

NEWS

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CEO statement

**STRONG PROFIT
GROWTH**

2009 was a challenging year for Carlsberg and the global brewing industry. The global economy affected consumer behaviour negatively and overall beer market volumes declined. While the Asian markets were less affected by the crisis, the Northern & Western European and, in particular, the Eastern European markets were materially impacted. Although consumers reduced their consumption, they remained loyal to their favourite brands leading to a positive price/mix across many markets. This occurred despite the negative channel mix from on-trade to off-trade.

Carlsberg was well prepared entering 2009. In late 2008 and early 2009 the Group implemented and accelerated numerous efficiency improvement initiatives to protect earnings and improve cash flow and as a result was able to mitigate the impact from the declining markets. Carlsberg delivered a strong operating profit improvement, improved overall market shares and delivered a very substantial free cash flow improvement.

A busy agenda

In early 2009, Carlsberg integrated its global R&D, innovation, sales and marketing activities into one organisation. The goal is to expand and focus the innovation process driving key concepts across more markets more quickly so as to accelerate revenue growth and gain volume and value shares in all regions. As part of these efforts Carlsberg will evolve and develop brand positions and portfolio structure. Several product launches took place in 2009, key events being the relaunch of the 1664 and Kronenbourg brands in France and the kvass Khlebny Krai launch in Russia. In China, Carlsberg Light was launched targeting the restaurant sector, and Somersby Cider was rolled out across new markets in Northern & Western Europe.



We were well prepared entering 2009 and as a result we were able to mitigate the impact from challenging markets and thereby deliver earnings growth and significant cash flow.

Driven by Carlsberg's ambition to improve efficiency, several structural initiatives were carried out in 2009. The Norwegian Arendal brewery was sold, the Finnish Pori brewery was closed, the German Braunschweig brewery with its fighter brand activities was divested, Carlsberg entered into a distribution cooperation with the Nordmann Group in Germany and it was decided to close the Leeds brewery in 2011. Carlsberg also signed two Memoranda of Understanding with the aim of increasing its shareholdings in the Habeco and Hué breweries in Vietnam.

In addition to these efforts a number of projects were continued and initiated with the aim of improving governance, driving best practice, growing revenue and ultimately improving efficiency. Major projects included: establishment of a global procurement organisation, strengthened shared services, centralised IT organisation, expansion of value management toolbox, establishment of on-trade programmes based on consumer insights across regions, and a new integrated people performance assessment and organisational succession-planning process.

In 2009, the Executive Committee was strengthened by the appointments of Khalil Younes, Senior Vice President, Group Sales, Marketing & Innovation; Jesper Friis, Senior Vice President, Western Europe; Jørn Tolstrup Rohde, Senior Vice President, Northern Europe; and Roy Bagattini, Senior Vice President, Asia. These appointments have further strengthened the leadership competences and added further experience in global fast moving consumer goods to the Group.

Business development

Organic Group beer volumes declined by 4%. Including acquisitions beer volumes increased by 6% to 116.0m hl (109.3m hl in 2008). In Q4 organic beer volumes were flat. Although there were signs of improvements in some Northern & Western European markets at the end of the year, underlying beer volumes continued to decline in the region. In Eastern

Europe, volumes grew slightly in Q4. This growth was solely due to the Russian stockbuilding ahead of the excise duty increase on 1 January 2010. The Asian business continued to grow. Pro rata Group volumes of other beverages were 19.8m hl as in 2008.

Net revenue declined by 1% to DKK 59,382m (DKK 59,944m in 2008) driven by flat organic growth (consisting of total volume -4% and price/mix +4%), currency impact -7% and acquisition impact 6%. Organic net revenue growth was 3% in Q4.

The continued focus on portfolio and value management coupled with pricing and strong sales execution were the key drivers behind the price/mix effect of 4%. The positive mix in Northern & Western Europe and Asia was offset by the negative mix in Eastern Europe resulting from a shift in channel and packaging mix, and from Q3, also from a marginal shift between brands. The negative currency effect was mainly driven by weaker Eastern European currencies.

Higher input costs affected the Group negatively and cost of sales per hl increased organically by approximately 2% for the year. While Carlsberg benefited from lower raw material prices in Eastern Europe in 2009, the Group was negatively affected by higher raw material prices in Northern & Western Europe and Asia. Driven by increase in net revenue per hl, lower input costs in Eastern Europe and production efficiencies across the Group, organic gross profit growth per hl was 8% (8% in Q4). Organic gross profit margin improvement per hl was around 130bp (approximately 180bp improvement in Q4).

The Group has maintained a focused marketing spend supporting our key brands and activities. The share of voice in 2009 was on a level with 2008 despite lower brand marketing costs. The lower brand marketing costs were primarily driven by media deflation, lower media activity overall and the EURO 2008 sponsorship impacting 2008.

Group operating profit increased by 18% to DKK 9,390m (DKK 7,978m in 2008). Organic operating profit growth was 21%, currency impact was -13% and acquisitions contributed 10%. Operating profit for the beverage activities was DKK 9,460m (DKK 7,604m in 2008) with organic growth of 28% (14% in DKK). Organic operating profit growth accelerated in Q4 due to the Russian stockbuilding and was 35% for the Group and 32% for the beverage activities in the quarter.

Strong organic profit growth was achieved despite the volume decline. This is largely attributable to the Group's thorough planning for and execution during the year. The efficiency improvements consisting of both long-term projects and accelerated efficiency programmes were a key driver of the organic operating profit growth. Also, value management initiatives driving net revenue per hl, the synergies from the S&N acquisition and favourable raw mate-

rial costs in Eastern Europe all contributed positively. The efficiency improvements were necessary due to the challenging market conditions and although some cost reductions were linked to volume, it is Carlsberg's expectation that a significant part of the cost base reduction is sustainable as it has predominantly been driven by structural and process changes.

Eastern Europe generated organic operating profit growth of 38%, and the region was a key contributor to the Group's strong performance. This growth was achieved despite very challenging markets. Northern & Western Europe delivered 6% organic operating profit growth while the Asian business continued its strong organic performance throughout the year with 19% organic operating profit growth.

Net profit was DKK 3.6bn (DKK 2.6bn in 2008) and earnings per share were DKK 23.6 (DKK 22.1 in 2008).

