

Contents

A Brief Presentation	2
The Shape of the Carlsberg Group	4
Supervisory Board and Executive Board	5
Highlights and Key Figures	6
Report for 1996/97	7
Future Prospects	12
The Danish Brewing Operation	14
The International Brewing Operations	15
The United Kingdom	15
North, Central and Eastern Europe	17
Western Europe	21
Asia, Africa, North and South America	22
The Exports	26
The Coca-Cola Nordic Beverages	27
Accounts for 1996/97	29
Financial Review	30
Accounting Policies	34
Turnover, Operating Profit and Equity	35
Group Companies	36
Profit and Loss Account	37
Balance Sheet	38
Cash Flow Statement	40
Notes to the Accounts	41
Auditors' Report	48
Subsidiaries and Associated Companies	49
Shares and Shareholders	51
Annual General Meeting	52

A Brief presentation

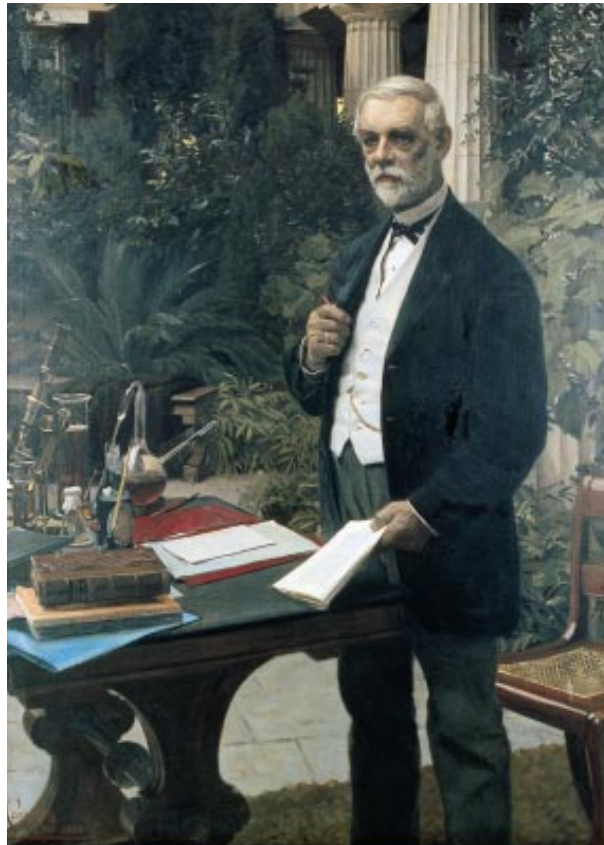
The Carlsberg Group is one of the world's major international brewing groups, with Carlsberg and Tuborg being two of the most widely sold beer brands on a global scale.

The Group comprises the Parent Company - the Carlsberg Breweries founded in 1847 and Tuborg Breweries founded in 1873 - and about 100 subsidiaries and associated companies, the majority of which are situated outside Denmark. The Group has a workforce of approximately 18,000 employees, if all associated companies are included, and it sells its products in about 150 markets.

The core business of the Carlsberg Group is the production and sale of beer. More than 85 per cent of sales are achieved outside Denmark. International brewing operations include the export of beer brewed in Denmark, as well as local brewing at 65 production sites in 40 countries. Local production, according to the Group's specifications, is handled partly by breweries in which the Group holds capital interests, and partly by breweries with which agreements have been made for the production and sale of Carlsberg and Tuborg beer.

The Danish beverage sector of the Group also includes Dadeko and Coca-Cola Nordic Beverages which produce and market household names such as Coca-Cola, Fanta and Sprite, as well as Vingaarden.

The Group has interests in other business areas, most significantly through the ownership of Royal Copenhagen A/S, the largest industrial arts group in the Nordic countries. Royal Copenhagen incorporates the Royal Porcelain Manufactory, Bing & Grøndahl, Georg Jensen Silversmiths, Holmegaard



Brewer J.C. Jacobsen, Carlsberg's founder.

Glassworks, Illums Bolighus and Orrefors Kosta Boda in Sweden.

Ever since Carlsberg's foundation, the Company has operated its own research departments. In 1875, the Carlsberg Laboratory was established which has now been integrated into the Carlsberg Research Center, with 80 laboratories equipped with the latest technology and a staff of about 150. In addition to extensive basic research, brewing related research is conducted into enzyme chemistry, protein chemistry, carbohydrate chemistry, plant breeding and genetics as well as the malting, brewing and fermenting processes. Moreover, process and product

development takes place in a variety of departments of the Company.

The ownership structure of the Group is unique. Carlsberg A/S is a company publicly quoted on the Copenhagen Stock Exchange with some 11,000 registered shareholders. The largest, single shareholder by far is the Carlsberg Foundation, which is required by its charter to hold a minimum of 51 per cent of the share capital in Carlsberg A/S. Only one other shareholder, the Danish Labour Market Supplementary Pension Scheme, accounts for more than 5 per cent of the shares. Over the years, most of the employees of the Parent Company have accepted offers to buy shares on favourable terms or been granted shares in connection with Carlsberg's 150 years' jubilee in 1997.

The Carlsberg Foundation was established by Carlsberg's founder, Brewer J.C. Jacobsen, and its income goes to support Danish natural and social sciences as well as the humanities. The Carlsberg Foundation also administers and

A Brief presentation

maintains the Frederiksborg Museum of National History and the Carlsberg Laboratory.

The New Carlsberg Foundation, a separate department of the Carlsberg Foundation with its own board of directors, has the special task of acquiring works of art for Danish museums and institutions. It is also responsible for the

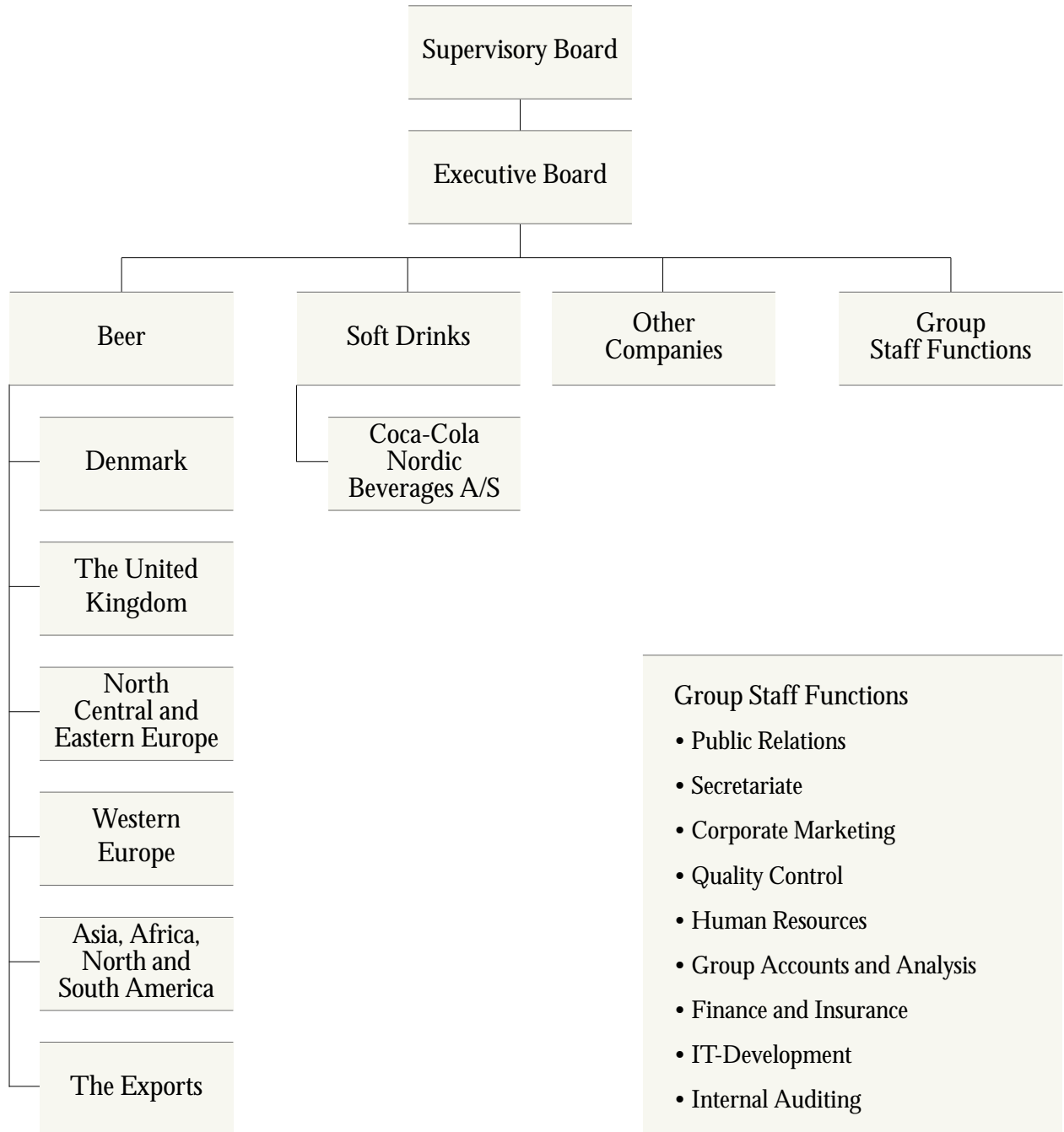
administration and maintenance of the New Carlsberg Glyptothek in collaboration with the Danish government and the City of Copenhagen.

The Tuborg Foundation, which operates in support of activities of benefit to society, is another department of the Carlsberg Foundation with its own board of directors.

Picture left out to save download time

On 5 November 1997 H.M. Queen Margrethe paid a visit to Carlsberg on the occasion of Carlsberg's 150 years' jubilee. The Chairman of the Supervisory Board of Carlsberg A/S, professor D.Econ. Poul Chr. Matthiessen (right) and Mr. Flemming Lindeløv, President and Group Chief Executive Officer, accompanied the Queen on a tour of i.a. Carlsberg Academy - the former Mansion of Honour.

The shape of the carlsberg group



Supervisory Board and Executive Board

Supervisory Board

Poul Chr. Matthiessen,
Professor, D.Econ., Chairman
Member of the Supervisory Board of
Royal Scandinavia A/S

Erik B. Rasmussen, M.Sc.
(Electr. Eng.), Deputy Chairman
Member of the Supervisory Board of
A/S Dansk Shell
Danisco A/S
Dansk Udviklingsfinansiering A/S
GN Store Nord A/S
Incentive A/S
Motorola A/S

Torkild Andersen,
Professor, D.Ph.

Tage Arentoft, Brewery Worker
Employee board member

Karin Troest Clemmensen,
Porcelain Painter
Employee board member

Dorte Krag,
Laboratory Manager
Employee board member

Povl Krogsgaard-Larsen,
Professor, D.Sc., Ph.D., Dr.h.c.
Acadia Pharmaceuticals A/S

Holger Lavesen, President
President of Dansk Olie og Naturgas A/S

Member of the Supervisory Board of
Dansk Industri Invest A/S
NKT Holding A/S
Politiken A/S
TBT Holding A/S

Axel Michelsen,
Professor, D.Ph.

Erik Michelsen,
Brewery Worker
Employee board member

Jens W. Werner,
Managing Director
Director and Member of the Supervisory Board
of Alkaline Batteries A/S

Member of the Supervisory Board of
P. Brøste A/S
Ostimex Holding A/S
Royal Scandinavia A/S

Per Øhrgaard, Professor, D.Ph.

