Exercise price Fixed	Fair value		
		1 Jan. 2009	grant adjusted							DKK per option	31 Dec. 2009	31 Dec. 2008
<b>Executive Board:</b>												
2001	2004-2009	9,105	-	-9,105	-	-	-	-	312.02		-	
2002	2005-2010	9,105	-	-	-	-	9,105	9,105	261.39	122.60	1	
2003	2006-2011	13,008	-	-	-	-	13,008	13,008	173.12	211.27	3	
2004	2007-2012	13,008	-	-	-	-	13,008	13,008	216.65	180.37	2	
2005	2008-2013	12,388	-	-	-	-	12,388	12,388	232.71	179.06	2	
2006	2009-2014	12,388	-	-	-	-	12,388	12,388	306.89	139.55	2	
2007	2010-2015	24,776	-	-	-	-	24,776	-	472.11	111.82	3	
2008	2011-2016	89,552	-	-	-	-	89,552	-	490.55	136.10	12	
2009	2012-2017		60,000	-	-	-	60,000	-	203.50	237.37	14	
<b>Total</b>		<b>183,330</b>	<b>60,000</b>	<b>-9,105</b>	<b>-</b>	<b>-</b>	<b>234,225</b>	<b>59,897</b>			<b>39</b>	<b>5</b>
<b>Key management personnel:</b>												
2001	2004-2009	1,332	-	-1,332	-	-	-	-	312.02		-	
2002	2005-2010	3,902	-	-	-	-	-3,902	-	261.39	122.60	-	
2003	2006-2011	5,853	-	-	-	-	-5,853	-	173.12	211.27	-	
2004	2007-2012	1,951	-	-	-	-	-1,951	-	216.65	180.37	-	
2005	2008-2013	2,271	-	-	-	-	-2,271	-	232.71	179.06	-	
2006	2009-2014	2,684	-	-	-	-	-2,684	-	306.89	139.55	-	
2007	2010-2015	3,097	-	-	-	-	-1,239	1,858	472.11	111.82	-	
2008	2011-2016	3,097	-	-	-	-	-1,239	1,858	490.55	136.10	-	
2009	2012-2017		4,100	-	-	-	-1,600	2,500	203.50	237.37	1	
<b>Total</b>		<b>24,187</b>	<b>4,100</b>	<b>-1,332</b>	<b>-</b>	<b>-20,739</b>	<b>6,216</b>	<b>-</b>			<b>1</b>	<b>-</b>
<b>Retired employees:</b>												
2001	2004-2009	9,105	-	-9,105	-	-	-	-	312.02		-	
2002	2005-2010	9,105	-	-	-	-	3,902	13,007	261.39	122.60	2	
2003	2006-2011	13,008	-	-	-	-	5,853	18,861	173.12	211.27	4	
2004	2007-2012	20,162	-	-	-	-	1,951	22,113	216.65	180.37	4	
2005	2008-2013	18,582	-	-	-	-	2,271	20,853	232.71	179.06	4	
2006	2009-2014	24,776	-	-	-	-	2,684	27,460	306.89	139.55	4	
2007	2010-2015	24,776	-	-	-	-	1,239	26,015	472.11	111.82	3	
2008	2011-2016	-	-	-	-	-	1,239	1,239	490.55	136.10	-	
2009	2012-2017		-	-	-	-	1,600	1,600	203.50	237.37	-	
<b>Total</b>		<b>119,514</b>	<b>-</b>	<b>-9,105</b>	<b>-</b>	<b>20,739</b>	<b>131,148</b>	<b>102,294</b>			<b>21</b>	<b>2</b>
<b>Total</b>		<b>327,031</b>	<b>64,100</b>	<b>-19,542</b>	<b>-</b>	<b>-</b>	<b>371,589</b>	<b>162,191</b>			<b>61</b>	<b>7</b>

**NOTE 8** SHARE-BASED PAYMENT

	2009					2008				
	Group Executive Board	Executive employees	Resigned	Total	Average exercise price	Group Executive Board	Executive employees	Resigned	Total	Average exercise price
Share options outstanding at 1 January	183,330	24,187	119,514	327,031	352.48	93,778	21,090	119,514	234,382	297.91
Granted	60,000	4,100	-	64,100	203.50	89,552	3,097	-	92,649	490.55
Expired/forfeited	-9,105	-1,332	-9,105	-19,542	312.02	-	-	-	-	-
Transferred	-	-20,739	20,739	-	256.83	-	-	-	-	-
Share options outstanding at 31 December	234,225	6,216	131,148	371,589	328.91	183,330	24,187	119,514	327,031	352.48
Exercisable at 31 December	59,897	-	102,294	162,191	239.66	44,226	13,039	51,380	108,645	230.74

No share options were exercised in 2008 or 2009.