Operating cash flow grew by 74% to DKK 13.6bn (DKK 7.8bn in 2008) and free cash flow increased substantially to DKK 10.5bn. The intense focus throughout the Group on improving cash flow was very successful, especially within working capital management. Also, capital expenditures, cash charges for taxes and interest costs were markedly reduced and profits improved.

Although capital expenditures have been reduced, the Group has continued to invest in markets with capacity constraints and long-term growth opportunities. In 2009 Carlsberg initiated construction of breweries in India and Vietnam.

A key focus area in 2009 has been debt reduction and as a result of the very strong free cash flow, net interest-bearing debt was reduced to DKK 35.7bn as at 31 December 2009 compared to DKK 44.2bn at the end of 2008. Net debt/EBITDA declined to 2.7x at 31 December 2009 compared to the Group's expectations of "below 3x".

Thank you

On behalf of the whole Carlsberg Group, I would like to take this opportunity to thank our many employees around the world for their extraordinary work and loyalty in times of uncertainty, workforce reduction and other efficiency measures, which had an impact on the daily lives of all Carlsberg employees. I would also like to thank our customers, suppliers and other partners for productive cooperation. And finally, I want to thank our shareholders for supporting our strategy.

We will continue to ensure that our consumers everywhere get the best beer in the world.



Jørgen Buhl Rasmussen

DKK million

Sales volumes, gross (million hl)

	2005	2006	2007	2008	2009
Beer	101.6	100.7	115.2	126.8	137.0
Non-beer	19.1	20.2	20.8	22.3	22.2

Income statement

Net revenue	38,047	41,083	44,750	59,944	59,382
Operating profit before special items	3,518	4,046	5,262	7,978	9,390
Special items, net	-386	-160	-427	-1,641	-695
Financial items, net	-1,240	-857	-1,201	-3,456	-2,990
Profit before tax	1,892	3,029	3,634	2,881	5,705
Corporation tax	-521	-858	-1,038	312	-1,538
Consolidated profit	1,371	2,171	2,596	3,193	4,167
Attributable to:					
Non-controlling interests	261	287	299	572	565
Shareholders in Carlsberg A/S	1,110	1,884	2,297	2,621	3,602

Statement of financial position

Total assets	62,359	58,451	61,220	142,639	134,515
Invested capital	42,734	43,160	45,394	118,643	109,538
Interest-bearing debt, net	20,753	19,229	19,726	44,156	35,679
Equity, shareholders in Carlsberg A/S	17,968	17,597	18,621	54,750	54,829

Cash flow

Cash flow from operating activities	4,734	4,470	4,837	7,812	13,631
Cash flow from investing activities	-2,354	65	-4,927	-57,153	-3,082
Free cash flow	2,380	4,535	-90	-49,341	10,549

Investments

Acquisition and disposal of property, plant and equipment, net	1,323	2,864	4,596	4,669	2,342
Acquisition and disposal of entities, net	738	-18	179	-51,438	95

Financial ratios

Operating margin	%	9.2	9.8	11.8	13.3	15.8
Return on average invested capital (ROIC)	%	7.8	9.2	11.7	8.2	8.2
Equity ratio	%	31.3	32.5	32.6	42.0	44.2
Debt/equity (financial gearing)	x	1.06	1.01	0.99	0.74	0.60
Debt/operating profit before depreciation and amortisation	x	3.29	2.73	2.43	3.80	2.71
Interest cover	x	2.84	4.72	4.38	2.31	3.14

Stock market ratios*

Earnings per share (EPS)	DKK	11.7	19.9	24.3	22.1	23.6
Cash flow from operating activities per share (CFPS)	DKK	50.1	47.1	51.2	65.8	89.3
Free cash flow per share (FCFPS)	DKK	25.2	48.0	-1.0	-415.4	69.1
Dividend per share (proposed)	DKK	4.0	4.8	4.8	3.5	3.5
Pay-out ratio	%	34	24	20	20	15
Share price (B shares)	DKK	272.8	452.9	498.1	171.3	384.0
Number of shares (year-end)	1,000	76,278	76,271	76,246	152,554	152,553
Number of shares (average, excl. treasury shares)	1,000	94,433	94,479	94,466	118,778	152,550

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2005".

* Stock market ratios in 2008 were adjusted for the bonus factor from the rights issue in June 2008 in accordance with IAS 33. The number of shares (period-end) has not been adjusted.

Consumer dynamics will remain challenging in 2010 but the Group sees opportunities to further strengthen market positions in several key markets and grow net profit.

Earnings expectations

EARNINGS AND MARGINS

Driven by the Group's initiatives implemented in late 2008 and early 2009, Carlsberg managed to exceed the profit, cash flow and financial leverage expectations set out at the beginning of 2009.

Although there are positive signs in some markets, consumer dynamics will remain challenging. Despite this, the Group sees opportunities to further strengthen its market position in several key markets.

2010 earnings expectations

The Russian market will undoubtedly be negatively impacted by actual and phased consumer price increases following the 200% excise duty increase on 1 January 2010. However, based on our strong business set-up in Russia and a carefully planned pricing strategy, the Group believes this will bring opportunities to further strengthen the market position.

For 2010 Carlsberg is assuming the following:

- A slight decline in Northern & Western European markets.
- A low double-digit percentage decline in the Russian market.
- Continued market growth in Asia.
- Continued implementation of operational and capital efficiency improvements.
- Increased investments in brands and channel marketing to grow volume and value market shares.

For 2010 Carlsberg expects:

- Operating profit to be in line with that reported for 2009 (notwithstanding the extra earnings generated by stockbuilding in Q4 in Russia ahead of the excise duty increase as set out below).
- Net profit growth of more than 20%.

Due to the Russian stockbuilding in Q4 2009 and subsequent destocking in Q1 2010, the Group's Q1 2010 and 2010 full-year operating profit will be negatively affected by approximately DKK 300m. This is included in the 2010 expectations.

Furthermore, due to the chosen detailed strategy for phasing of price increases in Russia to compensate for the significant increase in excise duties on 1 January 2010, earnings in Eastern Europe in general will be skewed towards the second half of the year more than has been experienced in prior years.

Working capital improvement will continue to be a key focus area. However, the focus is changing from "year over year" improvement to "day over day" improvements. This is being done with the aim of achieving a higher reduction in average working capital during the year.