Executive Board

**Flemming Lindeløv, President
and Group Chief Executive
Officer**

Member of the Supervisory Board of
Carlsberg Brewery Hong Kong Limited,
Hong Kong
Carlsberg Brewery Malaysia Berhad, Malaysia
Carlsberg Finans A/S
Carlsberg-Tetley PLC, UK
Coca-Cola Nordic Beverages A/S
Danbrew Ltd. A/S
Ejendomsaktieselskabet af 3/9 1930
Royal Scandinavia A/S

**Michael C. Iuul, Group
Managing Director,
International**

Chairman of the Supervisory Board of
Carlsberg International A/S
Carlsberg Brewery (Shanghai) Company
Limited, China
Carlsberg Brewery Hong Kong Limited,
Hong Kong
Carlsberg Marketing (Singapore) Pte Ltd.,
Singapore
Carlsberg-Tetley Brewing Limited, UK
Carlsberg-Tetley PLC, UK
Danbrew Ltd. A/S
Dryckes Distributören i Sverige AB, Sweden
Hannen Brauerei GmbH, Germany
Huizhou Brewing Company Limited, China
Tuborg International A/S
United Breweries International Limited A/S

Deputy Chairman of the Supervisory Board of
Carlsberg Brewery (Thailand) Co. Ltd., Thailand
Carlsberg Finans A/S
Industrie Poretti S.p.A., Italy
Oy Sinebrychoff Ab, Finland

Member of the Supervisory Board of
Aktieselskabet Th. Wessel & Vett
Carlsberg Brewery Malaysia Berhad, Malaysia
Carlsberg Malawi Brewery Limited, Malawi
Carlsberg-Importers S.A., Belgium
Falcon Bryggerier AB, Sweden
Gorkha Brewery Ltd., Nepal
Grupo Cruzcampo S.A., Spain
Hue Brewery Ltd., Vietnam
Israel Beer Breweries Ltd., Israel
South-East Asia Brewery Ltd., Vietnam
The East Asiatic Company Ltd. A/S
Unicer-Uniao Cervejeira, S.A., Portugal

**Walther Paulsen, Group
Managing Director, Finance
and Administration**

Chairman of the Supervisory Board of
Carlsberg Finans A/S
Member of the Supervisory Board of
A/S Kjøbenhavns Sommer-Tivoli
Carlsberg (UK) Limited, UK
Carlsberg-Tetley PLC, UK
Coca-Cola Nordic Beverages A/S
Danske Invest Administration A/S
Det Berlingske Officin A/S
Ejendomsaktieselskabet af 3/9 1930
Harboes Bryggeri A/S
Holmegaard Emballage A/S
Royal Scandinavia A/S
Rynkeby Foods A/S
Vingaarden A/S

Sven G. Petersen,
Managing Director
Member of the Supervisory Board of
Danbrew Ltd. A/S
Danish Malting Group A/S

Divisions

Division Danmark

Lars Kjær, Executive Vice President
Svend Erik Albrethsen, Senior Vice President
Mogens Jønck, Senior Vice President
Bjørn Karsholt, Vice President
Preben Kjærsgaard, Vice President
Finn Terkelsen, Vice President
Jan Isager, Financial Controller
Hans-Jørgen Larsen, General Manager, DP
Lars Terp, General Manager, HR

The United Kingdom

Ebbe Dinesen, Managing Director

North, Central and Eastern Europe

Finn Jakobsen, Vice President

Western Europe

Bjørn Søndenskov, General Manager

Asia, Africa, North and South America

Agnete Raaschou-Nielsen, Vice President

Exports

Mogens Thomsen, Vice President

Group Staff Functions

Public Relations

Henrik Mølstrøm, General Manager, Public
Relations

Secretariate

Ole Andreasen, Senior Vice President
Hans Henrik Schmidt, Legal Counsel

Corporate Marketing

Annette Tingstrup, General Manager,
Marketing

Human Resources

Kurt Israelsen, Vice President

Quality Control

Jens-Jørgen Iversen, Vice President

Group Accounts and Analysis

Per Brøndum Andersen, Vice President

Finance and Insurance

Jesper Bærnholdt, Vice President

IT-Development

Torben Melskens, Group IT Manager

Internal Auditing

Claus Falk-Larsen, Internal Auditor

Environment

Bent Groesen Rasmussen, Executive Vice
President

Trust Administration

Niels C. Roelsen, Vice President

Research

Klaus Bock, Head of Department

Technological Development

Birthe Skands, Group Development Manager

Highlights and key figures

Group Sales of beer - in million hls ^{*)}

	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Sold in Denmark	5.2	5.6	5.5	5.3	5.3	5.2	5.3	5.3	5.1	5.0
Sold outside Denmark	12.3	13.1	13.4	16.1	15.9	22.2	24.9	26.3	27.2	28.7
Total sales	17.5	18.7	18.9	21.4	21.2	27.4	30.2	31.6	32.3	33.7

Sales of soft drinks - in million hls

Sold in Denmark	0.5	0.6	0.7	0.7	1.7	1.9	2.2	2.4	2.4	2.5
-----------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Highlights - in dkk million

Turnover	14,485	14,902	15,141	14,462	14,957	15,595	16,919	17,072	17,965	19,378
Operating profit	773	843	952	957	1,259	1,117	1,190	1,212	1,252	1,255
Financial income, net	138	167	159	248	105	465	124	208	318	501
Profit before tax	924	1,054	1,147	1,239	1,364	1,382	1,314	1,420	1,570	1,756
Group profit	540	632	719	789	938	982	885	1,077	1,126	1,256
Parent Company's share	566	618	768	802	854	910	802	1,003	1,063	1,242
Total assets	11,204	12,485	13,391	13,108	14,921	17,798	18,018	18,599	21,467	24,928
Equity	4,561	5,209	5,426	6,023	6,801	7,541	7,762	8,242	8,912	10,266
Investments in tangible fixed assets	1,111	755	642	900	805	975	1,025	1,547	1,513	1,042
Depreciation	554	520	533	543	666	784	858	790	834	877
Number of employees ^{**)}	13,595	12,585	12,192	11,494	13,777	17,762	17,481	17,563	18,519	18,081

Key figures

Equity ratio ¹⁾	40.7%	41.7%	40.5%	45.9%	45.6%	42.4%	43.1%	44.3%	41.5%	41.2%
Return on equity ²⁾	12.9%	12.9%	13.5%	13.8%	14.6%	13.7%	11.6%	13.5%	13.1%	13.1%
Gearing ³⁾	-37.4%	-43.9%	-44.1%	-45.7%	-43.6%	-10.3%	-21.8%	-19.7%	-11.7%	-3.2%
Dividend as per cent of share capital ⁴⁾	15%	15%	15%	15%	15%	15%	15%	17%	17%	18%
Earnings per share of DKK 20 ⁵⁾	9.38	10.24	12.73	13.29	13.36	14.24	12.54	15.69	16.63	19.43
Year-end market quotation for B-shares, adjusted ⁶⁾	162	205	221	355	267	254	262	270	353	374

1) Equity at year-end as per cent of total assets

2) Group profit as per cent of average equity

3) Interest-bearing liabilities as per cent of equity

4) Dividend for the year as per cent of share capital at year-end

5) Parent Company's share of profit for the year per DKK 20 share, divided by year-end share capital, adjusted for share issues

6) Year-end market quotation for B-shares, adjusted for share issues

*) Sales of Carlsberg and Tuborg beer, including beer brewed under licence, and other beer brands brewed by breweries of the Carlsberg Group and its associated companies

***) From 1991/92: Including all employees in pro-rata consolidated companies

Report for 1996/97

Carlsberg's steady development and high earning levels of past years have been maintained this year. The profit before tax amounted to DKK 1,756 million, which is an increase of DKK 186 million, or an increase of more than 12 per cent compared to last year. The annual operating profit of DKK 1,255 million is identical to last year, thus meeting the predictions of the interim report.

The financial income amounted to net DKK 501 million, which is DKK 183 million more than last year. The result which is larger than the interim report predictions, is due in part to the favourable development on the financial markets with increasing prices, especially on shares. Carlsberg has taken advantage of this situation by selling parts of its marketable portfolio, resulting in capital gains. The financial income was affected however, by depreciation of some higher risk financial assets.

The primary operating profit is the result of a stable level of earnings by most of the group companies.

The following companies should be mentioned for significant variations to this tendency:

- Carlsberg-Tetley in the UK has succeeded in improving its results before tax to DKK 544 million. The main reason for this improved result is the 18 per cent increase in the GBP/DKK exchange rate. The sale of Carlsberg beer has also improved, and together with an improved sales' combination, savings and improvements of the financial items, this has contributed to the satisfactory result. A slight decrease in total sales volume has had no negative effect on the company's gross profit as the volume reductions have been targeted at the private label products.

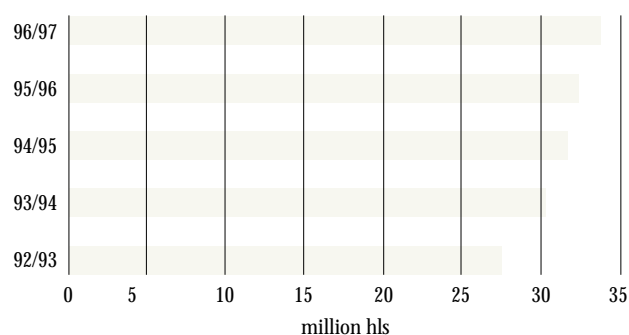
- The Carlsberg Brewery Malaysia Berhad saw improved results before taxes of DKK 358 million, an increase of 24 per cent, of which 26 per cent, equal to Carlsberg's ownership share, is included in the profit and loss account.
- After several loss-making years, the Hannen brewery in Germany has improved its earnings, but the company has still not reached a level of stable development with positive operating profits.
- Carlsberg's activities in China, comprising the breweries in Hong Kong and Huizhou, and the brewery which is under construction in Shanghai as well as the sales offices in Singapore and Taiwan, showed a negative result compared to last year's profit.

The beer and soft drink activities in Denmark, which apart from the parent company includes the Fredericia Bryggeri A/S, Wiibroes Bryggeri A/S, A/S Dadeko and J.C. Bentzen A/S, had an unchanged result on the aggregate.

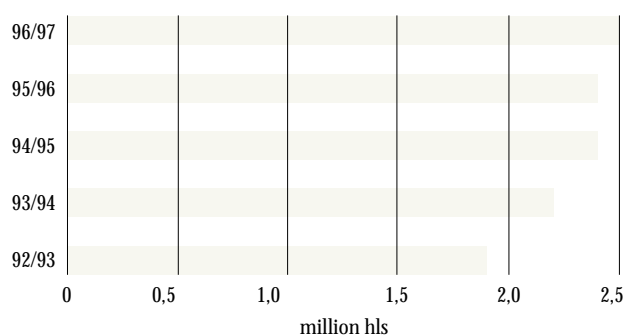
In the past year, beer consumption in Denmark has fallen by about 2 per cent while soft drink consumption has increased by 9 per cent. Carlsberg continued to downscale its promotion activities for beer and soft drinks in the lower-priced segment while strengthening its activities in the branded segment. The group's market share totals about 70 per cent for beer and about 50 per cent for soft drinks.

Carlsberg's brewing activities in Malawi in Africa have again this year given a very satisfactory result, as has the Falcon brewery in Sweden. The Portuguese brewing company, Unicer, has experienced a minor decrease in earnings this year, but they are still at a high level.

Sales of beer
Total



Sales of soft drinks
in denmark



Report for 1996/97

In many markets, the competition was further sharpened as a result of excess capacity, and increased pressure from major purchasing organisations. Furthermore, Carlsberg's principle European markets witnessed a decline in beer consumption. In order to maintain Carlsberg's position as a major international brewing group, Carlsberg has invested heavily in the past year in new growth markets in order to compensate for stagnating and decreasing consumption elsewhere.

The total global sale of beer in the Carlsberg Group amounted to hl 33.7 million in addition to the domestic sales of soft drink in Denmark of hl 2.5 million.

Among the other activities of the Carlsberg Group, Royal Copenhagen continued its progress. The company has reduced its ownership in Holmegaard Emballage by 25 per cent through a capital expansion drawn up by the Swedish packaging group, PLM AB. Also Danbrew showed a fine result this year. Due to the increased consumption of wine and spirits, Vingaarden was able to show a very satisfactory result. Rynkeby Foods was also able to show a very satisfactory result. The Danish Malting Group has shown a less satisfactory result on the other hand.

Carlsberg's share of the profit totals DKK 1,242 million, compared to DKK 1,063 million last year, which is a growth rate of 17 per cent. It is proposed that a dividend of DKK 3.60 per DKK 20 share be paid, which corresponds to 18 per cent of the share capital or DKK 230 million. The dividend last year was 17 per cent. It is proposed to appropriate the remaining disposable amount to the reserves.

The Carlsberg's Group equity level was positively effected by the year's net profit less dividend and by currency adjustments in the Group companies. It was negatively affected by the exchange rate adjustments of loans and to the write-downs of Group goodwill. The net effect was an increase of DKK 1,354 million to DKK 10.2 bn, with an equity ratio of 41.2 per cent.

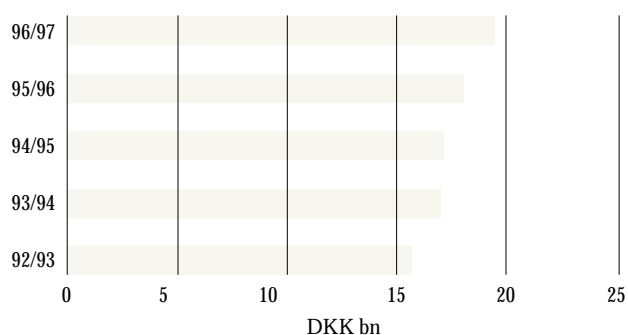
The period 1996/97, saw major activities totalling DKK 1.0 bn, invested in production plants and the acquisition of substantial shareholdings in several foreign breweries.

Carlsberg-Tetley

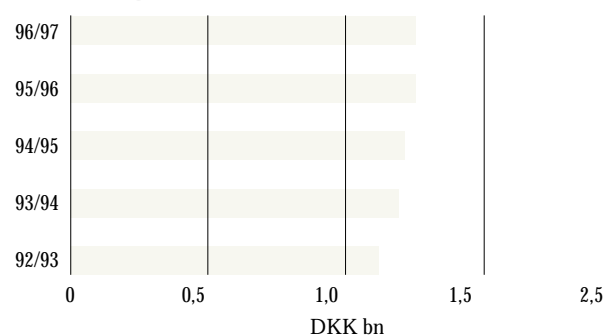
On the 22nd August 1997, Carlsberg A/S became the sole owner of Carlsberg-Tetley following a rejection by the British Minister of Industry of the merger between Bass Brewers Ltd. and Carlsberg-Tetley PLC in June 1997. According to agreements made between the parties earlier, Bass PLC sold 50 per cent of Carlsberg-Tetley to Carlsberg A/S for GBP 110 million. By the end of September, Carlsberg-Tetley presented a three-year plan that involved a thorough rationalisation of the organisation, and a reduction in the workforce from 3,700 to 2,200 employees over a two year period. Simultaneously, brewery investments totalling GBP 40 million are planned. The realisation of this plan will ensure that Carlsberg-Tetley will continue to substantially contribute to the Group's result.

