NEWS

FY Shareholder Magazine

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Carlsberg Group

Content

The Carlsberg Group is one of the leading brewery groups in the world, with a large portfolio of beer and soft drinks brands. Its flagship brand – Carlsberg – is one of the fastest growing and best-known beer brands in the world. More than 45,000 people work for the Carlsberg Group, and its products are sold in more than 150 markets. In 2008 the Carlsberg Group sold more than 120 million hectolitres of beer, which is about 100 million bottles of beer a day.

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A new Carlsberg

Dear Carlsberg shareholder

2008 was a truly special year and marked a milestone in Carlsberg's history. The acquisition of Scottish & Newcastle together with Heineken was by far the largest transaction in Carlsberg's history, immediately increasing Carlsberg's beer sales by 33% (pro rata). Carlsberg is now a much larger player in the global brewing industry with a strong position as the world's fourth largest brewer. More importantly, Carlsberg holds a strong position in virtually all of the markets in which we have chosen to compete.

The acquisition has transformed Carlsberg into a far larger player with new ambitions and goals, full control over key parts of its business, and a much clearer growth profile than before. Our business portfolio is now more exposed to growth markets, especially Eastern Europe. Our operations in Northern & Western Europe still provide a mature and stable foundation for the portfolio, while Asia provides Carlsberg with exposure to additional long-term growth and development.

The process leading up to the takeover date was lengthy, demanding an extraordinary effort from many people in our organisation. In order to be well prepared, Carlsberg set up internal working groups well before the takeover agreement was signed to plan and implement the subsequent major task of welcoming the acquired businesses and integrating them into the Carlsberg Group. Thus 2008 was a year in which the focus was mainly on ensuring seamless integration and on working and delivering on the opportunities that the new, bigger Carlsberg has to offer by combining the best of the acquired businesses with the best of the former Carlsberg Group.

In May and June Carlsberg successfully carried out a rights issue. We raised new capital of around DKK 30bn to help finance the Scottish & Newcastle transaction, which amounted to a total of around DKK 57bn. Unfortunately, since the rights issue the share price has been heavily impacted by the global economic recession.

A stronger Carlsberg

Carlsberg is now a stronger business, and the acquired businesses will play a key role in the future development of the Carlsberg Group. Successful integration of the acquired assets is key to our goal of building stronger regional units. Previously announced plans for securing transaction synergies are on track and being implemented in France and the former BBH business. Full control over the former BBH business allows us to respond more quickly to changing market conditions and to ensure the unique strengths of this business can be exploited versus competition in the region.

During the course of 2008 a series of initiatives was implemented to continue to optimise the production network. In Denmark, the brewery in Valby, Copenhagen, was closed as planned at the end of the year. In Italy, production has been concentrated at the Varese brewery north of Milan, and production has ceased at Ceccano. In Portugal, it has been decided to close the brewery in Loulé. In the United Kingdom, Carlsberg has proposed the closure of the brewery in Leeds. The brewing network will be further consolidated over the next few years.

For the Group as a whole, the aim for 2009 is to build an even stronger and more competitive Carlsberg with even better market positions

Carlsberg also sold its 95.6% shareholding in the Turkish brewery Türk Tuborg and its 20% stake in Israel Beer Breweries in order to continuously maximise returns for shareholders.

Despite beer being a non-cyclical consumer product, the turbulent global economic climate has created a more challenging business environment. Against this background, Carlsberg is further intensifying its focus on significant efficiency initiatives. In late 2008 and in early 2009 Carlsberg announced major restructuring programmes, including headcount reductions of more than 500 employees and downsizing of operations.

In early 2009 Carlsberg also announced the strengthening of its Executive Committee with the appointments of Khalil Younes, Senior Vice President, Group Innovation, Sales & Marketing, and Nils Østbirk, Senior Vice President, Western Europe. Both will add further international experience in branding and commercial execution for fast-moving consumer goods to the Carlsberg Group.

Ambitions

The new, bigger Carlsberg also has new, bigger plans. An ever more international business needs a strong and international organisation with skilled managers and workers at every level. Carlsberg's organisation is ready for these new challenges.

For the Group as a whole, the aim for 2009 is to build an even stronger and more competitive Carlsberg with even better market positions. Although 2009 will see a sharp focus on efficiency, cost reductions and cash flow, the year will also bring reinforcement to the innovation process at Carlsberg in order to safeguard future growth.

The expansion of our business in Northern & Western Europe to include Kronenbourg in France and Mythos in Greece will enable us to reap further economies of scale in a wide range of areas, including sales, marketing, innovation and production.

Our operating margin target of 14-16% in Northern & Western Europe still applies. Many of the things that need to be done to achieve this target have to do with internal efficiency at Carlsberg and are not therefore directly dependent on external developments. For more than five years now, Carlsberg has had a proven track record of improving its profitability through its Excellence programmes. Consequently, we have high hopes for the next generation of Excellence programmes and, as an extension of this, our standardisation project.

