

H1 2016 Aide Memoire

A number of events in 2015 have an impact on the year-on-year comparison for H1 2016. These include the following items, which you may wish to consider in your modelling. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for H1 2016 versus H1 2015.

Factors impacting comparative figures

Western Europe

In the Q2 2015 announcement, commenting on the volume decline, we said:

"The Western European beer markets declined by an estimated 1-2% for the six months. In Q2, the market decline was an estimated 2-3% as bad weather in Central and Northern Europe, especially in May and June, impacted beer consumption negatively."

Eastern Europe

At the Q2 2015 announcement, we said that one of the reasons behind our volume decline was:

"...the market-driven need for further inventory reductions at distributors in Russia."

...and at the Q2 2015 conference call we said:

"In Q2, shipments and off-take were largely in line in actual terms, but declined 19 per cent year-on-year due to the much lower inventories at distributors at the end of June this year compared to last year."

At the Q1 2016 conference call, we further elaborated:

"The volume growth was mainly driven by easy comparisons in Russia as we took significant measures last year to reduce stock levels at distributors, in response to the market decline and the continued shift from traditional to modern trade."

...and further commented on Q1 and year-to-go price/mix:

"The strong price/mix was driven by last year's price increases as well as a weak mix last year, when the destocking mostly impacted premium products. The price/mix will be less pronounced in the coming quarters."

When asked about the underlying market trend in Russia we answered at the Q1 2016 conference call:

"We think something between the minus 5%, minus 8%."

Asia

At the Q1 2016 conference call, we said:

"...we are expecting the Chinese market to continue to be soft for the full year"

...and:

“Following the decision in the State of Bihar in India to ban all alcoholic products, the growth in India for the remainder of the year will be somewhat slower than what was achieved in Q1.”

Outlook

In the Q1 2016 trading statement, we commented:

“Based on solid first quarter results, we maintain our financial expectations for 2016:

- *Low-single-digit percentages organic operating profit growth.*
- *Financial leverage reduction.*

Based on the spot rates as of 9 May, we now expect a negative translation impact of DKK 550m compared to our previous expectation of DKK 600m. Although the major Eastern Europe currencies have strengthened during the first quarter of the year, some Asian and Western European currencies have developed unfavourably.”

At the Q1 2016 conference call, we said:

“In terms of phasing of earnings growth between the first and second half year, we expect to see stronger results in the first half year than in the second half year due to easy comparisons with last year's weak second quarter performance and expected higher spending behind the SAIL'22 priorities in the second half of the year.”

Disclaimer

This Company Announcement 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 expectations or forecasts at the time. 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.