In the beginning of November 1997, the Burton brewery was sold to Bass Brewers Ltd. as a consequence of the rationalisation plan. The agreement is subject to regulatory approval, and also states that in a transitional phase the Burton brewery would continue to brew for Carlsberg-Tetley.

Turnover



Operating profit



Report for 1996/97

Coca-Cola Nordic Beverages A/S (CCNB)

On the 11th September, after a consideration period of almost six months, the EU Commission approved the establishment of the Coca-Cola Nordic Beverages A/S, a cooperation between Carlsberg A/S and The Coca-Cola Company. Carlsberg owns 51 per cent of the CCNB, which will produce, sell and distribute Coca-Cola and other soft drinks in the Nordic and Baltic countries. In connection with the EU Commission's examination of the CCNB agreement, Carlsberg A/S and The Coca-Cola Company agreed on certain changes that include Carlsberg's divestment in Jyske Bryg Holding AS and A/S Dansk Coladrik. The shares in Dansk Coladrik were sold on 3rd November 1997.

The establishment of the CCNB in Denmark meant that in Denmark on the 1st October 1997, Carlsberg had to transfer its wholly owned subsidiary, A/S Dadeko, to the new company in return for 51 per cent of the shares in the CCNB.

In Sweden, The Coca-Cola Company has to transfer its wholly owned Coca-Cola Drycker Sverige AB (CCDS) and a capital injection in return for 49 per cent of the shares in the CCNB. CCDS and Falcon Bryggerier AB, in which Carlsberg A/S has a 60 per cent shareholding through Sinebrychoff, have entered into a separate distribution agreement.

The increase in value that Carlsberg A/S gains through these transactions, will be appropriated to running-in expenses and structural changes in future activities in the Nordic countries.

New Strategy Process and Organisation

Strategy Process

A new strategy process was initiated in 1997, whose main objective was to create a unified understanding of Carlsberg's competitive challenges while defining the direction of the company's future development.

The management has defined three specific objectives:

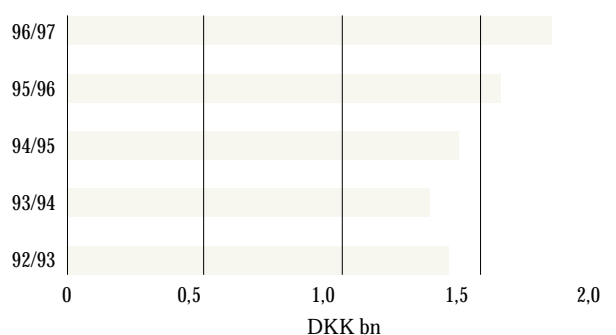
- to develop a perspective for the beer industry in the future, and seen in this perspective to define the terms and overall goals for Carlsberg's future development.
- to prepare a strategic plan of action for the next two years in the business areas "beer", and "soft drinks".
- to develop guidelines for a redesign of the organisation.

Organisational Structure

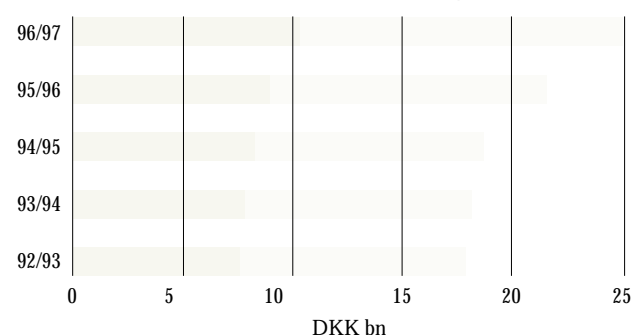
In connection with the development of the strategy process, a new organisational structure was introduced that primarily affected the Group's international and domestic beer and soft drink activities. The changed structure will be fully implemented during 1998 and is based on a set of assumptions for the senior management and the control of the business areas. Each redefined country and market area will be considered to be an independent business unit with the responsibilities for results that this entails. The Group management and staff will define and support the major guidelines for the business units, and will ensure that all possible synergy effects are realised across the entire company.

The Group's organisational structure appears in the summary on page 4.

Profit before tax



Total assets Equity



Picture left out to save download time

Report for 1996/97

New Sales and Distribution Systems in Denmark

The first phase of the major reorganisation of Carlsberg's and Tuborg's sales and distribution systems in Denmark that has been under preparation during 1997 will be implemented during 1998. The reorganisation implies that the present system of independent Carlsberg and Tuborg distributors will be replaced by a structure where the Group is responsible for the completion of all activities.

The new structure will comprise the independent and competing Carlsberg and Tuborg sales organisations, while having a joint distribution. The two sales organisations will be divided into six operative units, one for each region, and the joint distribution will be covered from 26 distribution centres located in the present depots in the major cities.

Two large terminals are being constructed on a recently acquired site in Tåstrup and by the Fredericia Bryggeri. They will be completed and operational by the end of 1998 and will reduce the number of distribution centres to 22. Simultaneously, the storage capacity at Carlsberg will be enlarged.

New Administrative Systems

In the past year, the parent company has made extensive changes to the internal office routines with a view to improving the customer related functions. One of the measures used has been to improve the level of communication between the departments. To support the "new way of doing things", Carlsberg has so far introduced new information technology (IT) in the areas of finance, purchasing/stock, production, quality and maintenance. The process continues and the coming year the whole of the domestic sales and

distribution departments will be reorganised. The IT-solution is based on the integrated standard software system, SAP R/3.

New Head Office

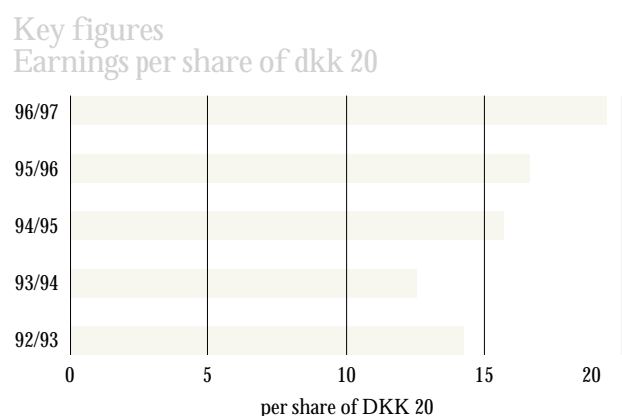
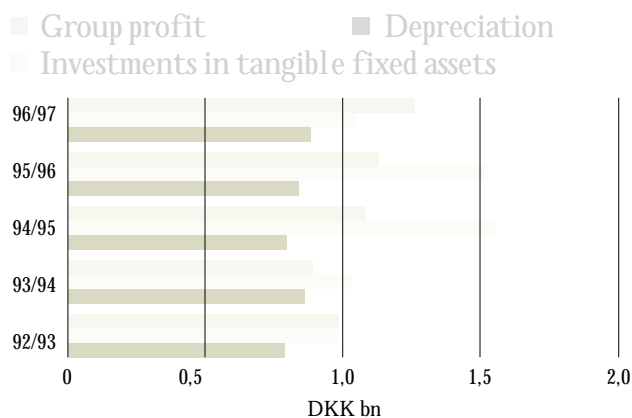
During the summer of 1997, Carlsberg A/S moved its head office into a former malting house and an 88 meter tall silo. The new head office, which houses the Group management and support staff as well as the international departments, has a gross floorage of 13,220 m².

Research

The research and development activities of the Carlsberg Research Centre, which includes the Carlsberg Laboratory, continued in 1996/97 with undiminished effort. The resulting expenditure is charged to the profit and loss account.

In the past year, the Carlsberg Laboratory was appointed to host a "National Instrument Centre for Nuclear Magnetic Spectroscopy of Biological Macro Molecules", by the Danish Natural Science Research Council. The Research Council invested more than DKK 12 million in advanced equipment to be used by Danish researchers from the public and private sectors. Furthermore, the Laboratory's Chemical Department has received DKK 20 million over a five year period from the Danish National Research Foundation for establishing the "Research Centre for Solid Phase Organic Chemistry".

Great demands have been made on large numbers of the staff in the Carlsberg Group in the past year, as a result of the considerable alterations that have been made. The company's management would therefore like to thank the employees for their loyalty and the considerable effort they have shown.



Report for 1996/97

This has been crucial for Carlsberg in order that it could maintain its high level of profitability and its position as an international large scale supplier of beer and soft drinks.

Future Prospects

In the coming years, the global consumption of beer is expected to increase. The growth will be largest in Asia and in Eastern Europe, while consumption in Western Europe is expected to stagnate. Carlsberg will therefore continue to increase its activities and investments in the new growth markets. The aim is to consolidate Carlsberg's position as one of the world's major international brewing groups.

On the Danish market, wine and spirit sales are increasing while beer sales are declining. It is expected that this will lead to sharpened competition and pressure on income for all involved parties. Carlsberg will therefore continue its efforts to rationalise all processes in the company. This means that the production, the distribution and the administrative processes are rationalised such that the company can have the highest possible productivity and efficiency in every process, while the increased marketing effort of the Group's brand names will be continued.

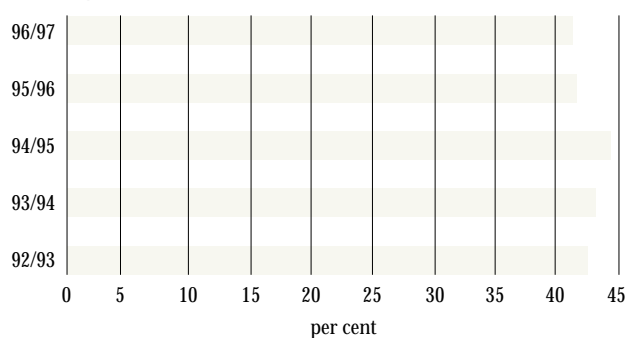
Carlsberg-Tetley will face large challenges in the coming years. The beer market in the UK is characterised by stagnating consumption and excess capacity, and Carlsberg-Tetley must also accept less profitable supply agreements.

For 1997/98, Carlsberg-Tetley must expect a less favourable result. The strong brands, good employees and a dedicated management combined with a rationalisation plan that should increase efficiency in all processes, should result in a satisfactory return on investment being reached in the long term.

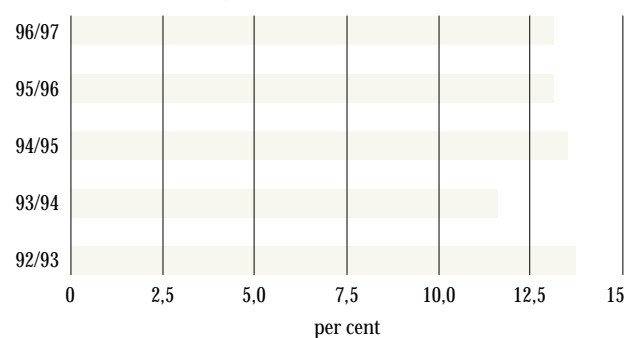
Next year, the Group's turnover is expected to increase by about DKK 8 bn, due mainly to the share in Carlsberg-Tetley increasing from 50 per cent to 100 per cent, and the newly established Coca-Cola company CCNB, which now includes Sweden. The purchase of a further 50 per cent of the shares in the Finnish brewing group, Sinebrychoff, which takes the stake to 60 per cent is, also contributory to the increased turnover. This acquisition is subject to regulatory approval. Soft drink consumption in markets of interest to Carlsberg is expected to increase. Consequently, through CCNB, Carlsberg has made considerable investments in marketing and new production plants.

Next year it is expected that the Group's operating profit will also increase. This is primarily due to Carlsberg-Tetley becoming fully consolidated, but also as a result of investments in new companies, and increased shareholding in affiliated companies. It is expected however, that the large investments that have been undertaken will result in a reduction of the financial income. In 1997/98, Carlsberg will continue to reduce its holdings of marketable shares and non-operating property, and this is expected to have a

Key figures
Equity ratio



Key figures
Return on equity



Report for 1996/97

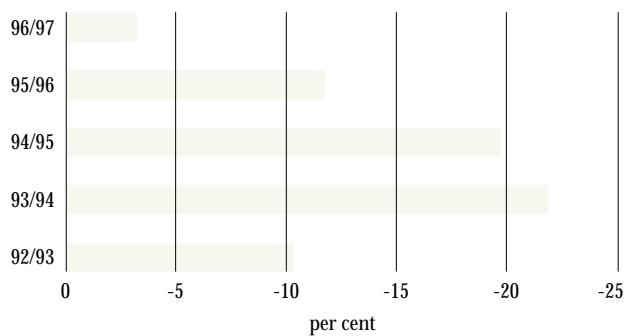
positive effect on the financial income. Simultaneously, the bond portfolios' duration will be adjusted regularly in order to minimise the risks to the financial items.