EXPECTATIONS AND RESULTS 2009 (DKKbn)

		Net revenue	Operating profit	Carlsberg's share of net profit	Free cash flow	Operating capital expenditures	Net interest- bearing debt to EBITDA
18.02.2009	Actual (Financial Statements for 2008)	59.9	8.0	2.6	-49.3	-5.2	3.8
18.02.2009	Financial Statement for 2008	~ 63	> 9	> 3.5	> 6	< -3.75	~ 3
06.05.2009	Q1 Interim results 2009	~ 61	> 9	> 3.5	> 6	< -3.75	~ 3
04.11.2009	Q3 Interim results 2009	59-60	> 9	> 3.5	> 6.5	< -3.5	< 3
17.12.2009	Earnings upgrade	59-60	> 9.3	> 3.5	> 6.5	< -3.5	< 3
23.02.2010	Actual (Financial Statements for 2009)	59.4	9.4	3.6	10.5	-2.9	2.7

Medium-term financial targets

With an operating margin of 28.5%, the Eastern European region exceeded the region's medium-term operating margin target of 23-25% in 2009. Margin targets have been revised and the following medium-term (3-5 years) operating margin targets have been set:

- Northern & Western Europe at 15-17% (previously 14-16%)
- Eastern Europe at 26-29% (previously 23-25%)
- Asia at 15-20% (new)
- Carlsberg Group at around 20% (new)

These ambitious margin targets will be met through a combination of intensified focus on driving volume and value market shares, and a continuous drive for efficiency improvements.

DISCLAIMER

This magazine contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of raw materials and packaging materials, cost of energy, production- and distribution-related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market-driven price reductions, market acceptance of new products, changes in consumer preferences, launches of rival products, stipulation of market value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

Events in 2009

Efficiency



VALUE MANAGEMENT

Carlsberg's Northern & Western Europe region is facing major challenges to increase net revenue per hl in a market environment characterised by a number of challenges pointing towards flat or declining beer markets. Professional value management is an important way to turn this tough situation into a win-win situation for both Carlsberg and its customers.

Value management aims at increasing the value pool for both Carlsberg and the retailer rather than focusing on splitting a shrinking value pool between the two. This may sound easy but it requires a fundamental shift in how Carlsberg approaches its customers. A new approach has therefore been developed by a team at Carlsberg using best practices from several countries and from other fast moving consumer goods (FMCG) companies, and combining some of the best tools on the market. The approach covers various levers, including but not limited to product mix optimisation, pack sizes, pay-for-performance incentive schemes, targeted price increases etc. in compliance with local practices and regulations. The approach is supported by tools and internal training programmes that will create a strong platform for revenue growth.

CONTINUOUS EFFICIENCY IMPROVEMENT

In the Carlsberg Group, improving efficiency is a continuous journey encompassing the entire value and demand chain and taking into account, amongst others, portfolio optimisation and simplification, trends within packaging, and production set-up changes. Optimisation of the brewery network, including brewery closures and divestitures, is evaluated in accordance with these dimensions, and has been and will continue to be part of continuous efficiency improvement, not least in Northern & Western Europe.

In 2009, three breweries in Northern Europe were either closed or sold. In Norway, the Arendal brewery was sold to a group of local investors; in Germany, the brewery in Braunschweig was sold to Oettinger Brauerei GmbH; and in Finland, production at the brewery in Pori was discontinued.

2008 was first and foremost the year in which the brewery site in Copenhagen was finally closed down and as of 2009, all production in Denmark takes place at the brewing site in Fredericia. In the UK, the brewery in Leeds will be closed in 2011.



CENTRALISING BACK OFFICE FUNCTIONS – PROCUREMENT, IT

An important lever to further increase efficiency across the Carlsberg Group is the continuous work on globalising and centralising a number of back office functions. In 2009, important steps in this direction were taken within procurement and IT.

Group Procurement has developed a vision to create a world-class procurement organisation to achieve significant savings through increased spend transparency, clear directions on category strategies and standardised procurement processes and systems, using all levers and a new cross-functional way of working. As a natural step towards realising the vision, a central procurement company for the Group is being set up in order to further optimise this important function.

From 1 January 2010, all local Carlsberg IT departments in Northern & Western Europe were merged into just one IT organisation with one CIO, one budget, a mutual decision-making structure etc. to ensure a focused IT strategy and avoid duplication while still meeting the needs of the local market and the Group. The centralised IT organisation will work virtually and share people in order to have tasks and projects handled by the most qualified employees and at the best price, reducing the total IT spend.

CASH RACE

An ambitious cross-functional initiative was kicked off in Carlsberg at the beginning of 2009 with a target of significantly reducing net working capital. In the first half of 2009, there was special focus on improving payment terms with suppliers and increasing days payable outstanding. Reducing days sales outstanding and days sales of inventory became additional focus areas in the second half of 2009. By year-end 2009, working capital had been reduced by DKK 3.7bn compared to end-2008. The improvement was to a great extent driven by all three working capital items.

Carlsberg benchmarks itself against the best in class within the brewing sector as well as other FMCG companies and, as with all other efficiency improvement actions implemented across the Group, working capital management is targeted to be further improved in the years to come.

Driving growth



INNOVATION

Most Northern and Western European beer markets are mature. In order to revitalise growth in these markets, Carlsberg will continue to step up its relentless execution of the core business while at the same time putting in place new ways to strengthen its position. Innovation and the introduction of new and exciting drinks will play a key role. Innovation in beer, the core of the Company, will continue at an accelerated pace but the innovation strategy will also target new opportunities for malt- and cereal-based beverages, including new platforms like health, women, etc.

In early 2009, Carlsberg merged departments from across the Group to create an integrated Innovation, Research and Development organisation. This trio gives Carlsberg control of the entire innovation process, from raw materials through consumer insights and trends, idea generation, production processes and packaging to distribution and marketing, and will help speed up and scale innovation in profitable areas and reduce costs.

KRONENBOURG RELAUNCH

One of the most important commercial activities in Northern & Western Europe in 2009 was the relaunch of the Kronenbourg Red & White and Kronenbourg 1664 brands in France. The two brands were included in Carlsberg's beer portfolio as part of the S&N acquisition in 2008. Kronenbourg Red & White is the local mainstream brand in France, whereas Kronenbourg 1664 is one of Carlsberg's leading international beer brands.