The assumptions underlying the calculation of the fair value of share options are described in note 13 to the consolidated financial statements.

At 31 December 2009 the exercise price for outstanding share options was in the range DKK 173.12 to DKK 490.55 (2008: DKK 173.12 to DKK 490.55). The average remaining contractual life was 4.6 years (2008: 4.8 years).

**NOTE 9** PROPERTY, PLANT AND EQUIPMENT

DKK million	2009				
	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Construction in progress	Total
<b>Cost:</b>					
Cost at 1 January 2009	852	106	4	899	1,861
Additions	63	-	-	393	456
Disposals	-26	-7	1	-119	-151
Transfers	721	3	1	-725	-
Transfer to/from assets held for sale	-307	-	-	-	-307
<b>Cost at 31 December 2009</b>	<b>1,303</b>	<b>102</b>	<b>6</b>	<b>448</b>	<b>1,859</b>
<b>Depreciation and impairment losses:</b>					
Depreciation and impairment losses at 1 January 2009	343	98	3	-	444
Disposals	-21	-8	-	-	-29
Depreciation	8	6	1	-	15
<b>Depreciation and impairment losses at 31 December 2009</b>	<b>330</b>	<b>96</b>	<b>4</b>	<b>-</b>	<b>430</b>
<b>Carrying amount at 31 December 2009</b>	<b>973</b>	<b>6</b>	<b>2</b>	<b>448</b>	<b>1,429</b>
Carrying amount of assets pledged as security for loans	969	-	-	448	1,385

Depreciation is included in Administrative expenses.

**NOTE 9** PROPERTY, PLANT AND EQUIPMENT – CONTINUED

DKK million					2008
	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Construction in progress	Total
<b>Cost:</b>					
Cost at 1 January 2008	603	103	7	489	1,202
Additions	355	-	-	608	963
Disposals	-92	-	-2	-195	-289
Transfers	-	3	-	-3	-
Transfer to/from assets held for sale	-14	-	-	-	-14
<b>Cost at 31 December 2008</b>	<b>852</b>	<b>106</b>	<b>5</b>	<b>899</b>	<b>1,862</b>
<b>Depreciation and impairment losses:</b>					
Depreciation and impairment losses at 1 January 2008	371	92	6	-	469
Disposals	-31	-	-3	-	-34
Depreciation	7	6	-	-	13
Transfer to/from assets held for sale	-4	-	-	-	-4
<b>Depreciation and impairment losses at 31 December 2008</b>	<b>343</b>	<b>98</b>	<b>3</b>	<b>-</b>	<b>444</b>
<b>Carrying amount at 31 December 2008</b>	<b>509</b>	<b>8</b>	<b>2</b>	<b>899</b>	<b>1,418</b>
Carrying amount of assets pledged as security for loans	506	-	-	899	1,405

**NOTE 10** INVESTMENTS IN SUBSIDIARIES

DKK million	2009	2008
<b>Cost:</b>		
Cost at 1 January	45,630	21,514
Additions	1	24,000
Share-based payment to employees in subsidiaries	11	116
<b>Cost at 31 December</b>	<b>45,642</b>	<b>45,630</b>
<b>Carrying amount at 31 December</b>	<b>45,642</b>	<b>45,630</b>

The carrying amount includes goodwill of DKK 11,207m (2008: DKK 11,207m) on acquisition of subsidiaries.

Share-based payment to employees in subsidiaries comprises exercised as well as outstanding share options.

**NOTE 11** INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

DKK million	2009	2008
<b>Cost:</b>		
Cost at 1 January	-	-
Additions	-	-
Disposals	-	-
<b>Cost at 31 December</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 31 December</b>	<b>-</b>	<b>-</b>

The dividends received from associates and joint ventures exceed the original investments.

**NOTE 12 SECURITIES**

DKK million	2009	2008
Unlisted shares	9	7

Shares in unlisted entities comprise a number of small holdings. These assets are not recognised at fair value as the fair value cannot be calculated on an objective basis. Instead the assets are recognised at cost.