Carlsberg intends to invest in operative activities in favour of financial ones, which will influence the capital structure. Part of the planned investments will be financed by the sale of bonds and shares, but it must be expected that an increasing proportion will be financed through long-term

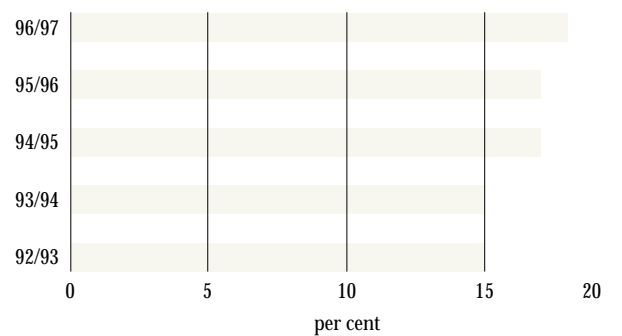
loans. Consequently, it must be expected that Carlsberg's equity level will be reduced from its present level. The capital structure will constantly be reviewed and adjusted to the expected developments in the interest rate levels, such that Carlsberg's capital base can be maintained at a high level in the future as well.

Carlsberg's investments in financial fixed assets outside the beer and soft drink industry will constantly be evaluated.

Key figures
Gearing



Key figures
Dividend as per cent of share capital



The Danish Brewing Operation

In the last year, despite a summer with good weather, the total beer consumption fell by about 2 per cent to 120 litres per capita.

As a result, beer sales for the past two years have fallen by 4 per cent, which is equal to about 80 million bottles. In the same period, there has been an increase in the sales of wines and especially spirits. Beer therefore represents a steadily declining percentage of the total alcohol consumed.

The Carlsberg Group's brand names such as Carlsberg, Tuborg and Wiibroe have gained market share, despite a fall in the market share for the total beer sales. This is due solely to the planned phasing out of less profitable lower priced brands.

By the end of the financial year, the Group had 70 per cent of the market share of the entire Danish market. The sales ratio between the Carlsberg and the Tuborg brands remains largely unchanged this past year. The Tuborg Green Label maintains its position as the unchallenged market leader of the pilsner segment in Denmark.

The past year has seen the implementation of intensified marketing activities and the launch of new products, not least in connection with Carlsberg's 150 year jubilee.

"The '97 Beer Election," which was introduced at the end of 1996 was concluded in February 1997. This was an 'election' where the consumers could choose between the six products that Carlsberg had launched in the period. Carl's Special was voted the winner.

Carl's Special and Tuborg Classic created a new segment in the beer market with a slightly darker and richer product that was warmly welcomed by the consumers.

Extensive sales activities for Carlsberg Pilsner and Tuborg Green Label ensured increased market shares in the brand name sector. The intensified focus on brand names has put a stop to the increase that lower-priced brands have experienced in the recent years, in fact turning them to a decrease in sales.

As of 1st January 1997, Sweden reduced its duties on beer in an effort to start harmonising its duties with the EU. This adjustment did not lead to a reduction in the quantities bought by the Swedes in Denmark. The corresponding border trade by the Danes at the Denmark/Germany border increased as a result of the increased Danish excise duties implemented at the beginning of 1996, as part of the EU harmonisation.

The Danish market saw the launch of a completely new product category called 'alcopops,' which are soft drinks mixed with spirits. This resulted in a debate in the media about alcohol. The product category has been successful in a number of countries, but has been accused of using marketing that is directed at young people. At the beginning of the year, Carlsberg announced that it would not be launching this type of product in Denmark.

Carlsberg is very aware of the political aspects regarding alcohol in its marketing, as well as following the current guidelines for beer advertisements. Carlsberg is also a member of the Danish Brewers' Society, and through this participates in GODA, which publishes information and teaching material about responsible alcohol enjoyment.

Following the changes in the Carlsberg Group's organisational structure, a new business unit called Division Danmark has been established. The Division has its own management and is accountable for the profitability in production, distribution and marketing.

The Division will be responsible for the implementation of the Group's new distribution and sales concept for beer in Denmark. It is expected to become fully operational during 1998.

The International Brewing Operation

In the past year, the total global beer consumption is estimated to have grown by 1-2 per cent. The increase in consumption can primarily be found in Asia and South America as well as certain Eastern European countries. The traditional beer markets with high per capita consumption have seen stagnating sales on the other hand.

The brewing industry in a number of the important European markets is characterised by excess capacity and concentrations in the off-licence trade which has put pressure on the prices. Despite this development, the sale of national and international brand names with strong positions and competitive images was strengthened. This was achieved through intensive sales and promotion efforts.

The total beer sales outside Denmark of the Carlsberg Group and its associated companies developed satisfactorily, growing by about 6 per cent to 28.7 million hl. The most important regional markets of Carlsberg A/S, continue to be Europe and Asia. This is also reflected in the choices of activities and investments that have been made.

Carlsberg Technical Services

Carlsberg Technical Services (CTS), is responsible for the quality control and technical consulting of the Carlsberg Group in matters relating to operation and environment matters. The CTS carries out a comprehensive control of the breweries and production units that produce Carlsberg's brands in order to make sure that quality specifications are observed and kept. For this purpose, the CTS produces manuals and pays frequent visits to the production units. The quality control system of the whole of the international production is being improved, and as a result the data communication with breweries abroad is being expanded.

Corporate Marketing

To support both the international sales and our partners abroad, a number of advertising, sales promotions and sponsor activities aimed at a multitude of markets is being implemented. Advertisements in the international printed media, the sponsoring of TV music programmes, sales 'task forces,' and cultural and sports sponsorships are being used extensively in order to strengthen the local sales efforts.

The main sponsorships of the past year have included the following: The Carlsberg Jubilee match, Brøndby vs. Liverpool on 20th July at The Parken in Copenhagen, Tuborg's sponsorship of the European Basketball Championships in July, the World Athletic Championships in Greece sponsored by Carlsberg and transmitted for 200 hours of direct TV worldwide. The Carlsberg Concert "Songs and Visions," at Wembley in London on the 16th August was attended by 72,000 people. Outside of the UK, this event was exploited in 30 markets, with TV coverage reaching 400 million people in 60 markets.

To ensure the optimal presentation of the design and promotion of the brands, Corporate Marketing determines guidelines in the form of manuals and other directives for the international partners. It is also ensured that local advertising of the products conforms with the identity of the brand.

The United Kingdom

In the United Kingdom, which is Carlsberg's oldest and largest international market, the past financial year was marked by a series of structural changes. This resulted from the proposed merger of Bass Brewers Ltd. and Carlsberg-Tetley PLC being rejected by the authorities on the 27th July, 1997. The authorities' consideration period had been extremely prolonged lasting 11 months, and resulted in a strain being felt by all the parties involved.

On the 22nd August 1997, in accordance with the original set of agreements between the parties, Bass sold its 50 per cent share of Carlsberg-Tetley and certain brands to Carlsberg at a price of GBP 110 million. Thus Carlsberg-Tetley becomes a wholly owned subsidiary of Carlsberg A/S. The mutual options held between Carlsberg A/S and Allied-Domecq from the original agreement have been annulled.

In late September 1997, Carlsberg-Tetley published the details of a three-year plan that would guarantee the company's future as a competitive, profitable and independent company.

The main element of the plan is to increase the focus on the company's major brands, namely Carlsberg and Tetley. As a result the organisation will be readjusted.

Picture left out to save download time

The International Brewing Operation

The two breweries that are being kept are the “homes” of the two brands, Carlsberg at Northampton and Tetleys at the Leeds breweries. The marketing expenditure of Carlsberg-Tetley will be kept at the same level at least, while the sales functions will be developed in order to retain the high level of customer services.

An important element in the efforts to ensure competitiveness will be the implementation of a thorough rationalisation, which will include a reduction in the workforce from 3,700 to 2,200 employees. It will also include selling or closing down three breweries while increasing the efficiency of the distribution, sales and administration functions. At the same time it is intended to invest about GBP 40 million in the breweries.

Once implemented, the initiatives are expected to result in a reduction of the total costs, while the discontinuation of unprofitable production and brands will result in Carlsberg-Tetley's market share stabilising at a slightly lower level.

In November 1997, a new supply agreement between Carlsberg-Tetley and Allied Domecq Retailing was agreed upon. The agreement requires the approval of the authorities.

In the coming years, it is expected that the competition and altered business conditions will have a negative impact on Carlsberg-Tetley's turnover and profit. Even so Carlsberg-Tetley's earnings will still yield a comfortable return on the invested capital.

The total volume amounted to 9.4 million hl, which is quite satisfactory considering the uncertain outlook that the company has faced for the past year. The decrease in sales can be attributed to a deliberate strategy that focused on selected brands, brands which had a higher profit margin. Sales to the non brewery-tied on-trade, remain almost unchanged compared to 1995/1996, which is very satisfactory considering the intensified competition.

The total beer sales of the UK market totalled 60 million hl, which is down 1 per cent in the past year.

The underlying trends of the UK market continue. Lager's share of the total beer market increases at the expense of the traditional beer types. Sales in the off-trade are increasing.

The continuing concentration in the pub-sector as well as the off-trade sector increased competition in all the UK market segments. The supply side is still characterised by excess capacity which put pressure on the prices.

In the lager segment, Carlsberg-Tetley continued the respectable growth of 1995/1996. The sale of the main brand, Carlsberg Lager, has grown by more than 10 per cent in the past year.

The sale of Carlsberg-Tetley's products is supported by a number of sales and promotion activities. After the end of the financial year, Carlsberg announced that as well as sponsoring the Liverpool Football Club, it would be sponsoring England's football team up to the 1998 World Cup.

The Carlsberg Concert, “Songs & Visions,” which took place at Wembley in London on the 16th August 1997, was the year's largest cultural event. The concert was aimed at both a UK as well as an international audience.

In the ale segment, January 1997 saw the relaunch of Tetley's Bitter. The brand is experiencing a considerable sales success, with especially Tetley's Bitter Smoothflow showing a remarkable growth. After the end of the financial year, Carlsberg-Tetley announced that for a four year period, Tetley would be the official sponsor of the Rugby Football Union and the English Rugby Union Team. This reflects the continuing increased support to the Tetley brand.

North, Central and Eastern Europe

Sweden

After a decrease in 1996, the Swedish beer market showed an increase from the beginning of 1997. Up to now, the increase totals about 2 per cent and is largely due to the change in the tax structure which has resulted in lower retail prices. The tax reform also resulted in lower prices on the strong beer types sold through the state stores, Systembolaget. Sales in the restaurant sector stagnated as a result of the economic

The International Brewing Operation

recession. In the retail trade sector, the reduction in taxes has led to a boom in the direct sale of low price labels and private labels. The tax reform has not been significant enough to halt the extensive private import of beer from Denmark and Germany.

Carlsberg and Tuborg remain Sweden's largest foreign beers, but neither has performed quite satisfactorily in 1996/1997. This is due in part to the increased competition in the segments of the market where Carlsberg and Tuborg are marketed, and in part to the economic recession. AB Pripps Bryggerier takes care of Tuborg sales, while Carlsberg is taken care of by the Falcon Bryggerier AB.

The Falcon Bryggerier AB was previously owned 50/50 by Carlsberg A/S and Oy Sinebrychoff Ab through Falcon Holding. Following Carlsberg A/S's acquisition of a further 50 per cent of Oy Sinebrychoff Ab, Falcon Bryggerier will become a subsidiary of Oy Sinebrychoff Ab, subject to the approval of the authorities. With annual sales of about 1.1 million hl., Falcon has almost 20 per cent of the Swedish market. Since April 1997, Falcon has had a distribution cooperation with the Coca-Cola Drycker Sverige AB, a subsidiary of the Coca-Cola Nordic Beverages A/S.

Norway

The total Norwegian beer market has developed very favourably, growing by 2 per cent to about 2.3 million hl, and is dominated by the lager segment which accounts for about 95 per cent of sales. Norway has Europe's absolute highest taxation on beer and a very low per capita beer consumption of about 40 litres per year.

The last two years have seen private labels and low priced beer entering the retail sector, but it is estimated that these beer sales have stabilised at a level of 6.5 per cent of the sector.

Carlsberg is brewed on licence by Ringnes as, and has significantly increased its sales becoming the predominant leader in the 'foreign beer' segment. The second largest brand in this segment is Tuborg which has also experienced a significant increase in sales. A/S Hansa Bryggeri takes care of the sale of Tuborg.

Finland

The total market for beer in Finland rose by 3 per cent and is dominated by lager strength beer that accounts for 89 per cent of the total volume.

Beer is heavily taxed, the pricing is stable, and low price beer has not gained a position on the Finnish market.

Carlsberg and Tuborg continue to be the two biggest international brands on the Finnish market. Together they are as big as all the other international brands combined, which is due mainly to their sales in the restaurant sector.

Carlsberg is sold by Oy Sinebrychoff Ab and Tuborg is sold by Oy Hartwall Ab.

In October 1997, an agreement was reached with Oy Rettig that Carlsberg would acquire 50 per cent of the shares in Sinebrychoff, such that Carlsberg would own 60 per cent, already being the owner of 10 per cent of the shares. At the same time it was agreed to transfer Carlsberg A/S's 50 per cent share in Falcon Holding AB in Sweden to Sinebrychoff. The acquisition is subject to regulatory approval. Furthermore, the agreement includes certain conditions that will give Oy Rettig Ab the option to sell, and Carlsberg A/S the option to buy the remaining 40 per cent shareholding in Sinebrychoff, on terms to be agreed upon.