To improve the premium image and sales of Kronenbourg 1664 and, in an equivalent way, cement the image of Kronenbourg Red & White as the only French national beer, thereby improving sales, Carlsberg Group brand teams subjected both brands to a thorough evaluation covering everything from bottles and labels to price points and brand image in the public mindset. This resulted in a comprehensive relaunch of the French and international Kronenbourg 1664 and Kronenbourg Red & White in the spring of 2009.

Based on the tracking of the global independent consumer research firm Millward Brown, Carlsberg has seen a positive consumer impact from its marketing campaigns and, for the first time in several years, the latter part of 2009 showed a stabilisation in market shares for the two brands. Although still at an early stage, the new marketing campaign, packaging and price points seem to have been well received by French and international consumers.



STRENGTHENED POSITION IN VIETNAM

In line with Carlsberg's strategy to further strengthen its position in Asia by growing organically and through M&A activities, two memoranda of understanding (MoU) were signed in the latter part of 2009 with the intention to increase current shareholdings in Vietnam.

In 2008, Carlsberg was appointed strategic partner of the Vietnamese brewery Habeco and acquired a 16.1% shareholding in connection with the IPO of Habeco. In September 2009, Carlsberg and Habeco signed an MoU planning to increase Carlsberg's ownership in the company to 30%. Habeco is market leader in northern Vietnam. The increased partnership will provide opportunities for Habeco and Carlsberg to strengthen their market positions in northern Vietnam.

In November 2009, Carlsberg and Hué People's Committee signed an MoU in which the Committee confirmed its support for Carlsberg to acquire the Committee's 50% shareholding in Hué Brewery. Carlsberg acquired its current 50% stake in Hué Brewery in 1994.



Povl Krogsgaard-Larsen, Chairman of Carlsberg's Supervisory Board, and Ho Xuan Man, Hué Party Secretary, sign the MoU.

KVASS IN EASTERN EUROPE

In the spring of 2009, Carlsberg launched a new and improved version of the traditional Eastern European drink kvass in Russia and the Ukraine. This launch gave Carlsberg a solid footing in the growing kvass market in Russia and the Ukraine, and the performance of the brand has been highly successful in both countries.

Carlsberg's kvass is a mildly fermented beverage made from black rye or rye bread, which also gives it the characteristic dark colour. The "bread drink" is often flavoured with fruits or herbs such as strawberries or mint.

This special beverage is a very popular drink in Russia and throughout Eastern Europe. Consumer interest in natural and healthy beverages such as kvass has increased over the past ten years. In contrast to the beer segment, consumption of kvass actually showed positive growth rates in Russia in 2009.



Employee Attitude Survey (EAS)

Despite a challenging business environment and the S&N integration, the 2009 EAS showed the best results ever, improving scores in most areas compared to 2007 as well as being more positive than the global FMCC average. The survey included 33,000 people in 30 countries.

People agenda

LEADERSHIP AND TALENT DEVELOPMENT

Carlsberg's ambition of building the fastest growing global beer company requires qualified employees at all levels in the organisation as well as dedicated and highly professional managers with a strategic and international mindset who know the business and who can seize opportunities and tackle challenges. Employing the right people is therefore key to Carlsberg's success, and the ambition is to create attractive leadership and career opportunities at different levels in the organisation, making it possible to attract, develop and retain the best leaders and talents.

Three different initiatives provide an insight into how Carlsberg actually works with leadership development and capability building throughout the organisation and across regions.

Strategic People Management Processes

In 2009, Carlsberg optimised its main human resource processes in order to establish a more strategically aligned and integrated approach to the development of key employees throughout the Group, for example for future top positions.

The optimised processes include Performance Management, Succession Management, Learning and Development, Competence Management and Compensation.

The target of the optimised human resource processes is to ensure that all processes are:

- Linked to business needs, ensuring that focus and time/money spent actually add value.
- Data rich, storing historical employee data in order to have detailed and relevant information on education and prior work experience to ensure relevant personal development and career planning.
- Based on integrated and transparent data that make it possible to work with, compare and benchmark data obtained across processes, functions, markets and regions in order to align Group needs and opportunities with individual qualifications and aspirations.
- Aligned in terms of use of scales and terminologies, making it easier to communicate about high performers, high-potential employees, key positions etc.

The International Talent Programme

Carlsberg's International Talent Programme is an important part of establishing an international pool

of strong and skilled employees wanting to, being able to and feeling responsible for delivering results and building an international, multidisciplinary network within Carlsberg.

The employees enrolled in the International Talent Programme come from all markets across Carlsberg's three regions and they have a unique role in leading change, acting as role models and growing the business through professional leadership and exploring new ways of creating value.

The Leadership Academy

The Leadership Academy is aimed at middle management. The aim of the Academy is to increase participants' business insight and their understanding of the opportunities and challenges faced by the Carlsberg Group.

Participants gain a detailed insight into Carlsberg's way of doing business and into local and global aspects of the business. They also receive in-depth training in Carlsberg's core leadership competences, including Carlsberg Winning Behaviours. In addition, the Leadership Academy stimulates and enhances the interest in sharing and learning from experience and results across the organisation by giving managers an opportunity to network across national borders and functions.

INTERNATIONAL TALENT PROGRAMME

The main objectives of the International Talent Programme are:

Leadership

- Provide leadership development in the context of Carlsberg's business.
- Ensure a pipeline of highly talented people who can take on senior leadership positions.
- Make participants aware of their responsibility to develop the strength and capability of their teams to drive performance and deliver results.

Business acumen

- Make the programme relevant and directly valuable to current business issues.
- Develop leadership capabilities hand in hand with commercial understanding.

Winning Behaviours

- Enable participants to become role models for Carlsberg's Winning Behaviours.
- Build an international, cross-functional, networking and diverse pool of people with a winning spirit.
- Nurture and secure commitment to Carlsberg.



Corporate social responsibility

R&D

PROCUREMENT

BREWING AND BOTTLING



Carlsberg's strong tradition in and focus on research are vital in our ambition to market high-quality beer but also to grow responsibly. We are constantly working on new brewing techniques to lower the carbon footprint of our products and reduce the amount of raw materials used in the production process, for example increasing the proportion of non-malted barley in the brewing process to reduce the energy and water needed for malting.