No shares in unlisted entities were disposed of during 2009 or 2008.

**NOTE 13 RECEIVABLES**

DKK million	2009	2008
<b>Receivables by origin:</b>		
Loans to subsidiaries	1,864	6,588
Receivables from subsidiaries	12	143
Other receivables	100	99
<b>Total</b>	<b>1,976</b>	<b>6,830</b>
<b>%</b>	<b>2009</b>	<b>2008</b>
<b>Average effective interest rates:</b>		
Loans to subsidiaries	5.4	5.4

Loans to subsidiaries have decreased compared to 2008 due to repayment of loans from Carlsberg Breweries A/S.

The fair value of receivables in all material respects corresponds to the carrying amount.

**NOTE 14 CASH AND CASH EQUIVALENTS**

DKK million	2009	2008
Cash at bank and in hand	33	124
<b>Total</b>	<b>33</b>	<b>124</b>
<b>In the statement of cash flows, bank overdrafts are offset against cash and cash equivalents as follows:</b>		
Cash and cash equivalents	33	124
Bank overdrafts	-83	-181
<b>Cash and cash equivalents, net</b>	<b>-50</b>	<b>-57</b>

**NOTE 15** ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

DKK million	2009	2008
Assets held for sale comprise the following individual assets:		
Property, plant and equipment	308	10
<b>Total</b>	<b>308</b>	<b>10</b>
Liabilities associated with assets held for sale:		
Deferred tax	-	1
<b>Total</b>	<b>-</b>	<b>1</b>

At 31 December 2009, assets held for sale primarily comprise an office building from the real estate development of the former Tuborg site in Hellerup, Denmark. Sales agreements have been entered into in relation to the asset and sale will take place in 2010.

**NOTE 16** SHARE CAPITAL

	Class A shares		Class B shares		Total share capital	
	Shares of DKK 20	Nominal value, DKK '000	Shares of DKK 20	Nominal value, DKK '000	Shares of DKK 20	Nominal value, DKK '000
1 January 2008	33,699,252	673,985	42,579,151	851,583	76,278,403	1,525,568
Share capital increase			76,278,403	1,525,568	76,278,403	1,525,568
<b>31 December 2008</b>	<b>33,699,252</b>	<b>673,985</b>	<b>118,857,554</b>	<b>2,377,151</b>	<b>152,556,806</b>	<b>3,051,136</b>
No change in 2009	-	-	-	-	-	-
<b>31 December 2009</b>	<b>33,699,252</b>	<b>673,985</b>	<b>118,857,554</b>	<b>2,377,151</b>	<b>152,556,806</b>	<b>3,051,136</b>

A shares carry ten votes per DKK 10 share. B shares carry one vote per DKK 10 share. A preferential right to an 8% non-cumulative dividend is attached to B shares. Apart from dividends, all shares rank equally.

In June 2008 Carlsberg A/S carried out a capital increase by issuing 76,278,403 new class B shares with a nominal value of DKK 20 at a price of DKK 400. The nominal share capital increase amounted to DKK 1,525,568 thousand and the total proceeds from the share capital increase less costs incurred were DKK 29,938m.

	Treasury shares		
	Shares of DKK 20	Nominal value, DKKm	Percentage of share capital
1 January 2008	32,762	-	0.0%
Acquisition of treasury shares	37,283	1	0.0%
Used to settle share options	-66,769	-1	0.0%
<b>31 December 2008</b>	<b>3,276</b>	<b>-</b>	<b>0.0%</b>
1 January 2009	3,276	-	0.0%
Acquisition of treasury shares	49,000	1	0.0%
Used to settle share options	-48,804	-1	0.0%
<b>31 December 2009</b>	<b>3,472</b>	<b>-</b>	<b>0.0%</b>

At 31 December 2009 the fair value of treasury shares amounted to DKK 1m (2008: DKK 1m).

The Annual General Meeting has authorised the Supervisory Board to acquire treasury shares of a total nominal amount of 10% of the Company's share capital in the period up to the next Annual General Meeting.

In the financial year the Company acquired class B treasury shares of a nominal amount of DKK 1m (2008: DKK 1m) at an average price of DKK

382 (2008: DKK 500), corresponding to a purchase price of DKK 19m (2008: DKK 20m). Class B treasury shares are primarily acquired to facilitate settlement of share option schemes. The Company holds no class A shares.