In Eastern Europe, growth will remain the driver in the coming years, although 2009 is expected to be a challenging year. Our established operating margin target of 23-25% in Eastern Europe still applies. We are firmly convinced that there is huge potential to rescope the cost base in Eastern Europe by realising synergies resulting from the Scottish & Newcastle transaction. In particular, procurement synergies will be significant, but implementation of best practice from the Northern & Western European Excellence programmes will add value too.

Thank you

On behalf of Carlsberg, I would like to thank all of our employees for their extraordinary efforts over the past year. I would also like to thank our customers, suppliers and other partners for a rewarding business relationship. Last but not least, I want to thank our shareholders for supporting our strategy.

Our aim is still to be the world's fastest growing global brewery group and to ensure that our consumers get the best beer in the world.

Cheers!

Jørgen Buhl Rasmussen
President & CEO

At the Green Fests in Russia, Carlsberg had established interactive fun zones where festival goers could participate in various activities, ranging from making a GreenFest hair style to playing drums using metal barrels. Each zone was named after a European city. At the Amsterdam zone, guest could get a "tattoo" – a green painted logo of Tuborg.


TU BORG

Earnings expectations

PROTECTING EARNINGS AND INCREASING CASH FLOW IN 2009

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

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

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

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

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

The contingency plans are focused on further cost reductions to a high degree. Carlsberg also intends to benefit from the reduced costs within several categories of procured goods. Notwithstanding this Carlsberg will continue to drive brand growth through focused innovation, marketing support and strong execution. Furthermore focus has been and will be on all initiatives that can increase free cash flow, such as improving working capital, and hereby reducing capital employed and net interest-bearing debt.

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

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

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

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

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

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

EXPECTATIONS AND RESULTS 2008 (DKKm)

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

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

12%

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

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

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

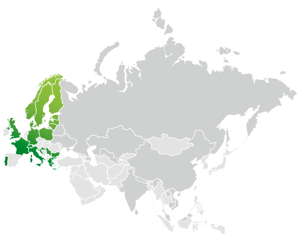
According to Carlsberg's banking documentation, Carlsberg should be at an adjusted net interest-bearing debt vs EBITDA end 2009 of no more than 4 (4.25 end June 2009). The adjustment adds around 0.17 to the ratio calculated using the reported numbers.

Strategy

Group

AMBITION	Create value for our shareholders and all other stakeholders
OBJECTIVE	Build the fastest growing global beer company Be a significant player in the markets we choose to compete in
DEFINING THE NEW CARLSBERG	GEOGRAPHY Northern & Western Europe, Eastern Europe and Asia PRODUCTS & INNOVATION Beer is core, but expansion from core where it makes business sense BRANDS Focus on local power brands and international premium brands
STRATEGIES	STEP CHANGE INNOVATION – bigger, better, faster COMMERCIAL EXECUTION – brands, categories, route to market EFFICIENCY – group, regional, local WINNING BEHAVIOURS – leadership and organisation

Regions

	NORTHERN & WESTERN EUROPE	EASTERN EUROPE	ASIA
			
OBJECTIVE	Improve competitiveness and earnings	Ensure profitable growth	Build growth platform
MID-TERM TARGET	Operating margin 14-16%	Operating margin 23-25%	
STRATEGIES	Increase efficiency · Excellence programmes · Network optimisation · Business standardisation Value creation · Strengthen local power brands and develop international brands · Premiumise portfolio · Innovate · Expand portfolio · Improve category and value management	Focus on portfolio and mix · Balance value and volume Assessing multi-beverage portfolio · Leverage strengths with non-beer categories Roll-out of Excellence programmes · Realise synergies Continued build-up of smaller markets and new markets	Strengthen brand portfolio Build stronger platform in Western China, Vietnam and India Further value creation from other strongholds Commitment to add to existing positions through M&A activities

Defining the new Carlsberg

GEOGRAPHY

The new Carlsberg effectively spans two continents: Europe and Asia. These continents are where the Group has the expertise and the right products to secure a leading position.

The business portfolio is split into three geographical regions:

- Northern & Western Europe
- Eastern Europe
- Asia

PRODUCTS & INNOVATION

Carlsberg's core business is beer. However, Carlsberg will expand from the core business where it makes sense:

- Malt-based beverages: Carlsberg aims to take the lead in the development of this segment
- Other beverages such as soft drinks, water and cider: Carlsberg intends to work in partnerships where this fits the local portfolio and makes a positive contribution to the business

BRANDS

Carlsberg will remain focused on developing and strengthening its brand portfolio based on a combination of local power brands and international brands. An essential part of the brand strategy is premiumisation of the portfolio. Wherever possible, Carlsberg will be the brand owner of premium products, but where this is not possible, Carlsberg will engage with partners to increase premiumisation.