New initiatives will include alternative, more environmentally friendly one-way packaging for beer and plastic bottles. Moreover, work is ongoing to explore the possibilities of reusing the main by-product, spent grain, for either production of biogas, oil or direct combustion. Combustion of the spent grains can cover approx. 50% of the total thermal energy used in a brewery. Carlsberg is also looking into barley breeding research, focusing on novel barley which involves less raw material and energy usage while generating higher yields.

Through Carlsberg Procurement's Responsible Supplier Management Programme, Carlsberg works with suppliers to continuously reduce the environmental impact from the products and services purchased by Carlsberg. In order to ensure that suppliers are complying with Carlsberg's CSR Policies, the internationally acknowledged services of Sedex (Supplier Ethical Data Exchange) are being used and Carlsberg is currently developing an audit system that goes beyond packaging and raw materials.

In the coming years, Carlsberg's target is to include all critical and high-risk suppliers in Sedex in order to improve suppliers' CSR standards through collaboration with other international companies committed to CSR. In addition, CSR criteria will be included when assessing future purchasing initiatives.

Carlsberg continuously strives to optimise production processes by reducing energy and water consumption and lowering greenhouse gas emissions. The Labour & Human Rights and Health & Safety Policies aim to ensure a fair, healthy and safe workplace. Through the Environmental Policy and Strategy Carlsberg addresses environmental challenges in production and sets global standards for environmental performance.

Raising awareness, training and continued implementation of the CSR Policies will raise Carlsberg's standards and performance. Moreover, Carlsberg will develop a carbon footprint calculator tool to evaluate its packaging choices and work with partners to identify opportunities to reduce water consumption in the supply chain.

Carlsberg’s strategic approach to CSR is identifying how to improve the social and environmental impact in each part of the value chain – from the relationship with suppliers to how we run our operations and interact with customers and consumers.

LOGISTICS



Carlsberg is proud to reach millions of people with our products every day. To minimise the environmental impact of transportation, Carlsberg is constantly seeking more environmentally friendly ways of bringing our products to our customers, such as using trains instead of trucks.

To improve the sustainability of the logistics set-up, Carlsberg is investigating various initiatives, such as using hybrid and gas engines to reduce CO₂ emissions and lower the use of energy. In Switzerland, following successful pilot tests in 2009, Carlsberg will now increase the number of electric vehicles and work together with manufacturers to increase the range of the vehicles. At Carlsberg UK, several initiatives are being implemented to make the entire company fleet more eco-friendly. Other companies, such as Carlsberg Danmark and Baltika Breweries, will continue to use trains for transportation.

SALES AND MARKETING



Carlsberg wants to ensure that its communication to consumers and other stakeholders always reflects its philosophy of moderate beer consumption. Carlsberg’s Marketing Communication Policy ensures that marketing activities are targeted at adults, are clear about the effects of alcohol and discourage irresponsible behaviour. Carlsberg does not advertise or market its brands directly towards children and youngsters below the local legal drinking age.

To ensure proper implementation of the Marketing Communication Policy, Carlsberg trains marketing managers and regularly assesses their understanding and execution of the policy.

CONSUMERS AND CUSTOMERS



Carlsberg’s consumers are central to the decisions we make. Carlsberg is particularly determined to ensure that our products are consumed in a responsible and enjoyable way, and we strive to be open about the way we communicate about alcohol. By our being open and honest, consumers get the information they need to make informed decisions about the consumption of our products. Carlsberg develops local campaigns aimed at educating young people about responsible drinking and actively promotes initiatives to prevent people drinking and driving.

By including responsible drinking messages in marketing, sponsorship and community activities, Carlsberg emphasises its commitment to enjoyable but responsible beer consumption.

Regional performance

STRONG PROFIT GROWTH

Carlsberg delivered a strong 2009 operating profit of DKK 9.4bn (DKK 8.0bn in 2008). For the beverage activities organic operating profit growth was 28%. Group operating profit margin improved to 15.8% (13.3% in 2008) and free cash flow improved substantially to DKK 10.5bn.

As a result of detailed planning and strong execution the Group managed to mitigate the impact from the market challenges and also improved market shares.

Northern & Western Europe

The overall beer markets in Northern & Western Europe declined by some 5-6% in 2009. However, during the latter part of the year there were some signs of improvement and the Q4 market decline was around 4%.

The impact from the economic crisis affected the individual markets very differently with the Finnish, Swedish, Swiss and French markets showing growth or flat development while the Baltic and Balkan markets declined by high single digits.

Carlsberg maintained an overall flat market share in the region with organic beer volumes declining by 5.6% (-3.7% for Q4). Reported beer volumes declined by 2% to 50.2m hl (51.0m hl in 2008).

Net revenue per hl increased 5% organically due to the Group's strong focus on value management across all markets which mitigated some of the negative volume impact. Organic net revenue development was -2% for the region (-2% for Q4). Net revenue for beer declined by 2% (-6% volumes, 4% price, flat mix, -4% currency and 4% from acquisitions).

Higher raw material prices for the region in 2009 compared to 2008 and the channel shift from on-trade to off-trade in several markets had a negative impact on gross profit margin. Although

the full-year gross profit margin declined, the second half of the year showed an improvement as the positive impact from the accelerated production efficiency improvements became visible in the figures. In absolute terms, the higher input costs were more than offset by the higher organic net revenue per hl for the year. Mix was positive or flat in most Northern & Western European markets except the Baltics, Poland and South East Europe.

For 2009 operating profit for Northern & Western Europe increased by 7% to DKK 4,237m (DKK 3,953m in 2008) with 6% organic operating profit growth. For Q4 organic operating profit growth was -21%. Adjusting for the income from brand disposals in Q4 2008, organic operating profit growth would have been flat for the quarter and approximately 10% for the year.

Operating margin was 11.6%, an increase of approximately 100bp. This was largely driven by the accelerated efficiency improvements initiated in the second half of 2008 and at the beginning of 2009. The impact from these efforts became increasingly visible in the second half of the year. Most markets delivered organic operating profit growth for the year.