In the financial year the Company disposed of class B treasury shares at a total price of DKK 13m (2008: DKK 20m). The disposal was made in connection with settlement of share options.

**NOTE 17** BORROWINGS

DKK million	2009	2008
<b>Non-current borrowings:</b>		
Mortgages	742	735
Bank borrowings	-	1,649
Other non-current borrowings	18	5
<b>Total</b>	<b>760</b>	<b>2,389</b>
<b>Current borrowings:</b>		
Current portion of other non-current borrowings	-	2,499
Bank borrowings	83	181
Borrowings from subsidiaries	877	869
<b>Total</b>	<b>960</b>	<b>3,549</b>
<b>Total non-current and current borrowings</b>	<b>1,720</b>	<b>5,938</b>
Fair value	1,722	5,888

Other non-current borrowings include employee bonds of DKK 18m (2008: DKK 5m).

Borrowings are measured at amortised cost with the exception of two fixed-rate mortgages swapped to floating rates which are measured at fair value. The carrying amount of these borrowings is DKK 362m (2007: DKK 356m).

## Time to maturity for non-current borrowings

DKK million						2009
	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	-	-	-	5	13	18
Mortgages	-	-	-	-	742	742
Bank borrowings	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>755</b>	<b>760</b>

  

DKK million						2008
	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	-	-	-	-	5	5
Mortgages	-	-	-	-	735	735
Bank borrowings	-	1,649	-	-	-	1,649
<b>Total</b>	<b>-</b>	<b>1,649</b>	<b>-</b>	<b>-</b>	<b>740</b>	<b>2,389</b>

## Interest rate risk on non-current borrowings at 31 December 2009

DKK million					2009	Interest rate risk
	Interest rate	Average effective interest rate	Fixed for	Carrying amount		
<b>Mortgages:</b>						
Floating-rate	Floating	1.95%	0-1 year	370	Cash flow	
Fixed-rate	Fixed	4.95%	2-10 years	372	Fair value	
<b>Total mortgage</b>		<b>3.45%</b>		<b>742</b>		

The floating-rate mortgages comprise three mortgages with a maturity time of more than five years. Two loans (total DKK 370m) were originally at fixed rates but were swapped to floating rates. The loans are adjusted to fair value through the income statement. The total fair value adjustment of borrowings and swaps is DKK -8m and DKK 8m respectively (2008: DKK -7m and DKK 7m respectively).

A floating-rate mortgage of DKK 372m is swapped to a fixed rate. Time to maturity is more than 5 years.

**NOTE 17** BORROWINGS – CONTINUED

2009

Currency profile of borrowings before and after derivative financial instruments

Next repricing (of principal before currency swaps)

DKK million	Original principal	Effect of swap	After swap	2010	2011	2012	2013	2014	2015-
	1,720	-	1,720	1,330	-	-	-	5	385

Interest rate risk on non-current borrowings at 31 December 2008

2008

DKK million	Interest rate	Average effective interest rate	Fixed for	Carrying amount	Interest rate risk
<b>Issued bonds:</b>					
DKK 2,500m maturing 4 June 2009	Fixed	4.88%	1-2 years	2,499	Fair value
<b>Total issued bonds</b>		<b>4.88%</b>		<b>2,499</b>	
<b>Mortgages:</b>					
Floating-rate	Floating	4.06%	0-1 year	362	Cash flow
Fixed-rate	Fixed	4.95%	2-10 years	373	Fair value
<b>Total mortgages</b>		<b>4.38%</b>		<b>735</b>	

The floating-rate mortgages comprise three mortgages with a time to maturity of more than five years. The loans were originally at fixed rates but were swapped to floating rates. The loans were adjusted to fair value through the income statement. The total fair value adjustment of borrowings and swaps was DKK 0m (DKK 7m and DKK -7m respectively).

A floating-rate mortgage of DKK 373m is swapped to a fixed rate. Time to maturity is more than 5 years.

2008

Currency profile of borrowings before and after derivative financial instruments

Next repricing (of principal before currency swaps)

DKK million	Original principal	Effect of swap	After swap	2009	2010	2011	2012	2013	2014-
	5,938	-	5,938	5,561	-	-	-	-	377

Financial risk comprises the interest rate risk on non-current borrowings at fixed rates. This risk relates primarily to issued bonds of DKK 2,500m

maturing in June 2009. Of the total non-current borrowings of DKK 2,390m, DKK 377m are at fixed rates. There is no foreign exchange risk.