There are big expectations of the cooperation with Sinebrychoff. With its breweries in Kereva and Pori, Sinebrychoff has some of the most modern production plants in the Nordic countries. The cooperation is expected to create a platform from which to operate in the Baltic markets as well as Russia, where Sinebrychoff acquired the brewery, Aovena in 1993.

During the last few years, Sinebrychoff has increased its market share in Finland, selling about 1.6 million hl, which is more than a third of the total market. In 1996, Sinebrychoff had a turnover that totalled DKK 1.4 bn, and operating results of DKK 93.5 million, with about 770 employees in Finland.

The International Brewing Operation

Greenland

In Greenland the Group's brands are sold by the soft drink and beer bottling line, Nuuk Imeq A/S. Carlsberg A/S owns 24 per cent of Nuuk Imeq A/S which is an associated company.

An agreement has been reached whereby the bottling, sale and distribution of Coca-Cola will commence in the first half of 1998, after the necessary bottling line has been constructed.

Germany

Carlsberg A/S's subsidiary in Germany is called Hannen Brauerei GmbH, and is located in Nordrhein Westfalen in the middle of Germany. The product range includes Tuborg, Carlsberg, Hannen Alt as well as a number of private labels. Hannen Alt is a dark and top fermented type of beer that is mainly consumed locally. With respect to production technology, the Hannen Brauerei is one of the most efficient in the Carlsberg Group.

The German market, which is characterised by a very fragmented brewing structure that has more than 1,200 breweries, saw sales decrease by 3 per cent. The general economic recession in Germany has seen unemployment rise and a resulting fall in consumer spending, causing increased competitiveness in a brewing industry that has an estimated excess capacity of about 25-30 per cent. The amount spent on the marketing of leading brands is increasing in order to raise market shares.

The Alt Bier sales decreased by 5 per cent, which negatively affected the sales of Hannen Alt. Tuborg is the leading international brand with an unchanged position. Intensive marketing of Tuborg has been completed with the relaunch of the returnable Tuborg bottle with the 'Thirsty Man'-label, as well as the new homogenous design of the packaging. The 'Thirsty Man,' is an easily recognisable symbol of Tuborg and is popular with the German consumers. A new TV and cinema advertising campaign has just started that emphasises Tuborg's brand identity.

Hungary

Tuborg was relaunched in June 1997 in Hungary, where it is produced under licence by Dreher Sörgyarak, Hungary's largest brewer.

The total beer market saw a decline of almost 2 per cent and the competition in the premium segment is intense. The sales of Tuborg develop as planned.

Croatia

The associated company, Panonska Pivovara d.o.o. brews Tuborg as well as local brands and is Croatia's third largest brewer. In September 1997, Panonska inaugurated a new brewery which is the most modern in Croatia and has a capacity of 600,000 hl.

The total beer market in Croatia saw a continued increase of almost 5 per cent. In Spring 1997, Panonska launched a new national standard brand, Pan, as a supplement to the local brands Prodravka and Kaj.

Tuborg continues to be the best selling premium brand, with a market share of more than 35 per cent, in the heavily competitive premium market. Carlsberg A/S has a 40 per cent shareholding in Panonska Pivovare, while The Danish Investment Fund for Central and Eastern Europe has a 20 per cent shareholding, and Podravka Food Industry has a 40 per cent shareholding.

Poland

The market for beer sales in Poland shows a continued growth of 10 per cent, while the per capita consumption is about 45 litres a year.

The brewer Okocimskie Zaklady Piwowarskie S.A., in which Carlsberg A/S has a 32.9 per cent shareholding, has had a considerable sales growth and gained market share despite intensified competition among Poland's five largest brewers.

As a supplement to local brands, Okocim started to brew Carlsberg on licence in June, as well as selling Tuborg. International brands have not yet had a breakthrough on the strongly traditional local market.

Israel

Last year, the total beer sales in Israel fell by about 1.5 per cent. The Israel Beer Brewery Ltd., in which Carlsberg has a 20 per cent shareholding, has significantly improved sales.

Picture left out to save download time

The International Brewing Operation

The Carlsberg brand continues to grow and is the leading international brand, and is the second largest brand in total on the Israeli market. Tuborg's market share has decreased slightly.

Turkey

The beer market in Turkey continues to grow by about 6 per cent annually, while the per capita consumption is about 10 litres a year. The growth is occurring mainly in the retail sector. The market is very competitive, and this has been intensified with the launch of several local low price brands.

Tuborg is produced locally in Izmir by Türk Tuborg Bira ve Malt Sanayi A.S., in which Carlsberg has a 15.4 per cent shareholding.

Tuborg continues to be the best selling international premium brand with a market share of 19 per cent.

Romania

Due to the economic recession in Romania, the total beer sales have decreased. The per capita consumption is about 34 litres a year, and it is estimated that the market has a large long term growth potential.

The United Breweries Bereprod SRL, 100 per cent owned by International Breweries (Netherlands) B.V. in which Carlsberg has a 20 per cent shareholding, is constructing a brewery with an initial capacity of 500,000 hl. The brewery is expected to be operative by the first quarter of 1998.

Tuborg is the leading international brand in Romania.

Cyprus

In the past year Cyprus had a slight decrease in its total beer sales, while the per capita consumption is about 47 litres a year.

Carlsberg is produced locally by the Photos Photiades Breweries Ltd., and is the market leader with over half of the total beer market share.

Photos Photiades Breweries is Carlsberg's oldest licence partner and received the Carlsberg Golden Award in 1997 in recognition of their high standards of quality.

Western Europe

Belgium

The total beer sales in Belgium have decreased by almost 2 per cent. The market has become very competitive as a range of brands are launched or relaunched. Private labels are becoming increasingly important, making up about a fifth of the total retail trade sales.

Carlsberg continues to be the absolute leader in the premium segment and is also the largest imported brand on the market.

Carlsberg Importers S.A.-N.V., a joint venture company of the Haelterman Group and Carlsberg A/S, is responsible for the sales and marketing of Carlsberg in Benelux. On the 1st April, Carlsberg A/S granted the Carlsberg Importers S.A.-N.V. exclusivity for the sales of the Carlsberg brands in Belgium. Tuborg is marketed by both Interbrew S.A. which produces Tuborg on licence, and Carlsberg Importers S.A.-N.V.. These partners have managed to stabilise the sales of Tuborg during the past year.

France

The total beer sales in France decreased by almost 4 per cent, a decline that affected all sectors but was most evident in the restaurant sector. Competition on the market continued to increase as a result of a concentration within the brewing industry and among the wholesale dealers.

The sales of Carlsberg and Tuborg have not lived up to expectations. Carlsberg France S.A., distributes Carlsberg, Tuborg, Super Bock, Tetley's Export and Halida to the on-trade sector in Paris. Brasseries Kronenbourg S.A. distributes Carlsberg and Tuborg to the retail sector nationally and to the on-trade sector in France (outside Paris).

Carlsberg is brewed locally by the Brasseries Kronenbourg S.A., while Tuborg is imported from Denmark.

Italy

While being characterised by intense competition on the beer market, the total beer sales in Italy increased by almost 3 per cent. The Industrie Poretti S.p.A. has increased the sales of its brand names, having a portfolio that includes such

The International Brewing Operation

special brands as Carlsberg Elephant Beer, Tuborg Porter and Tetley's Export.

Carlsberg A/S has increased its shareholding in Industrie Poretti S.p.A. to 75 per cent, by buying a further 25 per cent of the shares. In the past year, Poretti has successfully continued to expand its network of wholly or partially owned distributors in Northern and Central Italy. It has also successfully launched Carlsberg Ice in non-returnable bottles and on draught.

The Canary Islands

Despite a slight decrease in the total sale of beer on the Canary Islands, Carlsberg shows a respectable sales increase. Carlsberg is brewed locally by the Compañia Cervecera de Canarias.

The Tuborg brand is marketed by the import and distribution company, Galarza Atlantico Gelarco S.A., and reached the same level of sales as last year.

Ireland

In Ireland, Carlsberg has continued to increase its sales and market share in a lager market that is growing. Carlsberg is the third largest lager brand, and has expanded both its distribution and sales through an increased marketing effort. Carlsberg is brewed under licence by the Guinness Ireland Limited.

Portugal

In the past year the total beer sales in Portugal have decreased by 2-3 per cent. Unicer-União Cervejeira S.A., in which Carlsberg has a 31 per cent shareholding, remains the absolute largest brewing group in Portugal. This is despite intensified competition on the market through increased imports and pressure on prices.

Carlsberg remains the largest international premium brand in this segment with a market share of over 60 per cent. Despite intense competition, Carlsberg has managed to keep its sales level unchanged.

A new local task force has been established to support the sales of the Tuborg brand.

Unicer is using the sponsorship of EXPO '98 in Lisbon to market the country's leading brand, Super Bock.

Spain

In Spain the Carlsberg brand has increased its sales slightly, despite a slight decrease in the total beer sales. Carlsberg has therefore maintained its position in both the international segment and on the total market.

Carlsberg is brewed and marketed by one of Spain's largest brewing groups, Cruz Campo S.A., in which Carlsberg has 11 per cent, and Guinness PLC has 89 per cent of the shareholding.

Switzerland

In Switzerland, Carlsberg and Tuborg are distributed by Feldschlösschen AG. The sales of Tuborg remain at the same level as last year and therefore do not quite live up to expectations. A relaunch of Tuborg is expected to improve the development in the next few years.

Asia, Africa, North and South America

Malaysia

In Malaysia the total beer sales have shown continued growth, while the sales of stout have decreased. Carlsberg Brewery Malaysia Berhad, in which Carlsberg has a 26 per cent shareholding, has again managed to increase its market share. Carlsberg is the largest beer brand in Malaysia.

In the past year the brewery has started using a new canning line, and established a new draught beer filling plant. Good results have been achieved with the sales of Carlsberg Ice Beer, and a relaunch of Danish Royal Stout took place in September 1997.

Thailand

In Thailand the growth in total beer sales decreased. However, the Carlsberg Brewery (Thailand) Co. Ltd., in which Carlsberg A/S has a minority shareholding, has increased the sales of its local brand called Chang Beer. The Bang Ban brewery has started using its capacity expansion, making it South East Asia's absolute biggest brewery. The sales of Carlsberg have ensured its position as an international premium brand on the market.

The International Brewing Operation

Singapore

In Singapore, Carlsberg has increased its market share in a market that shows continued growth. The sale of Carlsberg is handled by the Carlsberg Marketing (Singapore) Pte. Ltd., a wholly owned subsidiary of the Carlsberg Brewery Hong Kong Limited. In December 1996, Jolly Shandy was successfully launched.

Indonesia

In Indonesia, the total beer sales as well as the sales of Carlsberg have decreased. The licence agreement between Carlsberg and P.T. Delta Jakarta was extended, and the new agreement includes the intensification of sales promotion activities for the Carlsberg brand.

The Philippines

In the Philippines Carlsberg is brewed by the Asia Brewery Inc.. The total beer sales as well as the sales of Carlsberg have decreased slightly.

Nepal

In spite of a 10 per cent decrease in the total beer sales in Nepal, Tuborg's strong position resulted in increased sales of the brand. Carlsberg increased its stake in the Gorkha Brewery Ltd. to 48.3 per cent.

Sri Lanka

In Sri Lanka demand still exceeds supply, and the Ceylon Brewery Ltd. which brews Carlsberg has a new brewery under construction outside Colombo. Carlsberg Brewery Malaysia Berhad owns almost 25 per cent of this new brewing company, while Carlsberg A/S has an 8 per cent shareholding in the Ceylon Brewery Ltd..

India

In India the local authorities approval of the joint venture agreement between Carlsberg and India's largest brewing group, United Breweries Limited has been further delayed. As a result Carlsberg beer is still not produced locally.

China

With an annual beer consumption of about 165 million hl, China is the world's second largest beer market, exceeded only by the USA, which consumes about 237 million hl annually. As the Chinese market continues to show steady

growth, it must be assumed that this will be the world's largest market by the year 2000.

The Huizhou Brewing Co. (HBC) which has been producing Carlsberg on licence for the Chinese market since 1991, has just completed a capacity expansion. Furthermore, Carlsberg has significantly increased its sales force and now has regional offices in Beijing, Shanghai, Guangzhou and in Chengdu, as well as having representative offices in several major cities in China.

The market is characterised by being very competitive with the presence of several international brewing groups. Through intensive marketing, HBC has increased the sale of Carlsberg in China, and is one of the main international participants on the market.

The Carlsberg Brewery Hong Kong Ltd., is constructing a new brewery in China, the Carlsberg Brewery (Shanghai) Company Limited, which will start with a capacity of 500,000 hl.

Hong Kong

The total beer sales have decreased slightly in Hong Kong and Carlsberg's sales have stagnated. The brewery, the Carlsberg Brewery Hong Kong Limited (CBHK), is a joint venture between Carlsberg A/S which has a 51 per cent shareholding, and the Hong-Kong based Swire Group Limited which has a 49 per cent shareholding. CBHK acts as the parent company for the activities in China, Hong Kong, Taiwan and Singapore.