France, the UK, Switzerland, the Balkans, and Greece

The French market was flat in 2009. As anticipated in the turnaround plan, the total market share of Brasseries Kronenbourg declined for the year as many of the consumer-facing activities started in the late spring. There was a stabilising trend in the second half of 2009 following the relaunch of the Kronenbourg and 1664 brands. According to Nielsen data for the off-trade there was no market share erosion of these two brands in the second half of the year despite the recent years of ongoing period-on-period market share decline. Synergies from the S&N transaction are on track and coupled with accelerated efficiency improvements, the new brand positioning and a changed pricing structure, the French business delivered double-digit organic operating profit growth. This is a very satisfactory result given that the turnaround plan is in its first year of implementation.

Carlsberg UK performed particularly well in 2009. There was a 4% market decline with a continued shift from on-trade to off-trade but Carlsberg gained both volume and value share in the on-trade and off-trade channels and increased its share of the total market by some 110bp to 14.4%. The positive trend accelerated in the latter part of 2009 fuelled by the impact of the JD Wetherspoon contract, strong off-trade execution and the inclusion of the super-premium San Miguel brand in the Carlsberg portfolio. Profits improved as a result of volume growth, value management efforts and efficiency initiatives.

In a flat Swiss market, Feldschlösschen continues to grow net revenue per hl and profits through premiumisation, mix and efficiency improvements. In late 2009 Feldschlösschen Premium was launched to further increase the average value per hl of the Feldschlösschen portfolio. The more female-oriented Eve continues to be a strong value contributor and will be introduced in more markets.

Carlsberg's beer volumes in South East Europe declined by 12% as the economic crisis affected consumer behaviour negatively. The Group kept margins unchanged compared to 2008 due to strong cost and value management focus.

The integration of Greek Mythos progressed and profits improved strongly.

Denmark, Finland, Poland, Germany, and the Baltics

The Danish beer market declined by 8% (before adjusting for impact from border trade), though with an improved trend in the second half of the year. Carlsberg grew its beer market share by 60bp to 56.3%. Somersby Cider continued to grow throughout the year and has effectively established the cider category in Denmark. New entrants are coming into the category which will drive further category expansion. Operating profit growth was satisfactory as a result of cost reductions and positive value/mix development.

The Finnish beer market grew by approximately 1% in 2009. Sinebrychoff's growth outstripped the market and the market share reached 50%. Despite negative packaging and channel mix, profits improved due to volume growth and efficiency improvements, including the closure of the Pori brewery.

Several structural initiatives took place in Germany during the year. The Braunschweig brewery was sold, the Göttsche wholesaler was merged into a new distribution cooperation with the Nordmann Group and a focused brand strategy was established. Organic operating profit growth was achieved as a result of efficiency improvements.

The Baltic States were very severely affected by the difficult macroeconomic environment with subsequent volume decline and downtrading

having a negative impact on profits. Several structural changes were made to reduce the cost base. Carlsberg's beer volumes declined by around 10% in 2009 although the Q4 volume decline was modest. Nevertheless, the Baltic business still delivered double-digit operating profit margins.

The Polish market, too, was challenging as a result of the economic recession. The market declined by 8% and there was downtrading. Carlsberg maintained market share. Despite several actions being implemented during the year, operating profit declined.

Eastern Europe

2009 was a challenging year in Eastern Europe as the economic recession had a negative effect on beer consumption in the region. In this environment Carlsberg managed to gain market share in all markets except Kazakhstan.

The Group's total beer volumes in Eastern Europe increased by 10% while organic beer volumes declined by 6%. Due to the strong growth of the malt-based non-alcoholic drink kvass, the volume of other beverages increased by 26%. In Q4 organic beer volumes increased by 2%, but the recovery in the quarter was driven by stockbuilding in the Russian distribution chain ahead of the 200% excise duty increase on 1 January 2010. The underlying consumption trends in Q4 were unchanged.

Organic net revenue growth for the region was 1%. The positive price/mix improvement of 6% for beer offset lower beer volumes. In Q4 organic net revenue growth was 9% while reported net revenue declined by 11% due to devaluation in currencies.

Organic gross profit margin improved strongly by approximately 525bp with higher net revenue per hl accounting for approximately 70% of the increase. The lower cost of goods sold due to synergies, efficiency improvements and lower input costs accounted for the remaining 30%. Organic operating profit growth was 38%. Including acquisitions operating profit was DKK 5,289m (DKK 4,108m in 2008). As mentioned in the Company Announcement of 17 December 2009, the stockbuilding effect in Russia affected operating profit positively by approximately DKK 300m. Consequently, Q4 organic operating profit growth was unusually strong at 64%. In 2009, operating margin increased to 28.5% (21.5% in 2008) with contribution from all markets.

The overall strong gross profit margin and operating margin improvements were driven by price increases, favourable input costs, synergies, the accelerated efficiency improvements and improved point-of-sales execution. All these initiatives enabled Carlsberg to more than offset the negative profit impact from lower volumes and negative operational leverage.

Russia

The Russian beer market development in 2009 was weaker than anticipated at the beginning of the year, declining by an estimated 10% as the weak macroeconomic environment affected consumer behaviour.

Carlsberg continued to strengthen its market share in Russia gaining 180bp and achieving a 40.6% share compared to 38.8% in 2008 (Q4 market share was 39.3% vs. 39.2% in Q4 2008). As communicated in the past, it is important to look at trends when assessing market share development since market share short term can be influenced by many factors, such as timing of price increases vis-à-vis competition, timing of innovations, promotions, etc. In 2009, Carlsberg reinforced its market leadership in all segments and increased market shares in each and every segment with the exception of lower mainstream where market share was flat. Key drivers behind the strong volume and value market share performance continue to be the superior brand portfolio and the strongest route-to-market with an integrated production, logistics and distribution set-up.

Carlsberg's Russian beer volumes (shipments) declined by 6%. Shipments in Q4 were up 1% which was substantially higher than consumer off-take as distributors were stockbuilding ahead of the excise duty increase on 1 January 2010. Carlsberg's "in-market sales" (off-take) declined by an estimated 8%. Inventory levels are closely monitored and managed and the higher inventory levels at the end of the year are expected to be reversed in Q1 2010.

There was a positive price effect of 9% and mix effect of -3%. The higher price per hl was driven by price increases, improved portfolio management and sales execution. The negative mix effect was

primarily driven by a shift in packaging mix within brands and a changed channel mix in the off-trade with consumers moving from smaller outlets to discounters and supermarkets. There was also a shift between brands in the second half of the year.

