

Company announcement 5/2018

1 May 2018
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Q1 2018 TRADING STATEMENT

HIGHLIGHTS

- Organic net revenue growth of 2%; reported decline of 5% to DKK 12.7bn due to currencies (-5%) and disposals (-2%).
- Price/mix improvement of 1%.
- Total organic volume growth of 1%.
 - Tuborg volume growth +11%, Carlsberg flat, Grimbergen +12% and 1664 Blanc +44%.
 - Craft & speciality volume growth of +30%, alcohol-free brew volume growth of +23% in Western Europe.

2018 EARNINGS EXPECTATIONS MAINTAINED

- Mid-single-digit percentage organic growth in operating profit.
- A translation impact on operating profit of around DKK -550m, based on the spot rates at 30 April (previously DKK -450m).

CEO Cees 't Hart says: "In the seasonally small first quarter, we delivered 2% organic revenue growth. The Q1 growth in craft & speciality and alcohol-free brews as well as the broadly based growth in Asia serve as proof points for our SAIL'22 agenda. Funding the Journey is delivering according to plan and we're well on track to deliver on our full-year expectations."

Carlsberg will present the results at a conference call today at 9.00 am CET (8.00 am GMT). Dial-in information and the slide deck are available beforehand on www.carlsberggroup.com.

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FIRST QUARTER REVIEW

The Group delivered organic revenue growth of 2%, driven by 1% organic volume growth and +1% price/mix. Reported net revenue declined by 5% to DKK 12.7bn, impacted by -2% from divestments and a negative currency impact of 5%. In reported terms, total volumes were flat, impacted by last year's disposal of Nordic Getränke.

Our international premium brands delivered strong growth rates. The Tuborg brand grew by 11%, mainly driven by India, China and the Turkish licence market. The Carlsberg brand grew volumes in Asia and Eastern Europe, but this was neutralised by the volume decline in the UK. Grimbergen continued to gain traction in many markets and grew by 12%, while 1664 Blanc delivered very strong growth of 44%, driven by all three regions.

Western Europe

Net revenue in Western Europe declined organically by 3% as a result of -1% price/mix and total organic volume decline of 2%. Reported net revenue declined by 8% because of last year's divestment of Nordic Getränke (-3%) and a negative currency impact of 2%, mainly caused by the Swiss, Norwegian, Swedish and UK currencies.

Regional price/mix was impacted by lower export & licence sales in the Middle East and growth of the Tuborg brand in the Turkish licence market. Adjusting for this, price/mix in the Western European markets was around +1%.

The volume decline in the region was mainly caused by market share losses in the UK related to the Carlsberg brand and lower volumes in Poland due to the price increases we implemented. The positive impact of the earlier Easter this year was offset by cold weather across the region.

Asia

Asia made a very strong start to the year. Net revenue grew organically by 16% as a result of +3% price/mix and total organic volume growth of 12%. Reported net revenue grew by 6%, impacted negatively by currency movements, in particular the Chinese, Indian and Lao currencies.

The volume growth was supported by the later sell-in to the festive season in several of our Asian markets, especially China and Vietnam. In addition, our Indian business delivered more than 30% volume growth due to easy comparables for last year following the so-called highway ban.

The price/mix improvement was the result of price increases and continued premiumisation, with our international beer brands delivering strong results across the region. Regional price/mix was impacted by a negative country mix due to the strong growth in India.

Eastern Europe

Net revenue in Eastern Europe declined by 3% as a result of a 6% volume decline partly offset by 3% price/mix. Reported net revenue declined by 14%, due to a negative currency impact.

Our volumes grew in all markets except for Russia. The volume decline in Russia was impacted by the overall market decline of around 4-5% and tough comparables for Q1 2017, as our market share decline accelerated during the year because of increased promotional pressure in the PET segment following the PET restrictions introduced on 1 January 2017.

The 3% price/mix was the result of price increases across all markets, which more than offset an expected negative product mix in Russia driven by some specific activities in the affordable PET segment.

Structural changes

At the beginning of 2018, the Group completed the following transaction:

- Acquisition of the remaining 49% of Olympic Brewery in Greece.

EARNINGS EXPECTATIONS

We are maintaining our financial expectations for 2018:

- Mid-single-digit percentage organic growth in operating profit.

Based on the spot rates at 30 April, we now expect a translation impact of around DKK -550m compared to our previous expectation of DKK -450m.

All other assumptions are unchanged.

FINANCIAL CALENDAR

The financial year follows the calendar year, and the following schedule has been set for 2018:

16 August	HI interim financial statement
1 November	Q3 trading statement

COPENHAGEN, 1 MAY 2018

Executive Board of Carlsberg A/S

Cees 't Hart
CEO

Heine Dalsgaard
CFO

VOLUME AND NET REVENUE DATA

Q1	2017	Organic	Acq., net	FX	2018	Change Reported
Beer sales (pro rata, million hl)						
Western Europe	9.5	-2%	-1%	-	9.2	-3%
Asia	7.3	12%	0%	-	8.2	12%
Eastern Europe	6.1	-6%	0%	-	5.8	-6%
Total	22.9	1%	0%		23.2	1%
Other beverages (pro rata, million hl)						
Western Europe	3.3	0%	-9%	-	3.0	-9%
Asia	0.7	16%	0%	-	0.8	16%
Eastern Europe	0.3	-5%	0%	-	0.2	-5%
Total	4.3	2%	-7%		4.0	-5%
Total beverages (pro rata, million hl)						
Western Europe	12.8	-2%	-3%	-	12.2	-5%
Asia	8.0	12%	0%	-	9.0	12%
Eastern Europe	6.4	-6%	0%	-	6.0	-6%
Total	27.2	1%	-1%		27.2	0%
Net revenue (DKK million)						
Western Europe	7,673	-3%	-3%	-2%	7,095	-8%
Asia	3,415	16%	0%	-10%	3,608	6%
Eastern Europe	2,329	-3%	0%	-11%	1,992	-14%
Not allocated	12	-23%	0%	0%	9	-23%
Total	13,429	2%	-2%	-5%	12,704	-5%

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 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 fair 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.