At the beginning of the year in Hong Kong, Carlsberg was relaunched with new packaging, which has had a positive effect on the sales.

Taiwan

The total sale of beer in Taiwan has stagnated and is affected by heavy competition from the many imported beer brands, as it is still not permitted to brew beer under licence in Taiwan.

Carlsberg is sold through the Carlsberg Marketing (Taiwan) Limited which is owned by the Carlsberg Brewery Hong Kong Limited. The sales of Carlsberg have increased following a new distribution deal with a large local distributor.

Picture left out to save download time

The International Brewing Operation

Vietnam

The total beer sales in Vietnam continue to increase. The increasing sales of Carlsberg and the local brand Halida are the results of an increased demand in Vietnam and an expanded distribution in Southern and Central Vietnam. Carlsberg and Halida are produced by the South East Asia Brewery Ltd., which is the joint venture between the state owned Viet Ha Brewery (having 40 per cent), the Industrialisation Fund for Developing Countries (having 25 per cent) and Carlsberg A/S (having a 35 per cent shareholding).

Local Hue Brewery's brand, Huda shows continued sales growth while Tuborg sales remain at last year's modest levels. The Hue Brewery Ltd. is owned by Hue Brewery (having 50 per cent), the Industrialisation Fund for Developing Countries (having 15 per cent) and Carlsberg A/S (having a 35 per cent shareholding). To meet the growing demand for Huda, it has been agreed to increase Hue Brewery's annual production capacity from 300,000 hl to 500,000 hl.

Japan

In Japan, Carlsberg's partner is the Suntory Limited. The Carlsberg brand maintains its position as the leading international draught beer brand. In the newly opened Tivoli amusement park in Kurashiki, visitors have the possibility of trying several of the Carlsberg Group's products such as Carlsberg Elephant, Tuborg and the locally produced Carlsberg Draft.

South Korea

In the past year in South Korea, Carlsberg which is produced by the Chosun Brewery Co. Ltd. has not shown a satisfactory development in sales.

Canada

In Canada, Carlsberg cooperates with the Labatt Brewing Company Limited, which brews the Carlsberg portfolio and imports Tuborg from Denmark. In the stagnating restaurant and bar sector, Carlsberg has maintained its market share. This has been done primarily by concentrating efforts on the draught beer segment. Sales in the off-trade have not developed satisfactorily.

The USA

In the USA, Carlsberg has entered into a cooperation agreement with the Labatt USA L.L.T. The agreement will mean that all Carlsberg's activities on the North American market are handled by one partner. The market share of imported beer continues to grow as a percentage of the total American beer market. Carlsberg has still not reached a satisfactory sales level in relation to the potential that it has on the American market.

Latin America

In Brasil, Latin America's largest beer market, Carlsberg entered into an agreement with Cervejarias Reunidas Skol Caracu S.A. at the end of 1996. This is a brewery in the Brahma Group which is the largest in Latin America and the 5th largest brewing group in the world.

Production of Carlsberg Green Label, brewed under licence, commenced in April 1997, with the brand launch in May in the state of São Paulo. A nationwide distribution is expected to be implemented during 1998, where the brand will be introduced in Rio de Janeiro, Porto Alegre, Parana and Bahia.

The agreement expects the subsequent introduction of Carlsberg in Argentina, Venezuela and a number of other South American countries.

The agreements have been reported to the Brazilian authorities, and their decision is still awaited.

In Paraguay, Carlsberg and the Industrialisation Fund for Developing Countries (IFU) have disposed of their shareholding of 20 per cent each in the Cerveceria Sudamericana S.A.. The Cerveceria Sudamericana S.A. will continue to brew and distribute Carlsberg under licence, in a market characterised by much competition from imported brands that sell at the expense of local production.

West Africa

In Cameroon, the sales of the Tuborg brand, which is brewed and distributed by the S.A. des Brasseries du Cameroon, continued to increase.

The International Brewing Operation

On the Ivory Coast, the sales of the Tuborg brand, which is brewed and distributed by the Société de Limonaderies et Brasseries d'Afrique, continued to increase. This strengthened Tuborg's leading position in the premium segment.

Malawi

Despite a devaluation of about 14 per cent in Malawi at the end of June 1997, the economy remains stable. Consumption has increased, which has strengthened the sales growth of Carlsberg.

The Carlsberg Malawi Brewery Limited, in which Carlsberg A/S has a 49 per cent shareholding, distributes its products to the associated company, Southern Bottlers Limited which also produces and distributes Coca-Cola. The Southern Bottlers Limited has just completed the construction of a new soft drink factory in Mzuzu.

The Exports

An independent export division has been established in order to strengthen export sales. In cooperation with the other international divisions, the export division is to handle exports to markets where the Group already has production and to develop its own markets. The majority of its exports will originate from the Group's Danish breweries in Valby and Fredericia.

A minor but increasing share of the export sales originates from the Group's foreign breweries. A number of markets where local production is not realistic may prove to have a sensible export potential. Initial exports may prove to be the start of a more intense market development at a later stage.

The sum of Carlsberg and Tuborg's export sales from Denmark showed a decline as a result of new local production in France and Israel that replaced exports.

The duty-free market segment, concentrated mainly on airplane and ferry travel in Northern Europe, reacted with apprehension to EU's decision to end duty-free trade on inter-EU travel on the 30th June 1999.

As a result, ferry companies have started to introduce new fast travelling ferries that concentrate on travelling requirements rather than the on-board duty-free sales requirements. This has reduced the overall market possibilities, without affecting the Group's brands' position.

It is estimated that about 7-8 per cent of the total beer consumed in Denmark, is bought south of the Denmark/-Germany border. The border trade increased this year primarily due to increased competition between the border outlets. The border trade has also been encouraged by the tax and price rises in Denmark in 1996.

Carlsberg's launch of new products has resulted in a minor improvement of the market share.

The Russian market, where imported beer accounts for more than 10 per cent of the total beer consumption, is very important to the Carlsberg Group. The Tuborg brand has strengthened its position as a leading brand in the premium segment in Russia. The development of the Russian market has led to intensified competition, which has resulted in increased marketing activities for the Group's brands in the form of TV commercials, sales promotions and sponsorships.

In the past year, the sales from Carlsberg and Tuborg's export portfolio, has increased in the Middle East, Asia/Oceania and Africa.

The export of Carlsberg and Tuborg to Latin America has stabilised at a lower level than last year. This is mainly due to Carlsberg's new licence agreement in Brazil with Cervejarias Reunidas Skol Caracu S.A., the Brahma subsidiary.

Soft Drinks

The Coca-Cola Nordic Beverages A/S

As announced, Carlsberg A/S and The Coca-Cola Company have set up the Coca-Cola Nordic Beverages A/S (CCNB), in which Carlsberg has a 51 per cent shareholding. CCNB is responsible for the production, sale and distribution of Coca-Cola and other soft drink brands in the Nordic countries.

The set up of the new company will result in a number of changes in relation to the sale and distribution of Carlsberg, Tuborg and Dadeko's soft drink portfolio. It has been decided that the sales organisations of Carlsberg and Tuborg will concentrate on beer, while the soft drinks interest will be the responsibility of Dadeko. As from the end of the financial year, Carlsberg and Tuborg have ceased selling and distributing sweet soft drinks to all outlets except the on-trade, while the sale of natural mineral waters/spring-water will continue unchanged.

The sale of soft drinks in Denmark increased by 9 per cent in the past financial year, due mostly to the long and hot summer. The Group's market share of the Danish soft drink market totals about 50 per cent, with a strengthening of the Group's brand names as a result of the increased sales of the Coca-Cola products. A reduction in the total market share is solely the result of a management decision to reduce the involvement in the less profitable low price brand segment.

The Coca-Cola Drycker Sveriges (CCDS) commenced selling on the Swedish market on 1st April, 1997. CCDS is constructing a soft drink bottling plant south of Stockholm, which will be operational from the beginning of 1998.

In Sweden, CCDS has a distribution agreement with Falcon Bryggerier AB.

Picture left out to save download time

Accounts 1996/97



The Carlsberg Group
Accounts, Notes etc.
for 1996/97

Financial Review

Applying the same accounting policies as last year, the annual accounts have been prepared in accordance with Danish accounting legislation, reporting requirements of the Copenhagen Stock Exchange, and current accounting standards.

For further details, please see "Accounting Policies" on page 34.

Consequently, the annual accounts apply Carlsberg's previous conservative principles of writing down group goodwill directly over the equity.

In order to give an overview of the dimension of the write-down of the group goodwill during the last five years the below chart has been prepared.

The Profit and Loss Account

The Group's result before tax amounts to DKK 1,756 million, DKK 186 million or 11.8 per cent up on last year. Primarily, the improvement derives from financial items.

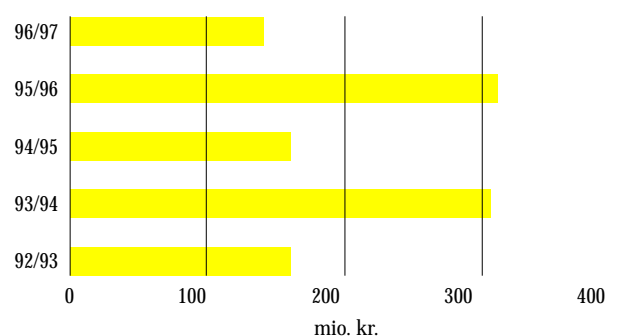
Operating profit equals that of last year, but with minor deviations between the individual group companies.

The year was characterized by significant projects, the most important of which have awaited regulatory approval for quite some time. Consequently, the projects do not impair comparability in 1996/97, but they will influence future results.

In October, 1996, increasing its share holding to 51 per cent, Carlsberg A/S acquired up on 10 per cent shareholding in Carlsberg Brewery Hong Kong Limited in which the activities in China are included. Up to now, Carlsberg Brewery Hong Kong has been treated as a subsidiary, and Carlsberg's increase of the shareholding will consequently only influence the profit and equity of the minority shareholder.

In June, 1997, the British Ministry of Industry announced its non-approval of the merger between Carlsberg-Tetley PLC and Bass Brewers Ltd. In August, 1997, increasing

Write-down of group goodwill



Carlsberg's interest to 100 per cent and in accordance with the agreements previously entered into, Carlsberg took over Bass Brewers' 50 per cent of the share capital in Carlsberg-Tetley which Bass had acquired from Allied Domecq PLC only a year before. Furthermore, the agreements stipulate that Carlsberg-Tetley's profit before extraordinary items be divided equally between the parties, just as other important operational issues found a mutually satisfactory solution. On this background, it was decided to consolidate Carlsberg-Tetley's result on a pro-rata basis in the profit and loss account. The balance of the Carlsberg Group incorporates the assets and liabilities of Carlsberg-Tetley by 100 per cent. As a consequence of extraordinary expenses for future reorganisations, e.g. redundancy payments, write-down of assets etc. Carlsberg-Tetley's annual accounts for 1996/97 in the U.K. show a deficit. The Group's profit and loss account is not affected by these extraordinary items as the difference between Carlsberg's price for the shares and the intrinsic book value in Carlsberg-Tetley counterbalance this extraordinary item.

In March, 1997, Carlsberg and The Coca-Cola Company entered into an agreement on the establishment of a soft drinks setup, for the moment to comprise Denmark and Sweden. In the middle of September, 1997, the setup was approved by the EU Commission, and on 1 October, 1997, Carlsberg and The Coca-Cola Company formed a joint Nordic holding company, the Coca-Cola Nordic Beverages A/S, in which Carlsberg holds 51 per cent and The Coca-Cola Company 49 per cent. The Coca-Cola Nordic Beverages will be the sole proprietor of the soft drinks production, sales, and distribution companies in Denmark and Sweden, and as from 1997/98 the company will be fully consolidated in the Carlsberg Group accounts. Being a substantial soft drinks company, the accounting policies, incl. depreciation principles, will be reevaluated and decided upon in cooperation with The Coca-Cola Company. The new policies may entail minor changes compared to the present accounts for Carlsberg's soft drinks business.

Turnover

The turnover including royalties, increased by 7.9 per cent to DKK 19,378 million primarily due to the increase from a 30 per cent stake to a 50 per cent stake in the Falcon Bryggerier AB and due to a favourable development in exchange rates of importance to the Carlsberg Group.

In the aggregate and adjusted for exchange rate trends, the turnover of the Carlsberg Group's beer business was at the

The columns show the amount of Group goodwill written-down over the equity in the last five years.

If the Group goodwill had been capitalized and written-down over e.g. 20 years, the Group's result before tax for 1996/97 would have been DKK 54 million less and, at 30 September, 1997, the equity would have been DKK 915 million larger.

Financial Review

same level as last year; however, the turn-over of the international business showed a minor increase that was set off by a corresponding decrease in domestic turnover.

Once again, domestic turnover in soft drinks showed an increase, and furthermore sales volume increased by 5.4 per cent. The increase in Coca-Cola related brands was above average, whereas the lower-priced brands saw a decline.

Turnover in companies outside the beverage sector showed a minor decrease, principally deriving from the disposal of subsidiaries in the Royal Copenhagen A/S.

Production Costs

In the financial year, production costs showed an increase of 5.3 per cent compared with last year. Due to the considerable on-going restructurings of late years, production costs showed a proportionate minor increase over the development in turnover. Savings resulting from these measures have not only led to a proportionate minor increase but have also covered part of the general inflation adjustment of the costs.