Group strategies

STEP CHANGE INNOVATION

Carlsberg will excel in step change innovation and value engineering. The aspiration is for fewer but more efficient and visible "product news" across more countries. This will be within the beer category as well as within malt-based beverages but also includes packaging, marketing and execution. Carlsberg will sharpen its focus not only on developing and launching new products but also on enhancements and innovations for existing products such as new flavours or new types of packaging in response to growing sales from convenience stores.

COMMERCIAL EXECUTION

Outstanding commercial execution entails areas such as:

- Consistent brand execution
- Converting unique shopper insights into actionable strategies
- Deploying sales and marketing resources with highest possible effectiveness
- Excellence in value management
- Converting deep customer understanding into value creation
- Ensuring optimised route-to-market control in all markets

EFFICIENCY

Carlsberg will continuously adjust and optimise the cost base, including the brewery structure, in all markets.

In recent years, a number of Excellence programmes have covered systematic streamlining of processes and procedures across the whole value chain in areas such as production, procurement, administration and logistics. Carlsberg will continue to execute these in the commercial area, in production, procurement, logistics and in administration.

As a natural extension of the Excellence programmes, standardisation across functions and geographies is the next phase and the new enabler in the ongoing work to increase the efficiency of all parts of the business.

WINNING BEHAVIOURS

Carlsberg is committed to enhancing the skills of managers and employees, and to developing strong winning behaviours, which pulls the Company together across national borders and functions, and promotes commitment in people's everyday work.

A set of shared winning behaviours will guide the way business is done across markets and regions. The winning behaviours include:

- All decisions are based on the needs and preferences of consumers and customers
- Employees are empowered to promote a work environment where good ideas and passion to deliver are recognised and rewarded
- Despite the local market position, Carlsberg acts as an entrepreneur: fast, proactive and action-oriented

Results 2008

Solid performance in 2008 – and well prepared for a challenging 2009

For the full year, pro rata organic beer volume growth totalled 3% (33% including acquisitions), driven by mid-single-digit growth in Eastern Europe and double-digit growth in Asia.

Carlsberg achieved progress in all geographic segments. Net revenue was DKK 59,944m (DKK 44,750m in 2007) with organic growth of 8% (5% in DKK), and operating profit before special items was DKK 7,979m (DKK 5,262m in 2007) with organic growth of 9% (6% in DKK).

The beer category is resilient but not immune to economic recession. However, market conditions softened further in the fourth quarter of the year. In both Northern & Western Europe and in Eastern Europe reduced consumer spending combined with various market-specific factors have impacted performance. Carlsberg's continued focus on strong execution and cost control has compensated for the more challenging trading environment.

Both pricing and mix contributed positively to the performance in all regions. Premiumisation in the total beer market in Russia has taken place in each and every quarter of 2008 compared to 2007. In Northern & Western Europe there has been a negative channel mix from on-trade to off-trade but no significant change to mix between segments in the off-trade.

In 2008 the Russian business achieved a market share of 38.3% (37.6% in 2007) in an overall flat market. In the fourth quarter Baltika again outperformed the market, achieving flat volumes despite a drop in market volume of c. 5.4% and once more demonstrating superior execution power in a tougher trading environment.

The international brands Carlsberg, Tuborg and Baltika continued to grow and the Baltika brand is now the biggest beer brand in Europe. Carlsberg's portfolio today includes four of Europe's top ten beer brands.

OTHER ACTIVITIES

In addition to beverage activities, Carlsberg has interests within sale of real estate, primarily at its former brewery sites, and the operation of the Carlsberg Research Center. These activities generated net operating profit of DKK 374m in 2008 against DKK 261m in 2007.

Monetising the value of redundant assets, including brewery sites which are no longer used in operations, remains an important focus to provide additional capital to the rest of the Group and enhance return on invested capital. The move from Valby and the realisation of capital from this substantial site in central Copenhagen remain on track, notwithstanding the changed economic environment. In January 2009, the City of Copenhagen gave the necessary approval for the redevelopment of this site. This approval provides for 600,000 sqm of redeveloped space. Carlsberg will continue to work to release capital from this site during 2009 and all capital expenditures to transfer production facilities to Fredericia were completed prior to the end of 2008.

In spite of major movements in special items, financial items and corporation tax, net profit was DKK 2,631m (DKK 2,297m in 2007) and earnings per share was DKK 22.2 (DKK 24.3 in 2007). Proposed dividend of DKK 3.50 per share (adjusted, DKK 4.84 in 2007).

In line with our plans, synergies of c. DKK 0.1bn were realised in 2008.

Net interest-bearing debt end 2008 amounted to DKK 44.2bn.

Increasing cash flow and protecting earnings will be Carlsberg's top priorities in 2009. Restructuring plans in Denmark, Norway and the Baltics were announced in early January 2009. Further plans across all markets and all functions in the Group are currently being implemented to compensate for weak macroeconomic conditions. These include initiatives to significantly reduce the cost base and increase efficiency. In addition there will be a significant reduction in capital spend across the Group.