In this challenging market the Russian business delivered strong operating margins throughout 2009 as a result of proactive management of costs and efficiency improvements.

In December 2009 the President of the Russian Federation signed the amendments to the Tax Code as a result of which Russian beer excise duty increased from RUB 3 to RUB 9 per litre in 2010. Due to price increases this will have a negative impact on the market development in Russia in 2010 and Carlsberg expects a low double-digit percentage decline. Carlsberg has been making detailed preparations for the new excise duty regime and is well prepared for 2010. The focus for 2010 will be to continue to strengthen the Russian market position whilst balancing volume and value development. This should be possible due to Carlsberg's superior brand portfolio and strong operational and commercial set-up.

The Ukraine

The Ukrainian market declined by approximately 7% in 2009 whilst average beer retail prices increased by almost 30% driven by the price increases following the 94% increase in beer excise duties (implemented on 1 July 2009) and consumer price inflation. Carlsberg's organic beer volume growth was 5% and our market share increased significantly to 28.9% (25.5% in 2008). The Ukrainian business now accounts for more than 15% of Carlsberg's Eastern European volumes. Carlsberg is the clear number two in the market.

NORTHERN & WESTERN EUROPE						
	Q4 2009	Q4 2008	Change (%)	2009	2008	Change (%)
DKK million						
Beer sales (million hl)	11.4	12.1	-6.0	50.2	51.0	-1.5
Net revenue	8,451	8,915	-5.2	36,466	37,128	-1.8
Operating profit	657	847	-22.4	4,237	3,953	7.2
Operating margin (%)	7.8	9.5	-170bp	11.6	10.6	100bp
EASTERN EUROPE						
	Q4 2009	Q4 2008	Change (%)	2009	2008	Change (%)
DKK million						
Beer sales (million hl)	11.1	10.9	1.9	51.3	46.8	9.5
Net revenue	4,103	4,616	-11.1	18,545	19,137	-3.1
Operating profit	1,092	798	36.8	5,289	4,108	28.7
Operating margin (%)	26.6	17.3	930bp	28.5	21.5	700bp
ASIA						
	Q4 2009	Q4 2008	Change (%)	2009	2008	Change (%)
DKK million						
Beer sales (million hl)	4.6	2.7	68.1	14.5	11.5	26.0
Net revenue	1,041	984	5.8	4,224	3,555	18.8
Operating profit	147	125	17.1	666	511	30.3
Operating margin (%)	14.1	12.7	140bp	15.8	14.4	140bp

The market share gain was driven by a well-executed turnaround including expanded distribution network, improved sales execution, product launches and a more performance-driven governance system. In particular, the national launch of the mainstream brand Lvivske, on top of the already established Slavutich brand, has proved successful. Within the non-beer category, the kvass brand Taras grew strongly during the year.

Organic revenue growth was almost 20% mainly driven by a 15% positive price/mix effect. Driven by the volume growth, price/mix improvements and efficiency gains the Ukrainian margins improved significantly in 2009.

Other markets

The volume development in the remaining Eastern European markets was mixed. Carlsberg gained substantial market share in Uzbekistan where volumes grew strongly in a market that declined by 12%. Beer volumes in Belarus were almost flat in a declining market with Carlsberg gaining market share.

The beer market in Kazakhstan was under significant pressure and Carlsberg lost market share on local brands. To strengthen and simplify the business model in Kazakhstan, Carlsberg has integrated the significant Russian export business with our local operation aiming to further strengthen our leading market share position.

The Group delivered significant organic operating profit growth in all markets.

Asia

The Asian markets were less affected by the economic crisis and the Group's beer volumes continued to grow throughout the year. The Asian business delivered 8% organic beer volume growth for the year (5% in Q4). The Asian beer volumes increased by 26% including acquisitions and consolidation changes. The Asian business now accounts for approximately 13% of Group beer volumes. As the Asian markets continue this growth trend the region will become even more important for Carlsberg in the future.

Organic net revenue growth was 14% (17% in Q4). The positive price/mix effect prevailed in the majority of the Asian markets with a particularly strong improvement in China. Operating profit increased by 30% to DKK 666m (DKK 511m in 2008) with organic growth of 19%. Q4 organic operating profit growth was 14%. Despite the negative impact from higher input costs in 2009, all markets contributed to the strong organic operating profit growth with the exception of India where establishment and investment in our business is in the early stages.

In 2009 Carlsberg started construction of two green-field breweries – one in India and one in Vietnam.

Malaysia

The Malaysian market declined by approximately 2%. The early Chinese New Year in 2009 (January) and late Chinese New Year in 2010 (February) had a negative impact on the market development as stockbuilding ahead of the Chinese New Year took place in Q4 2008 for 2009 and Q1 2010 for 2010.

Carlsberg Malaysia gained 100bp market share reaching 44.1%. The business delivered organic operating profit growth due to price/mix and efficiency improvements.

In 2009 Carlsberg Malaysia acquired Carlsberg Singapore, creating a stronger and more efficient entity on the Malaysian peninsula.

China

Carlsberg's Chinese beer volumes grew mid-single digit. The growth was driven by local brands and the Carlsberg brand. The Carlsberg brand grew by more than 15%, driven by Carlsberg Chill and the extension of the Carlsberg brand portfolio with the addition of Carlsberg Light, launched in 2009 and targeting the Chinese restaurant sector.

Carlsberg continued to gain market share both in Western China and in the international premium segment.

Organic operating profit growth was more than 30% as a result of volume growth, positive price/mix and efficiency improvements.

Indochina

The markets in Indochina (Vietnam, Laos and Cambodia) continued the strong growth trend with high single-digit growth rates. In Vietnam and Cambodia Carlsberg increased market shares substantially while the business in Laos grew in line with the market. Hence, the Group's organic beer volume growth was 22% for the year.

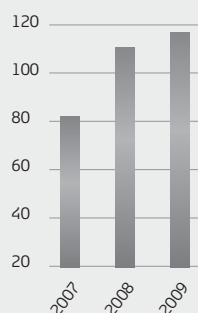
Carlsberg signed two MoUs in Vietnam to increase the ownership in Habeco and Hué breweries. This will strengthen the Group's market position and opportunities in northern and central Vietnam.