**NOTE 18** RETIREMENT BENEFIT OBLIGATIONS AND SIMILAR OBLIGATIONS

Retirement benefit obligations and similar obligations comprise payments to retired directors that are not covered by an insurance company. The plan is unfunded.

DKK million	2009	2008
<b>Changes in obligations:</b>		
Total obligations at 1 January	27	29
Interest cost	1	1
Actuarial losses	2	5
Benefits paid	-5	-8
<b>Total obligations at 31 December</b>	<b>25</b>	<b>27</b>
<b>Assumptions applied:</b>		
Discount rate	2.0%	2.0%
Future retirement benefit increases	3.5%	3.5%
<b>Recognised in the income statement:</b>		
Interest cost on obligations	1	1
<b>Total recognised in the income statement</b>	<b>1</b>	<b>1</b>
<b>Recognised in other comprehensive income:</b>		
Recognised at 1 January	-29	-24
Actuarial gains/losses	-2	-5
<b>Recognised at 31 December</b>	<b>-31</b>	<b>-29</b>

DKK million	2009	2008	2007	2006	2005
<b>Five-year overview:</b>					
Unfunded obligations	25	27	29	28	24
Experience adjustments to obligations	-	-	-1	-1	-1

**NOTE 19** DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

DKK million	2009	2008
Deferred tax at 1 January, net	88	168
Joint taxation contribution	-	-37
Adjustments to previous years	-	2
Recognised in other comprehensive income	2	18
Recognised in the income statement	27	-64
	117	87
Of which transferred to liabilities associated with assets held for sale	-1	1
<b>Deferred tax at 31 December, net</b>	<b>116</b>	<b>88</b>
<b>Specified as follows:</b>		
Deferred tax liabilities	-	-
Deferred tax assets	116	88
<b>Deferred tax at 31 December, net</b>	<b>116</b>	<b>88</b>

**NOTE 19** DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES – CONTINUED

## Specification of deferred tax assets and liabilities at 31 December

DKK million	Deferred tax assets		Deferred tax liabilities	
	2009	2008	2009	2008
Property, plant and equipment	46	1	4	1
Provisions and retirement benefit obligations	17	24	-	2
Tax losses etc.	58	65	-	-
<b>Total before set-off</b>	<b>121</b>	<b>90</b>	<b>4</b>	<b>3</b>
Set-off	-4	-3	-4	-3
<b>Total after set-off</b>	<b>117</b>	<b>87</b>	<b>-</b>	<b>-</b>
Transferred to assets held for sale	-1	1	-	-
<b>Deferred tax assets and liabilities at 31 December</b>	<b>116</b>	<b>88</b>	<b>-</b>	<b>-</b>
Expected to be used as follows:				
Within 12 months after the end of the reporting period	39	65	-	-
More than 12 months after the end of the reporting period	77	23	-	-
<b>Total</b>	<b>116</b>	<b>88</b>	<b>-</b>	<b>-</b>

Of the total deferred tax assets recognised, DKK 52m (2008: DKK 65m) relates to tax loss carryforwards, the utilisation of which depends on future positive taxable income exceeding the realised deferred tax liabilities.

**NOTE 20** PROVISIONS

Provisions primarily comprise warranty provisions regarding real estate disposed of and provisions for ongoing disputes and lawsuits etc.

DKK million	2009	2008
Provisions at 1 January	38	35
Additional provisions recognised	8	3
Used during the year	-11	-
Reversal of unused provisions	-1	-
<b>Provisions at 31 December</b>	<b>34</b>	<b>38</b>

Of provisions DKK 12m is falling due within one year and DKK 0m after more than five years from the end of the reporting period.