If operational or financial conditions become worse than currently expected, contingency plans for various scenarios across the Group will continue to be developed to be able to take action quickly and effectively. Notwithstanding this, Carlsberg will continue to drive brand growth through focused innovation, marketing support and strong execution.

For 2009 Carlsberg assumes and expects:
- Average EUR/RUB rate of 47.
- Net revenue of around DKK 63bn.
- Operating profit of more than DKK 9bn.
- Net profit of more than DKK 3.5bn.
- Free cash flow of more than DKK 6bn.
- Operating capital expenditures of less than DKK 3.75bn.
- Net interest-bearing debt vs EBITDA of around 3.

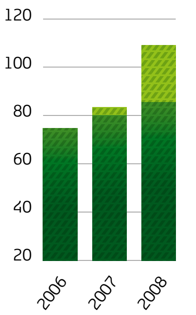
In DKK and excluding effects from acquisitions/divestments net revenue is not expected/assumed to grow.

According to Carlsberg's banking documentation, Carlsberg should be at an adjusted net interest-bearing debt vs EBITDA end 2009 of no more than 4 (4.25 end June 2009).

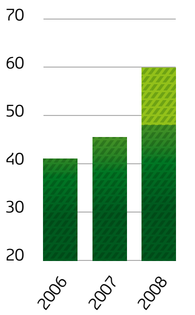
Baltika has announced proposed dividend for 2008 of c. EUR 265m (Carlsberg's share).

Monetisation of redundant assets, including the Valby site, remains a priority for the Group but is not factored into the current expectations for 2009.

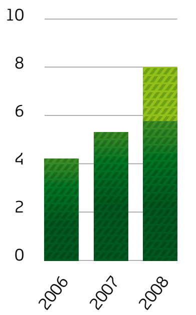
Beer volume, pro rata
(Million hl)



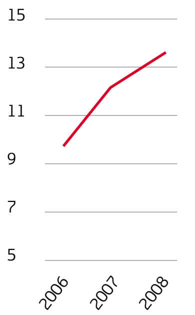
Net revenue
(DKKbn)



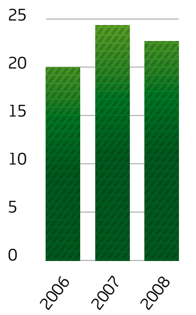
Operating profit
(DKKbn)



Operating margin
(%)



EPS
(DKK)



Organic development   Full bar shows Group total

Business development

A FULL AGENDA

2008 was a year of substantial business integration following the acquisition of assets from Scottish & Newcastle. It was also another year of significant progress and strong results. During the year Carlsberg continued to develop its business in line with its stated strategy, building on its strong brand portfolio and execution skills throughout the Group.

Although not immune, the beer category is resilient to economic recession. However, market conditions softened further in the fourth quarter of the year. In Northern & Western Europe, consumer spending declined in both the third and fourth quarters resulting in market growth being lower than trend volume development. However, the impact of the recessionary environment did not impact all markets equally and significant individual factors impacted some markets. The United Kingdom, Denmark and the Baltic markets in particular were severely hit by sharp declines in consumption driven by the on-trade in the United Kingdom, a significant increase in promotional price points in Denmark and severely deteriorating economies across the Baltic States.

Growth in the markets in Eastern Europe also decelerated in the second half of the year as the expected recovery in the Russian beer market failed to materialise, initially due to extremely poor weather and then due to increasing uncertainty about the economic outlook. In Asia, growth continued throughout the year with beer markets only marginally affected by the weaker economic outlook.

Carlsberg Group beer volumes were up 33% to 109.3m hl of beer (calculated pro rata) versus 82.0m hl in 2007. Organic growth accounted for 3% of this increase and acquisitions for 30%.

Net revenue climbed 34% to DKK 59.9bn (DKK 44.8bn in 2007), organic growth amounted to 8% (5% in DKK). Strong focus on brand-driven value growth through pricing and mix continued, and price increases were implemented throughout the year. However, above-average volume growth in low-priced markets capped the net effect of growth on net revenue per hl beer at 5%.

Operating profit before special items increased by 52% to DKK 7,979m (DKK 5,262m in 2007) with organic growth of 9% (6% in DKK). Beverage activities generated operating profit of DKK 7,605m (DKK 5,001m in 2007), an increase of 52%, of which 7% was organic growth (4% in DKK). This improvement was driven by continued growth in Eastern Europe and Asia. Other activities, including the sale of real estate, generated operating profit of DKK 374m (DKK 261m in 2007).

Net profit climbed 15% to DKK 2,631m (DKK 2,297m in 2007). The average number of shares in circulation increased during the year from adjusted 94.5m to 118.8m due to the rights issue, and earnings per share were DKK 22.2 (DKK 24.3 in 2007).

Earnings for the year were therefore in line with the updated expectations published in connection with the financial statement for the third quarter released on 5 November 2008.