Sales and Distribution Costs

Sales and distribution costs showed an increase of 11.8 per cent, primarily ascribed to a continued high level of advertising and sponsor activities.

Administration Costs

Development in the administration costs followed the general price trend, with due consideration to the exchange rate trend and the changed ownership share. Measures to improve efficiency in administrative functions have been initiated, e.g. the implementation of new control systems in support of simplified new business routines in Denmark.

Other Operating Income, Net

Other operating income chiefly relates to the profit from the Group's investments in property. Also in this financial year building activities have taken place, particularly in the area around Tuborg's former production site.

Profit before tax of Other Associated Companies

The result of other associated companies showed an increase compared to last year. The improvement derives mainly from Tivoli and from the Polish brewery Okocimskie Zaklady Piwowarskie S.A., which was not incorporated in the group result last year.

Financial Items

Net progress can be ascribed to capitalization of a considerable part of the increase in value of particularly the marketable shares, but gains from bonds are also included. Furthermore, financial items were influenced by write-downs of investments in risky parts of the world.

Corporation Tax

Proportionally, corporation tax is on the same level as last year. It must be taken into account that substantial profits deriving from the portfolio of securities are not included in the taxable income as was also the case in 1995/96. Computed tax amounts to 28.5 per cent of the result before tax against 28.3 per cent last year.

The Balance

The balance sheet total at 30 September 1997 increased by 16 per cent compared to last year, mainly to be attributed to the full consolidation of Carlsberg-Tetley and the development in the exchange rates, particularly in the GBP.

As in previous years, further information about increases in the value of items in the balance sheet can be found in the Notes.

Gross repos are included in the balance sheet at 30 September 1997. The basis of comparison with the previous year has been changed accordingly.

Tangible Fixed Assets

Apart from the impact of Carlsberg-Tetley mentioned above, the increase in this item is the result of the substantial restructuring process initiated within the company.

Capital and Reserves

The increase of the Group's capital and reserves derives mainly from appropriations to reserves and from exchange rate adjustments of the equity of foreign companies.

Other Provisions

Provisions for redundancy payments etc. in connection with Carlsberg-Tetley's reorganisation plans in the UK are mainly the cause of increase in this item. According to the plan, the provisions will be employed within the next two or three years. Royal Copenhagen has also made provisions, e.g. for not yet finally realised profit in connection with PLM AB's acquisition of a 25 per cent stake in Holmegaard Emballage A/S.

Provisions of previous years have been employed in accordance with the original plans, e.g. in connection with the restructuring of production, sales, distribution and administration in Denmark, and to write-down of production units at Tuborg, rendered dispensable after the relocation of production to Valby and Fredericia. In the UK, in accordance with previous plans, redundancy payments and writing down of assets in connection with reorganisation have been made during the year. In 1995/96, Carlsberg received compensation from Allied Domecq covering future reductions in income and additional expenses in relation to new supply agreements and pension schemes. The share of the compensation relating to the annual accounts for 1996/97, DKK 16 million, has been recognised as income in the profit and loss account. In the course of the year, the Carlsberg Group dis-

Financial Review

posed of property in Spain acquired in connection with the sales of shares in Union Cervecera. In this connection the losses, which Carlsberg provided for when the property was put up for sale, offset the provisions.

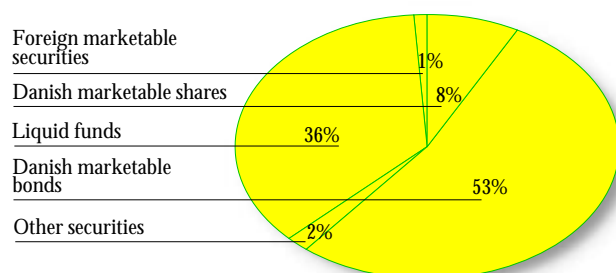
Cash Flow

The Cash Flow Statement has been prepared in accordance with the Accounting Standard No. 11. The statement gives an overview of the origin and application of the cash flow throughout the year. Cash flow from the operation of the Group inclusive of financial items is at the same level as last year and amounts to DKK 2.3 bn. Of this amount a considerable share, DKK 1.0 bn, was applied for tangible fixed assets, whereas DKK 1.3 bn was employed for acquisitions etc. including the increase of Carlsberg's holding in Carlsberg-Tetley. To cover part of these investments, the Group disposed of securities, yielding DKK 0.7 bn. Summing up the activities and with due consideration of other income and expenses, a positive cash flow of DKK 0.6 bn appears. At 30 September, 1997, the Group's total liquid funds amount to DKK 2.2 bn.

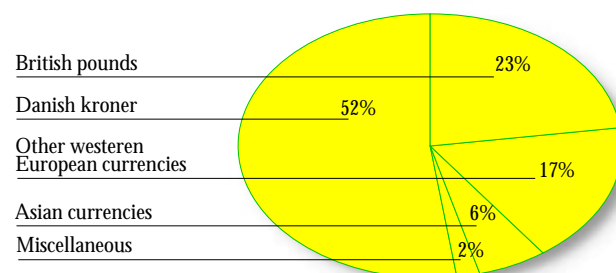
Available Funds

At 30 September, 1997, the funds available consisting of liquid funds and listed securities excluding drawing rights, amount to DKK 6.2 bn, computed according to the official stock exchange prices. About 50 per cent of the available funds consists of Danish bonds with an average duration of about 4.2 years. Below an illustration of the available funds :

Cash resources



Turnover, net of excise duties 1996/97: 14.9 bn dkk. (1995/96: 13.9 bn dkk.)



Carlsberg's loan portfolio consists of listed bond loans, bilateral loan agreements and syndicated credits, primarily drawn in currencies in which Carlsberg holds assets.

The listed bond loans are:

CHF 100 million, maturity 2004

GBP 100 million, maturity 1998.

By far the majority of the long term debt has been raised at fixed interest for the duration.

Confirmed, but not drawn credit facilities amount to more than DKK 2 bn.

Foreign Currencies

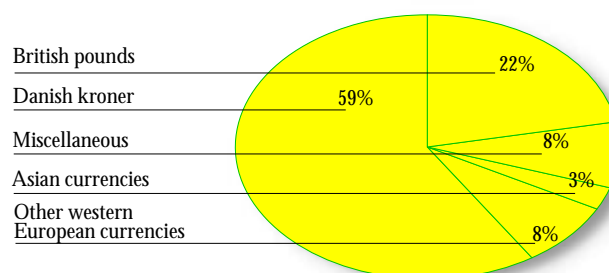
The Carlsberg Group works on a global scale and the preparation of the annual accounts includes the adding up of items in a number of different foreign currencies. The distribution of currencies is illustrated by the below graphs, comprising five different categories of currency: the Danish krone, British pound, other Western European currencies, Asian currencies and miscellaneous. Currencies of the Far East are included in the Asian currencies, except for the Japanese yen which is included in miscellaneous.

Broken down on currency categories, the turnover and the operating profit of the Carlsberg Group are evenly distributed. Compared to last year, the share of the Danish krone, particularly in operating profit, has been reduced, which is however, compensated by the increase of the British pound and other Western European currencies. The share of operating profit in the Asian currencies has declined, but is set off by miscellaneous, i.a. Eastern Europe.

Assets and liabilities within the individual currency categories are of practically the same dimension, however, with the British pound showing a bias in favour of the assets.

The accounts of foreign subsidiaries and associated companies are translated into Danish kroner in accordance with the official exchange rates. The balance sheet applies the price

Operating profit 1996/97: 1,255 million dkk. (1995/96: 1,252 million dkk.)



Financial Review

ruling on the balance date whereas the profit and loss account is translated according to a computed average of the exchange rates throughout the year. The development in the exchange rates of importance to the Carlsberg Group is as below.

As appears from the table, the British Pound and the Asian related currencies show the most noticeable fluctuations. The profit and loss account is positively influenced by the favourable development of the two currency categories. Having aimed at balancing assets and liabilities in the individual currency categories, the development in exchange rates has resulted in equal increases in assets and liabilities.

Financial Risks

As a consequence of many important international investments and considerable liquid stock, the Carlsberg Group is evidently exposed to a number of financial risks. Currency exposure arises as a result of the fact that 41 per cent of the Group's primary operations originates from foreign group companies translating into Danish Kroner according to a computed average, and fluctuations in these currencies will directly impact on the profit and loss account of the Group. With reference to the chart showing the distribution of primary operations above, it will be seen that fluctuations in particularly the British Pound and the Asian currencies will influence the Group result.

In the balance sheet, primarily the translation of the foreign subsidiaries' equity at the exchange rate ruling at the balance sheet date is affected by fluctuations in exchange rates. Adjustment is made directly over the equity as is the case for the long term loans in foreign currency raised to cover the investments. Not all investments are covered, but the uncovered part is not estimated to affect the Group's equity substantially.

The Carlsberg Group advances loans to the on-trade, particularly in the UK through Carlsberg-Tetley. Even though loans have been reduced during the year, total loans still constitute a considerable item in the balance sheet in as much

as in consequence of the acquisition of the additional 50 per cent interest in Carlsberg-Tetley, Carlsberg consolidated these loans 100 per cent. Throughout recent years, loans have been subjected to close control and supervision, and it is estimated that allocations to the reserves are sufficient to cover any loss.

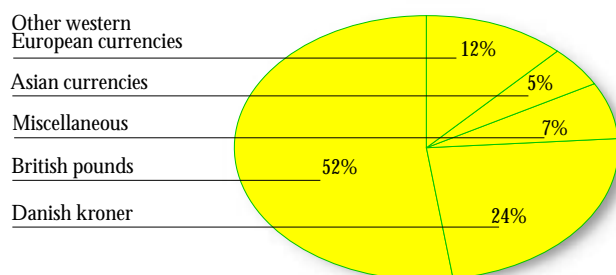
53 per cent, or DKK 3.2 million, of Carlsberg's liquid stock is in the form of Danish bonds with a Krone duration of approx. DKK 130 million, with which amount the year's result will be reduced in case of an increase in the interest rate of 1 per cent. The liquid funds included in the liquid stock by DKK 2.2 bn are invested as short-term deposits in banks or other financial credit institutions, all having satisfactory creditworthiness. It is estimated that these arrangements involve no risk of loss.

Primarily, the Carlsberg Group applies financial instruments to cover agreements without any other material risks to the Group.

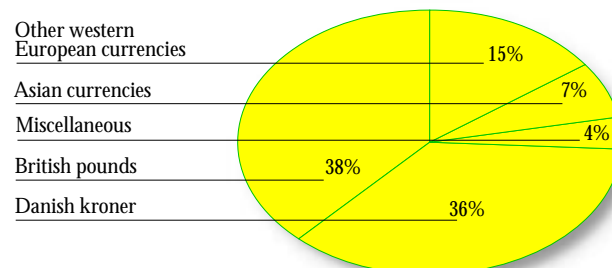
Profit and loss account Balance sheet

Currency	1994/95	1995/96	1996/97	1994/95	1995/96	1996/97
GBP	909.25	880.25	1,043.23	871.92	916.45	1,088.09
USD	574.06	570.85	639.37	550.80	586.30	673.95
DEM	392.08	386.50	381.64	388.98	384.06	380.78
PTE	3.77	3.73	3.79	3.70	3.78	3.74
ITL	0.35	0.37	0.39	0.34	0.38	0.39
CHF	-	-	-	483.71	466.76	462.81

Assets



Liabilities



Accounting Policies

Accounting Policies

The annual accounts have been prepared in accordance with Danish accounting legislation and current accounting standards.

The accounting policies are unchanged from last year.

The Cash Flow Statement has been adjusted in accordance with Accounting Standard No. 11.

Consolidation Principles

The Group accounts for the Carlsberg Group comprise the accounts of the Parent Company, Carlsberg A/S, and its subsidiaries, i.e. entities in which the Parent Company, directly or indirectly, holds a controlling interest.

The Group accounts also include associated companies which by agreement are managed jointly with one or more other companies based on pro-rata consolidation in the Group accounts with the proportionate ownership share of the individual assets, liabilities, income and expenses.

Other associated companies are taken up in the accounts at a proportionate share of their financial results and equity.

The Group accounts have been prepared on the basis of the accounts of the Parent Company and its subsidiary and pro-rata consolidated companies, by combining items of a uniform nature and eliminating intercompany sales, licences, interest, dividends, profits and balances. Shareholdings in subsidiary and pro-rata consolidated associated companies have been offset against a proportionate share of the equity of the relevant companies, stated in accordance with the accounting policies of the Group. Minority shareholders' share of profit and equity in subsidiaries has been stated separately.

In the case of acquisition of subsidiary and associated companies as well as increases in shareholdings therein, any excess of the cost price over net assets stated in accordance with Group accounting policies at the date of acquisition is, wherever possible, allocated to the assets and liabilities of the relative companies. Any remaining amount (Group goodwill) is taken directly to equity. Any negative difference in value (reduction in value) that at the time of acquisition, is expected either to result in reductions of future operating results or in restructuring expenses, is appropriated to other reserves.