**NOTE 21** OTHER LIABILITIES ETC.

DKK million	2009	2008
Other liabilities are recognised in the statement of financial position as follows:		
Non-current liabilities	175	175
Current liabilities	444	149
<b>Total</b>	<b>619</b>	<b>324</b>
Other liabilities by origin:		
Staff costs payable	17	14
Interest payable	-	82
Fair value of hedging instruments	31	25
Deferred income	347	5
Other	224	198
<b>Total</b>	<b>619</b>	<b>324</b>

**NOTE 22 CASH FLOWS**

DKK million	2009	2008
<b>Adjustment for other non-cash items:</b>		
Gains on disposal of property, plant and equipment and intangible assets, net	-48	-246
Other non-cash adjustments	3	2
<b>Total</b>	<b>-45</b>	<b>-244</b>
<b>Change in working capital:</b>		
Receivables	120	22
Trade payables and other liabilities	298	-31
Retirement benefit obligations and other provisions	-12	-5
<b>Total</b>	<b>406</b>	<b>-14</b>
<b>Shareholders in Carlsberg A/S:</b>		
Increase of share capital	-	29,938
Dividends to shareholders	-534	-458
Acquisition of treasury shares	-19	-20
Disposal of treasury shares	13	22
<b>Total</b>	<b>-540</b>	<b>29,482</b>
<b>External financing:</b>		
Proceeds from issue of bonds	13	5
Debt institutions, long-term	-4,150	1,649
Intercompany loans, short-term	9	-1,661
Other financing liabilities	-	176
<b>Total</b>	<b>-4,128</b>	<b>169</b>

**NOTE 23 SPECIFICATION OF NET INTEREST-BEARING DEBT**

DKK million	2009	2008
<b>Net interest-bearing debt is calculated as follows:</b>		
Non-current borrowings	760	2,389
Current borrowings	960	3,549
<b>Gross interest-bearing debt</b>	<b>1,720</b>	<b>5,938</b>
Cash and cash equivalents	-33	-124
Loans to subsidiaries	-1,864	-6,588
<b>Net interest-bearing debt</b>	<b>-177</b>	<b>-774</b>
<b>Changes in net interest-bearing debt:</b>		
Net interest-bearing debt at 1 January	-774	5,473
Cash flow from operating activities	-224	166
Cash flow from investing activities	-4,451	29,573
Dividends to shareholders	534	458
Acquisition/disposal of treasury shares	6	-2
Change in interest-bearing lending	4,724	-6,497
Proceeds from capital increase, net	-	-29,938
Other	8	-7
<b>Total change</b>	<b>597</b>	<b>-6,247</b>
<b>Net interest-bearing debt at 31 December</b>	<b>-177</b>	<b>-774</b>

**NOTE 24** FINANCIAL INSTRUMENTS

The fair value of financial instruments is calculated on the basis of observable market data using generally accepted methods. Both external valuation reports and internally calculated fair values based on discounting of cash flows are used. Where internally calculated fair values are applied, these are tested against external market valuations on a quarterly basis.

**Fair value hedge**

Changes in the fair value of financial instruments used as fair value hedges are recognised in the income statement. In Carlsberg A/S interest rate swaps are used to swap fixed-rate mortgages to floating rate. Foreign exchange adjustments of both financial instruments and underlying loans are recognised in the income statement. This had no net effect on the profit.

DKK million	2009	2008
Recognised in the income statement:		
Interest rate instruments	7	7
<b>Total</b>	<b>7</b>	<b>7</b>

**Cash flow hedge**

A negative fair value of an interest rate swap is recognised in other comprehensive income in accordance with the hedge accounting rules for cash flow hedges. The swap was entered into in December 2007 and hedges against the floating rate on a mortgage. The swap matures in 2017.

DKK million	2009	2008
Recognised in other comprehensive income:		
Interest rate instruments	-6	-26
<b>Total</b>	<b>-6</b>	<b>-26</b>

DKK million		2009		2008	
		Positive	Negative	Positive	Negative
<b>Fair value of financial instruments:</b>					
Cash flow hedge	Interest rate	-	-31	-	-25
Fair value hedge	Interest rate	8	-	1	-
<b>Total</b>		<b>8</b>	<b>-31</b>	<b>1</b>	<b>-25</b>

**NOTE 25** RELATED PARTY DISCLOSURES

**Related parties exercising control.** The Carlsberg Foundation, H.C. Andersens Boulevard 35, 1553 Copenhagen V, Denmark, holds 30.3% of the shares and 72.9% of the voting power in Carlsberg A/S, excluding treasury shares. The Foundation participated in the capital increase in June 2008. Apart from this and dividends and grants, cf. note 3, no transactions were carried out with the Carlsberg Foundation during the year.

**Related parties exercising significant influence.** During the year, the Group was not involved in any transactions with major shareholders, members of the Supervisory Board, members of the Executive Board, other executive employees, or companies outside the Carlsberg Group in which these parties have interests.