Regions

Northern & Western Europe

Total beer markets in the region declined by around 2% on average compared to full-year 2007. The market contracted as weaker economies affected consumer sentiment, especially in the fourth quarter with a decline of 4.1%, primarily driven by the on-trade. Although the deteriorating business environment affected overall beer market growth in late 2008, specific factors impacted individual markets during the year. These factors include smoking bans in the United Kingdom, France and Germany, a decline in Denmark due to the reduction of promotional price support by retailers on beer and the severe economic crisis in the Baltics affecting consumer spending. Some of Carlsberg's markets declined by 4-6%, while other markets continued to grow, with increases of 1-2% for the full year.

Total beer volumes were 51.0m hl against 44.4m hl in 2007. This includes a total of net 7.7m hl from the activities acquired in France, Greece and the Baltics. Organic beer volumes were down 1.6% in line with overall market development, resulting in average market shares at the same level as last year. Volume market shares were flat or growing in more than half the markets in Northern & Western Europe. Other beverages achieved a total volume of 16.5m hl, which organically was on par with last year.

Net revenue climbed 16% to DKK 37,128m (DKK 32,087m in 2007) with organic growth amounting to 3% (+1% in DKK). Organic growth has been driven by higher sales in Switzerland, Poland, South East Europe and the Nordics, but offset by the negative impact from the United Kingdom due mainly to the effects from the loss of legacy contracts end 2007 and decline in the Baltics driven by the economic crisis.

Throughout the year one of the key priorities has been to excel in execution. Part of this has involved applying a strong focus on value management initiatives and increasing beer prices to offset cost inflation in key inputs such as malt, hops, cans and bottles. Average sales prices on beer have increased by approximately 5% compared to last year. Combined with a volume effect of -2% and a mix effect of +1%, these price increases have led to an increase in organic beer net revenue of +4%. The positive mix effect has been partly offset by negative channel mix as consumers have reduced spending in pubs and restaurants as a consequence of the toughening economic environment. Based on verified data from a number of key markets, there has been no significant change in mix between the segments in the off-trade for both the full year and by quarter in 2008 when compared to the same periods of 2007. Although Carlsberg's commodity hedging policy allows for some flexibility in hedging arrangements, the Group will benefit from declining spot prices on inputs with a time lag.

Internal efficiency remains high on Carlsberg's agenda and the roll-out of Excellence programmes targeting both top and bottom line improvements to newly acquired assets began shortly after the acquisition. Significant restructuring projects have also been rolled out in the United Kingdom and the Baltics to protect future earnings.

Organic net revenue in the fourth quarter increased by 2% with slightly declining average market share driven by primarily the Baltic markets and other Northern European markets. Price increases compared to the same period last year combined with operational savings were achieved in a significant part of the region in the fourth quarter, thus protecting earnings.

In 2008, operating profit was up 17% to DKK 3,953m (DKK 3,383m in 2007) with organic

NORTHERN & WESTERN EUROPE	Q4 2008	Q4 2007	Change (%)	2008	2007	Change (%)
Beer sales (million hl)	12.1	10.7	13.1	51.0	44.4	14.8
Net revenue	8,915	7,988	11.6	37,128	32,087	15.7
Operating profit	847	731	15.9	3,953	3,383	16.8
Operating margin (%)	9.5	9.2	0.3	10.6	10.5	0.1

development accounting for -4% (-5% in DKK) and growth from acquisitions adding 22%. If adjusting for one-offs (sale of local brands in 2008, the discontinued legacy payments on the former Punch Taverns contract in the United Kingdom and the gain from sale of real estate in Poland in 2007) the organic development would have been c. -2%. Reported operating profit margin increased marginally by 10bp to 10.6%.

The integration of the French business and realisation of synergies are on track and the relaunch of the Kronenbourg brand is progressing and is now at the early stage. In Italy, the turnaround of the business has included exiting non-profitable segments and significant reductions in the cost structure. South East Europe has increased earnings through volume growth and market share increases.

Eastern Europe

The acquisition of the S&N assets provided Carlsberg with full control over the former BBH business, which has been and will remain a key driver of long-term value for the Group. In times of greater economic weakness the unique strengths of our Baltika business are accelerating its differentiation and outperformance from the rest of the market. Baltika is now more than twice the size of its nearest competitor and in the fourth quarter of 2008 the rate of market share growth increased further. Its brand portfolio, invested production footprint and cooperation with top tier distributors position the business to take advantage of this period of economic downturn with the greatest visibility on, and control over, the changing dynamics of the market.

Following only moderate growth in the first half of the year, the Russian beer market growth was expected to accelerate in the second half of the year. Unseasonably rainy and cold weather in late third quarter significantly affected outdoor consumption and led to a decline in overall market growth. In the fourth quarter the market slowed down further and declined by 5.4% as concerns on wider macroeconomic development affected consumer spending, resulting in full-year Russian beer market growth of -0.4%. Against this background, Baltika's volumes grew by 1.4% in Russia.