Income statement

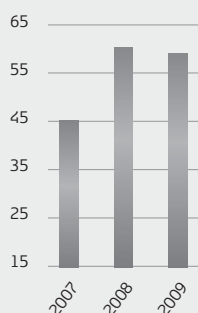
DKK million	2009	2008
Net revenue	59,382	59,944
Cost of sales	-30,197	-31,249
Gross profit	29,185	28,695
Sales and distribution expenses	-15,989	-17,592
Administrative expenses	-3,873	-3,934
Other operating income, net	-45	728
Share of profit after tax, associates	112	81
Operating profit before special items	9,390	7,978
Special items	-695	-1,641
Financial income	609	1,310
Financial expenses	-3,599	-4,766
Profit before tax	5,705	2,881
Corporation tax	-1,538	312
Consolidated profit	4,167	3,193
Attributable to:		
Non-controlling interests	565	572
Shareholders in Carlsberg A/S	3,602	2,621
DKK		
Earnings per share*		
Earnings per share	23.6	22.1
Earnings per share, diluted	23.6	22.1

* Adjusted for the bonus factor from the rights issue in June 2008 in accordance with IAS 33, excl. number of shares at period-end.

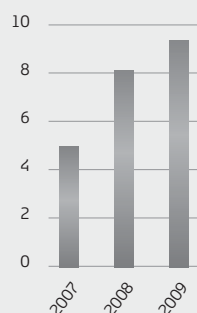
Beer volume
(Million hl)



Net revenue
(DKKbn)



Operating profit
(DKKbn)



Operating margin
(%)



Statement of cash flows

DKK million	2009	2008
Operating profit before special items	9,390	7,978
Adjustment for depreciation, amortisation and impairment losses	3,779	3,632
Operating profit before depreciation, amortisation and impairment losses¹	13,169	11,610
Adjustment for other non-cash items	265	-604
Change in working capital ²	3,675	1,556
Restructuring costs paid	-507	-482
Interest etc. received	255	256
Interest etc. paid	-1,852	-3,010
Corporation tax paid	-1,374	-1,514
Cash flow from operating activities	13,631	7,812
Acquisition of property, plant and equipment and intangible assets	-2,767	-5,292
Disposal of property, plant and equipment and intangible assets	255	374
Change in trade loans	-411	-290
Total operational investments	-2,923	-5,208
Acquisition and disposal of entities, net	95	-51,438
Acquisitions of associates	-48	-587
Disposals of associates	-7	300
Acquisition of financial assets ³	-11	-961
Disposal of financial assets	44	39
Change in financial receivables	-98	427
Dividends received	56	69
Total financial investments	31	-52,151
Other investments in property, plant and equipment	-388	-1,117
Disposal of other property, plant and equipment	198	1,323
Total other activities⁴	-190	206
Cash flow from investing activities	-3,082	-57,153
Free cash flow	10,549	-49,341
Shareholders in Carlsberg A/S	-540	29,482
Non-controlling interests	-591	-549
External financing ⁵	-8,862	21,151
Cash flow from financing activities	-9,993	50,084
Net cash flow	556	743
Cash and cash equivalents at 1 January ⁶	2,065	1,351
Foreign exchange adjustment of cash and cash equivalents at 1 January	-38	-29
Cash and cash equivalents at 31 December⁶	2,583	2,065

¹ Impairment losses excluding those reported in Special items.

² 2008 includes DKK 1,065m received regarding an agreement with The Coca-Cola Company in June 2008.

³ 2008 includes cost of hedging instruments acquired prior to the acquisition of part of the activities in S&N.

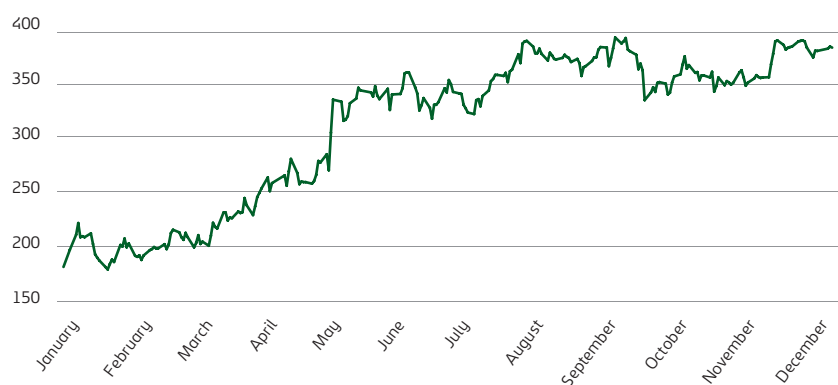
⁴ Other activities cover real estate and assets under construction, separate from beverage activities, including costs of construction contracts.

⁵ 2008 includes loans raised for the financing of the acquisition of part of the activities in S&N and repayment of parts of the loan following the capital increase.

⁶ Cash and cash equivalents less bank overdrafts.

Overview

CARLSBERG B-SHARE 2009
(DKK per share)



FINANCIAL CALENDAR 2010

4 March
Annual report for 2009
(available on www.carlsberggroup.com)

25 March
Annual General Meeting

11 May
Interim results for Q1 2010

17 August
Interim results for Q2 2010

9 November (changed from 16 Nov)
Interim results for Q3 2010

The **Carlsberg Group** is one of the leading brewery groups in the world, with a large **portfolio of beer** and other beverage brands. The flagship brand – Carlsberg – is one of the best-known **beer brands in the world**, and the Baltika, Carlsberg and Tuborg brands are among the six biggest beer brands in Europe. More than **43,000 people** work for the Carlsberg Group, and our products are sold in more than **150 markets**. In 2009 the Carlsberg Group sold more than **135 million hl of beer**, which is about 114 million bottles of beer a day.

ANNUAL GENERAL MEETING AND DIVIDEND

The Company's Annual General Meeting will be held on Thursday 25 March 2010 at Forum Copenhagen, Julius Thomsens Plads 1F, Frederiksberg. The Parent Company has posted a profit for 2009 of DKK -86m. The Supervisory Board recommends that the Annual General Meeting approve payment of a dividend of DKK 3.50 per share. This will as last year involve a total payment of DKK 534m.