**Associates.** Dividends of DKK 0m (2008: DKK 223m) were received from associates.

DKK million	2009	2008
<b>The income statement and statement of financial position include the following transactions with associates:</b>		
Interest income	-	12
Receivables	12	12
Trade payables	-	1

No losses on loans to or receivables from associates were recognised or provided for in either 2009 or 2008.

**Subsidiaries.** Dividends of DKK 0m (2008: DKK 800m) were received from subsidiaries.

DKK million	2009	2008
<b>The income statement and statement of financial position include the following transactions with subsidiaries:</b>		
Other operating income	45	48
Other operating costs	16	14
Interest income	19	251
Interest expenses	118	51
Loans	1,876	6,588
Receivables	-	99
Capital increase	-	24,000
Trade payables	21	23
Borrowings	878	869

**NOTE 26** CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Carlsberg A/S has issued guarantees for loans etc. of DKK 804m (2008: DKK 551m) raised by subsidiaries.

Carlsberg A/S is jointly registered for Danish VAT and excise duties with Carlsberg Breweries A/S, Carlsberg Danmark A/S and various other minor Danish subsidiaries, and is jointly and severally liable for payment of VAT and excise duties.

Carlsberg A/S is party to certain lawsuits, disputes etc. of various sizes. In management's opinion, apart from as recognised in the statement of financial position or disclosed in the Annual Report, the outcome of these lawsuits, disputes etc. will not have a material negative effect on the Company's financial position.

**Capital commitments**

DKK million	2009	2008
Capital commitments which at the end of the reporting period are agreed to be made at a later date and therefore not recognised in the consolidated financial statements:		
Property, plant and equipment and construction contracts	32	-
<b>Total</b>	<b>32</b>	<b>-</b>

Carlsberg A/S has entered into an operating lease relating to transport equipment. The lease contains no special purchase rights etc. Future lease payments are less than DKK 1m (2008: DKK 1m). Operating lease payments

recognised in the income statement in 2009 are DKK 1m (2008: less than DKK 1m).

**NOTE 27** EVENTS AFTER THE REPORTING PERIOD

Apart from the events recognised or disclosed in the financial statements, no events have occurred after the reporting period of importance to the financial statements.

**NOTE 28** ACCOUNTING POLICIES

The 2009 financial statements of Carlsberg A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports, cf. the statutory order pursuant to the Danish Financial Statements Act.

In addition, the financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the IASB.

The financial statements are presented in Danish kroner (DKK million), which is the functional currency.

The accounting policies for the Parent Company are the same as for the Carlsberg Group, cf. note 40 to the consolidated financial statements, with the exception of the items below.

**Income statement****Dividends on investments in subsidiaries, joint ventures and associates.**

Dividends on investments in subsidiaries, joint ventures and associates are recognised as income in the income statement of the Parent Company in the financial year in which the dividend is declared.

**Financial income and financial expenses.** Foreign exchange adjustments of balances with foreign entities which are considered part of the total net investment in the entity are recognised in the income statement of the Parent Company.

**Tax on profit/loss for the year.** Tax on profit/loss for the year comprises profit/loss from real estate partnerships (associates), as these are not individually taxed but included in taxable income of the partners. In addition, tax on profit/loss and deferred tax is calculated and recognised as described in note 40 to the consolidated financial statements.

**Statement of financial position**

**Investments in subsidiaries, joint ventures and associates.** Investments in subsidiaries, joint ventures and associates are measured at the lower of cost or recoverable amount.

**Share-based payment to employees in subsidiaries.** The value of granted equity-settled share options to employees in the Parent Company's subsidiaries is recognised in investments in subsidiaries as the services rendered in exchange for the options are received in the subsidiaries, with a set-off directly against equity.

The difference between the purchase price and the sales price for the exercise of equity-settled share options by employees in subsidiaries is settled between Carlsberg A/S and the individual subsidiary, with a set-off directly against investments in subsidiaries.

The difference at the end of the reporting period between the fair value of the Parent Company's equity instruments and the exercise price of outstanding equity-settled share options is recognised as a receivable in Carlsberg A/S, with a set-off directly against investments in subsidiaries.

Equity-settled share options granted to the Parent Company's own employees are recognised and measured in accordance with the accounting policies used by the Carlsberg Group, cf. note 40 to the consolidated financial statements for a description of accounting policies.