Premiumisation continued to be strong as Russian consumers trade up to more premium products such as Baltika and Tuborg. Disposable income growth has slowed in the second half of the year, but premiumisation in the beer category has still taken place in each and every one of the four quarters of 2008 compared to 2007.

The Russian business achieved a full-year market share of 38.3% (37.6% in 2007). In the fourth quarter Baltika outperformed the market, achieving flat volumes despite a drop in market volume of 5.4%. Full-year performance was driven by strong growth for the Baltika brand (especially Baltika 7 and Baltika Cooler) which achieved a volume increase of 15%, and similarly positive growth for the Tuborg brand, with growth of 20%, whilst Kronenbourg grew by 35%.

Inventory levels are closely monitored and Baltika's distribution model focuses on high consistency and visibility. At year-end 2008, inventory levels (measured as days of sale) at distributors/wholesalers were on par with end 2007. Given Baltika's cooperation with the premium distributors/wholesalers, the business has not experienced any unusual bad debts at distributors in 2008 and days outstanding to distributors at the end of 2008 were in line with those in 2007.

Capacity expansion projects were to a large extent finalised in the first half of 2008, including investments in the greenfield brewery in Novosibirsk in Russia, which started production in the spring. Total production capacity in Russia is now c. 50m hl, leaving Carlsberg's Russian operations well positioned to capture further growth in the market without significant additional investments in capacity. Furthermore, the integrated nationwide production and logistic network in our Baltika business model allows for very flexible cross-brewing and distribution to accommodate variations in demand between regions, segments and packaging formats.

In 2008 the emerging markets in the other Eastern European countries showed a mixed picture with volume growth in Uzbekistan (+11%) and in Belarus (+10%), a flat market in the Ukraine, and market decline in Kazakhstan (-4.8%). Market developments have been affected overall by weaker economies by the end of the year but severe flooding also affected the beer market in the Ukraine in the important third quarter.

Baltika Brewery is the largest Fast Moving Consumer Goods (FMCG) company in Russia. In 2008, the company's total market share in Russia was 38.3%, double the size of its closest competitor. The Baltika brand is the largest beer brand in Russia – and holds a no.1 position in Europe as well.

EASTERN EUROPE	Q4 2008	Q4 2007	Change (%)	2008	2007	Change (%)
Beer sales (million hl)	10.9	5.9	84.7	46.8	27.7	68.9
Net revenue	4,616	2,066	123.4	19,137	9,658	98.2
Operating profit	799	345	131.6	4,109	2,134	92.6
Operating margin (%)	17.3	16.7	0.6	21.5	22.1	-0.6

Although the growth in the Ukraine has slowed significantly, the business has performed well, driven by last year's relaunch of Slavutich, growth in the Baltika brand and the much improved business model. Total beer volume increased by 17% compared to 2007, leading to a significant volume market share gain of 3.1 percentage points to 23.7%. In both Kazakhstan and Uzbekistan, the businesses continue to win market share. Market shares are now at 47.9% (up 4.0% against last year) and 38.7% (in the first year in business) respectively, which already now makes Sarbast the no. 1 brand and Carlsberg Uzbekistan the no. 1 brewer in Uzbekistan.

During the fourth quarter, Carlsberg continued to gain share in every market thus partly offsetting the negative market development.

Total beer volumes in the Eastern European business increased to 46.8m hl equal to growth of 69%. Organic volume growth amounted to 6%. Fourth-quarter organic beer volume of 5.9m hl was in line with last year, despite market declines in most countries.

Net revenue was up 98% to DKK 19,137m (DKK 9,658m in 2007) with acquisitions contributing net revenue of DKK 8,114m. Organic growth was 20% (14% in DKK) driven by continued strong value focus (mix and price) and volume growth. The growth in net revenue is due to the strong performance of the Baltika and Tuborg brands relative to overall market growth. Price increases contributed c. 11% and mix a further c. 3%, whilst exchange rate movements impacted reported net revenue negatively by c. 6%.

In 2008 higher net revenue per hl was also driven by innovation and new product launches, price increases and mix improvement, reflecting the ongoing strong focus on balancing volume and value growth, offsetting higher costs for key inputs like malt, hops and glass bottles.

Operating profit was DKK 4,109m (DKK 2,134m in 2007) with organic growth amounting to 18% (13% in DKK) primarily driven by continuously strong results in Russia. Operating margin was 21.5% against 22.1% last year. This includes amortisations on additional value from purchase price allocation (PPA) of the S&N transaction (with no impact on cash flow) amounting to DKK 246m. Excluding this, the profit margin would have been 22.8% against 22.1% last year (in the fourth quarter 18.3% against 16.7% in the same period last year).

Despite the short-term impact of the economic weaknesses, the medium-term growth drivers for the Russian beer market remain very attractive and in line with our previously stated average growth rate assumption of 3-5% per annum, with further increases driven by higher per capita consumption, on-going premiumisation and development of the on-trade segment.

Asia

Although Asian economies have slowed down, strong growth continued during the year. Beer volumes grew in most markets across the region and growth in the fourth quarter 2008 has overall been in line with the trend seen in previous quarters. China remains the major growth engine for regional beer market growth, although Cambodia and Laos also grew in 2008. The Malaysian beer market showed impressive growth throughout the year.

Regional beer volumes increased by 16% to 11.5m hl with organic growth accounting for 13 percentage points, driven by a broadly based operational performance. The Chinese business grew organically by 17%, and Malaysia achieved significant volume growth of 7% following last year's changes to the business model which have successfully repositioned the business.

Net revenue climbed by 23% to DKK 3,555m (DKK 2,886m in 2007) with organic growth accounting for 24% (21% in DKK). In general, net revenue per hl benefited from price increases and by higher Carlsberg Chill sales in China. However, rapid growth in countries with lower prices as well as adverse foreign exchange movements capped the increase in reported average sales prices.

Operating profit climbed by an impressive 40% to DKK 511m (DKK 366m in 2007) with organic growth equal to this (36% in DKK). The growth was in particular driven by improvements in China and Singapore. Operating profit margin increased by 170bp to 14.4%.

Growth in the fourth quarter was overall in line with full-year 2008 performance with organic growth in net revenue of 25% (37% in DKK) and in operating profit of 41% (55% in DKK).

ASIA	Q4 2008	Q4 2007	Change (%)	2008	2007	Change (%)
Beer sales (million hl)	2.7	2.2	22.7	11.5	9.9	16.3
Net revenue	984	709	38.8	3,555	2,886	23.2
Operating profit	125	76	64.5	511	366	39.6
Operating margin (%)	12.7	10.7	2.0	14.4	12.7	1.7

Key figures and financial ratios

DKK million		2004	2005	2006	2007	2008
Sales volumes, gross (million hl)						
Beer		92.0	101.6	100.7	115.2	126.8
Soft drinks		19.4	19.1	20.2	20.8	22.3
Income statement						
Net revenue		36,284	38,047	41,083	44,750	59,944
Operating profit before special items		3,401	3,518	4,046	5,262	7,979
Special items, net		-598	-386	-160	-427	-1,641
Consolidated profit		1,269	1,371	2,171	2,596	3,206
Attributable to:						
Minority interests		169	261	287	299	575
Shareholders in Carlsberg A/S		1,100	1,110	1,884	2,297	2,631
Balance sheet						
Total assets		57,698	62,359	58,451	61,220	143,306
Invested capital		43,466	42,734	43,160	45,394	119,326
Interest-bearing debt, net		21,733	20,753	19,229	19,726	44,156
Equity, shareholders in Carlsberg A/S		15,084	17,968	17,597	18,621	55,521
Cash flow						
Cash flow from operating activities		3,875	4,734	4,470	4,837	7,812
Cash flow from investing activities		-2,363	-2,354	65	-4,927	-57,153
Free cash flow		1,512	2,380	4,535	-90	-49,341
Financial ratios						
Operating margin	%	9.4	9.2	9.8	11.8	13.3
Return on average invested capital (ROIC)	%	8.1	7.8	9.2	11.7	8.2
Equity ratio	%	29.1	31.3	32.5	32.6	42.4
Debt/equity ratio (financial gearing)	x	1.29	1.06	1.01	0.99	0.73
Debt/operating profit before depreciation and amortisation	x	3.53	3.29	2.73	2.43	3.80
Interest cover	x	2.95	2.84	4.72	4.38	2.31
Stock market ratios*						
Earnings per share (EPS)	DKK	12.5	11.7	19.9	24.3	22.2
Cash flow from operating activities per share (CFPS)	DKK	44.1	50.1	47.1	51.2	65.8
Free cash flow per share (FCFPS)	DKK	17.2	25.2	48.0	-1.0	-415.4
Dividend per share (proposed)	DKK	4.0	4.0	4.8	4.8	3.5
Pay-out ratio	%	32	34	24	20	20
Share price (B shares)	DKK	223.6	272.8	452.9	498.1	171.3
Number of shares (period-end)	1,000	76,078	76,278	76,271	76,246	152,554
Number of shares (average, excl. treasury shares)	1,000	87,964	94,433	94,479	94,466	118,778

Calculation of some of the key figures and financial ratios has been changed in 2007. Comparative figures have been restated.
* Adjusted for bonus factor from rights issue in June 2008 in accordance with IAS 33.

Income statement

DKK million	Q4 2008	Q4 2007	2008	2007
Net revenue	14,524	10,818	59,944	44,750
Cost of sales	-7,844	-5,664	-31,248	-22,423
Gross profit	6,680	5,154	28,696	22,327
Sales and distribution expenses	-4,381	-3,667	-17,592	-14,528
Administrative expenses	-1,116	-789	-3,934	-3,123
Other operating income, net	191	195	728	485
Share of profit after tax, associates	13	35	81	101
Operating profit before special items	1,387	928	7,979	5,262
Special items	-1,344	-243	-1,641	-427
Financial income	131	192	1,310	651
Financial expenses	-1,412	-620	-4,766	-1,852
Profit before tax	-1,238	257	2,882	3,634
Corporation tax	1,534	-173	324	-1,038
Consolidated profit	296	84	3,206	2,596
Attributable to:				
Minority interests	172	47	575	299
Shareholders in Carlsberg A/S	124	37	2,631	2,297
Earnings per share*	0.8	0.4	22.2	24.3
Earnings per share, diluted*	0.8	0.4	22.2	24.2

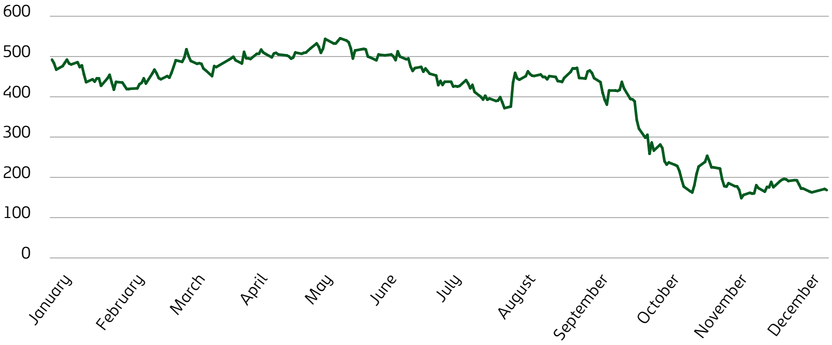
*Adjusted for bonus factor from the rights issue in June 2008 in accordance with IAS 33, excl. number of shares period-end.

Balance sheet

DKK million	31 Dec. 2008	31 Dec. 2007
Assets:		
Intangible assets	84,678	21,205
Property, plant and equipment	34,043	22,109
Financial assets	5,305	2,965
Total non-current assets	124,026	46,279
Inventories and trade receivables	11,686	10,159
Other receivables etc,	4,575	2,499
Cash and cash equivalents	2,857	2,249
Total current assets	19,118	14,907
Assets held for sale	162	34
Total assets	143,306	61,220
Equity and liabilities:		
Equity, shareholders in Carlsberg A/S	55,521	18,621
Minority interests	5,230	1,323
Total equity	60,751	19,944
Borrowings	43,230	19,385
Deferred tax, retirement benefit obligations etc,	13,357	4,680
Total non-current liabilities	56,587	24,065
Borrowings	5,291	3,869
Trade payables	7,993	5,833
Other current liabilities	12,316	7,509
Total current liabilities	25,600	17,211
Liabilities associated with assets held for sale	368	-
Total equity and liabilities	143,306	61,220

Overview

Share price 2008
(DKK per share, Carlsberg B)



FINANCIAL CALENDAR 2009

12 March	Annual General Meeting
6 May	Q1 Interim Report 2009
5 August	Q2 Interim Report 2009
4 November	Q3 Interim Report 2009
31 December	End of 2009 financial year

NEW SR. VICE PRESIDENTS APPOINTED

KHALIL YOUNES

New Senior Vice President, Group Innovation and Sales & Marketing as of 1 February 2009.

Responsible for Group Sales & Marketing and the Group's innovation activities. Prior to joining Carlsberg, Mr Younes worked 15 years for The Coca-Cola Company. Mr Jounes was responsible for a number of successful brand developments and change processes around the world. His last position was Vice President of Global Juice Marketing.

NILS ØSTBIRK

New Senior Vice President, Western Europe as of 1 March 2009.

Responsible for the Western European business. Prior to joining Carlsberg, Mr Østbirk was Zone Director, Northern Europe at L'Oréal responsible for operations in 12 countries across Europe. Before that, he was Managing Director for L'Oréal in Poland and the Netherlands. Previously, Mr Østbirk worked for Philip Morris as head of Indochina.

ANNUAL GENERAL MEETING AND DIVIDEND

The Company's Annual General Meeting will be held on Thursday 12 March 2009 at Radisson SAS Falconer Hotel, Copenhagen.

The Parent Company has posted a profit for 2008 of DKK 1,055m. The Board of Directors recommends that the Annual General Meeting approve payments of a dividend of DKK 3.50 per share. This will involve a total payment of DKK 534m.

SHAREHOLDERS

At the end of 2008 Carlsberg had more than 57,500 registered shareholders, together holding nominal capital of DKK 2,255m, corresponding to 77% of the share capital.

Based on the information available, it is estimated that around 23% of the shares in free float (i.e. excluding the Carlsberg Foundation's holding) are owned by shareholders in Denmark and 77% by foreign shareholders or unidentified shareholders (also believed to be primarily foreign).