Foreign Currencies

The accounts of foreign subsidiary and associated companies are translated into Danish kroner at the average exchange rates during the financial year for income and expense items and at the exchange rates ruling at the balance sheet date for assets and liabilities. Exchange gains and losses resulting from the translation of the net assets of foreign companies at exchange rates ruling at the balance sheet date are taken directly to equity.

Amounts receivable and payable in foreign currencies have been translated into Danish kroner at the exchange rates ruling at the balance sheet date. Hedging arrangements are assessed separately. Realised and unrealised exchange gains and losses are recorded in the profit and loss account. Exchange gains or losses on liabilities to hedge investments in subsidiary or associated companies are taken directly to equity.

Turnover

Sales are recorded as income upon delivery. Licence fee income is recorded on the basis of amounts earned during the year. Contract work in progress for the account of third parties is recorded under the percentage of completion method and is taken up in the balance sheet under stocks after a conservative evaluation of each contract.

Research and Development Expenditure

Research and development expenditure is charged to the profit and loss account as incurred.

Share of Subsidiary and Associated Companies' Profit or Loss

Share of the profit or loss of the subsidiary and associated companies, after adjustment for changes in unrealised intercompany profits, is entered in the profit and loss account of the Parent Company. Share of the estimated tax charge of these companies is recorded under corporation tax.

Corporation Tax

The Parent Company is taxed jointly with its wholly-owned Danish subsidiaries (excepting A/S Dadeko) and certain foreign subsidiaries. The aggregate tax charge of the jointly-taxed Danish companies is allocated to the individual entities in proportion to their taxable incomes (the full distribution method).

Deferred Tax

Deferred tax is provided for the timing differences between book and tax depreciation of tangible fixed assets, provisions for stocks and debtors. Furthermore, provision has been made for accounting transactions which will not have a tax impact until later. No further provision has been made for tax liabilities which may arise from realisation of assets at their balance sheet amounts. Deferred net tax assets are not included.

Intangible Fixed Assets

Intangible fixed assets are charged against income in the year of acquisition. In case intangible fixed assets are taken over in connection with the acquisition of a company, the amount is included in the computation of goodwill.

Tangible Fixed Assets

Tangible fixed assets are recorded at purchase price or cost less accumulated depreciation. Value adjustments have taken place in certain foreign subsidiary and associated companies in accordance with local accounting practice. The draught beer equipment of Carlsberg-Tetley is recorded as a basic stock stated at cost.

Depreciation is provided under the straight-line method over the estimated economic lives of the assets:

Buildings	20 - 50 years
Plant and machinery	10 - 20 years
Other fixtures and fittings, tools and equipment	3 - 10 years

Plastic crates and returnable bottles together with other minor fixed assets are charged against profits in the year of acquisition.

Financial Fixed Assets

Shareholdings in subsidiary and associated companies are stated in the balance sheet of the Parent Company at a conservative evaluation of the companies' net assets in accordance with Group accounting policies, less unrealised intercompany profits.

Other financial fixed assets are stated at cost or lower value at the balance sheet date.

Stocks

Stocks are stated at purchase price or cost (average method), or net realisable value, if lower. Write-down is effected for obsolete stocks. Production overheads are not included in cost.

Marketable Securities

Shares are stated at the average of the quoted price at the balance sheet date for each of the last three years or any shorter period of time for which they have been held, but not in excess of quoted prices at the latest balance sheet date.

Bonds are stated at the lower of cost and quoted market value at the balance sheet date.

Accounting Policies

Realised gains or losses, constituting the difference between sales proceeds and cost, are included in the profit and loss account. Unrealised losses which offset unrealised gains in previous years are taken to equity. Additional unrealised losses are recorded in the profit and loss account. Unrealised gains which offset losses recorded in previous years are stated in the profit and loss account. Additional unrealised gains are taken directly to equity.

Financial Instruments

Financial instruments, including forward exchange contracts and options, are used in the normal course of business of the Group, mainly to cover existing commitments, as well as repos.

Financial instruments are treated in the accounts in accordance with the accounting policies applied for the underlying assets and liabilities.

Cash Flow Statement

The cash flow statement has been prepared in accordance with the indirect method and is based on the Group's operating profit. The statement shows

the Group's cash flows in operational, investment and financial activities as liquid funds at the beginning and end of the financial year.

Cash flows arising on operational activity include the Group's operating result adjusted for financial items, corporation tax paid, depreciation and other items not involving cash. The adjusted operating profit is adjusted for the change in working capital such as stocks, debtors, creditors etc.

Cash flows in investment activities arise from the acquisitions and disposals of undertakings, investments in other fixed assets and dividends.

Cash flows in financial activity comprise dividends paid by the parent company and changes in long term debt etc.

Liquid funds at the end of the year comprise liquid stock less short term bank debt falling due on demand.

Turnover, operating profit and equity

– in major Subsidiaries and Associated Companies
(Based on the accounts reported by the company to the Carlsberg Group)

COMPANIES OUTSIDE DENMARK		Turnover DKK million	Operating profit DKK million	Equity DKK million	Share
Carlsberg-Tetley PLC, Birmingham, England	1)	10.600	510	4.434	100%
Unicer-União Cervejeira, S.A., Porto, Portugal	2)	2.110	175	1.385	31%
Carlsberg Brewery Malaysia Berhad, Kuala Lumpur, Malaysia	2)	1.750	321	797	26%
Okocimskie Piwowskie S.A., Brzesko, Poland	3)	458	86	607	33%

COMPANIES IN DENMARK		Turnover DKK million	Operating profit DKK million	Equity DKK million	Share
Fredericia Bryggeri A/S, Fredericia		619	130	616	100%
Wiibroes Bryggeri A/S, Elsinore		495	7	62	100%
A/S Dadeko, Copenhagen		1.466	106	98	100%
Rynkeby Foods A/S, Ringe	2)	608	30	91	50%
Vingaarden A/S, Odense		592	21	92	89%
Danbrew Ltd. A/S, Copenhagen		515	29	227	100%
J.C. Bentzen A/S, Copenhagen		69	24	71	100%
Jyske Bryg Holding AS, Aarhus	3)	1.422	84	484	37%
Carlsberg Finans A/S, Copenhagen		-	15	93	100%
Royal Copenhagen A/S, Copenhagen		1.683	119	1.186	83%
A/S Kjøbenhavns Sommer-Tivoli, Copenhagen	3)	251	0	261	43%

The amounts indicated for turnover, operating profit and equity represent the aggregate accounting figures for the companies in question.

- 1) Pro-rata consolidated in profit and loss account for the year and fully consolidated in the balance sheet
- 2) Pro-rata consolidated associated company
- 3) Other associated company

Group Companies

CARLSBERG A/S

Share capital DKK 1,278,125,640

		Share	Share capital ('000)	Currency	Exchange rate at 30.9.97
BEVERAGE COMPANIES					
Carlsberg AB, Malmö, Sweden	○	100%	50	SEK	88.60
Carlsberg Agency Inc., New York, USA	○	100%	10	USD	673.95
1 subsidiary					
Carlsberg Asia Pte Ltd, Singapore	○	100%	100	SGD	440.49
Carlsberg Brewery Hong Kong Limited, Hong Kong	○	51%	230,000	HKD	87.09
4 subsidiaries					
Carlsberg Brewery Malaysia Berhad, Kuala Lumpur, Malaysia	◆ 1)	26%	153,000	MYR	207.72
2 subsidiaries					
Carlsberg France S.A., Paris, France	○	100%	4,000	FRF	113.37
Carlsberg International A/S, Copenhagen	○	100%	1,000	DKK	
Carlsberg Malawi Brewery Limited, Blantyre, Malawi	○	49%	20,000	MWK	39.63
Southern Bottlers Limited, Blantyre, Malawi					
Carlsberg (UK) Limited, Northampton, England	○	100%	100	GBP	1088.09
Carlsberg-Tetley PLC, Birmingham, England	○ 3)	100%	90,004	GBP	1088.09
Carlsberg-Tetley Brewing Limited, Birmingham, England					
6 subsidiaries					
A/S Dadeko, Copenhagen	○	100%	19,000	DKK	
Danbeer AG, Zürich, Switzerland	□	30%	500	CHF	462.81
A/S Dansk Coladrik, Copenhagen	○	75%	1,000	DKK	
Falcon Holding AB, Falkenberg, Sweden	◆	50%	150,000	SEK	88.60
6 subsidiaries					
Fredericia Bryggeri A/S, Fredericia, Denmark	○	100%	150,000	DKK	
Gorkha Brewery Limited, Nepal	□	48%	466,325	NPR	11.75
Hannan Brauerei GmbH, Mönchengladbach, Germany	○	100%	35,002	DEM	380.78
3 subsidiaries					
Hue Brewery Ltd., Hue, Vietnam	□	35%	19,708	USD	673.95
Industrie Poretti S.p.A., Varese, Italy	○	75%	8,400	ITL m	0.3892
10 subsidiaries					
International Breweries B.V., Bussum, Netherlands	□	20%	100	NLG	338.09
Israel Beer Breweries Ltd., Ashkelon, Israel	□	20%	26	ILS	194.00
Jyske Bryg Holding AS, Aarhus, Denmark	□ 1)	37%	44,000	DKK	
Nuuk Imeq A/S, Nuuk, Greenland	□	24%	38,000	DKK	
Okocimskie Piwowskie S.A., Brzesko, Poland	□ 1)	33%	22,000	PLN	197.15
Panonska Pivovara d.o.o., Koprivnica, Croatia	□	40%	14,000	DEM	380.78
Rynkeby Foods A/S, Ringe, Denmark	◆	50%	30,000	DKK	
1 subsidiary					
South-East Asia Brewery Ltd., Hanoi, Vietnam	□	35%	19,736	USD	673.95
Tuborg AB, Stockholm, Sweden	○	100%	50	SEK	88.60
Tuborg International A/S, Copenhagen	○	100%	1,000	DKK	
Unicer-União Cervejeira, S.A., Porto, Portugal	◆ 1) 2)	31%	19,500	PTE m	3.739
7 subsidiaries					
Cervuniao-Gestao e Investimentos, SGPS, Lda., Porto, Portugal	□ 2)	50%	3,600	PTE m	3.739
C.O.S.A.R.-Sociedade Gestora de Participações Sociais, Lda., Porto, Portugal	□ 2)	50%	3,324	PTE m	3.739
S.A.R.C.-Sociedade Gestora de Participações Sociais, Lda., Porto, Portugal	□ 2)	50%	3,324	PTE m	3.739
United Breweries International Limited A/S, Copenhagen	○	100%	500	DKK	
Vingaarden A/S, Odense, Denmark	○	89%	15,000	DKK	
2 subsidiaries					
Wiibroes Bryggeri A/S, Elsinore, Denmark	○	100%	30,000	DKK	
NON-BEVERAGE COMPANIES					
A/S Kjøbenhavns Sommer-Tivoli, Copenhagen	□ 1)	43%	45,733	DKK	
J.C. Bentzen A/S, Copenhagen	○	100%	30,000	DKK	
Carlsberg Finans A/S, Copenhagen	○	100%	25,000	DKK	
Danbrew Ltd. A/S, Copenhagen	○	100%	2,000	DKK	
1 subsidiary					
Danish Malting Group A/S, Vordingborg, Denmark	◆	50%	80,000	DKK	
Ejendomsaktieselskabet matr. nr. 43ei Avedøre by, Copenhagen	○	100%	10,000	DKK	
Ejendomsaktieselskabet Tuborg Nord B, Copenhagen	○	100%	25,000	DKK	
Ejendomsinteressentskabet Tuborg Nord B					
Ejendomsaktieselskabet Tuborg Nord C, Copenhagen	○	100%	10,000	DKK	
Ejendomsaktieselskabet Tuborg Nord D, Copenhagen	○	100%	10,000	DKK	
Investeringsselskabet af 29. oktober 1962 A/S, Copenhagen	○	100%	5,000	DKK	
3 subsidiaries					
Nepko A/S, Copenhagen	○	100%	1,000	DKK	
Royal Copenhagen A/S, Copenhagen	○ 1)	83%	289,636	DKK	
30 subsidiaries					

○ Subsidiary

◆ Pro-rata consolidated associated company

□ Other associated company

1) Stock-exchange listed company

2) The three Portuguese jointly hold the controlling interest in the public company, Unicer-União Cervejeira, S.A., which is pro-rata consolidated

3) Pro-rata consolidated in profit and loss account for the year and fully consolidated in the balance sheet

Profit and Loss Account 1996/97

Parent company			Group	
1995/96 DKK million	1996/97 DKK million	Note	1996/97 DKK million	1995/96 DKK million
4,927	4,895	1 Turnover	19,378	17,965
2,047	1,890	2 Production costs	8,194	7,779
995	1,031	Excise duties on beer and soft drinks, etc.	4,460	4,034
1,885	1,974	GROSS PROFIT	6,724	6,152
1,447	1,554	2 Sales and distribution expenses	4,809	4,300
230	243	2 Administrative expenses	872	805
47	42	3 Other operating income, net	136	172
411	414	4 Profit before tax of subsidiaries		
		4 Profit before tax of pro-rata consolidated associated companies		
409	450			
33	76	4 Profit before tax of other associated companies	76	33
1,108	1,159	OPERATING PROFIT	1,255	1,252
49	154	5 Income from other financial fixed assets, etc.	180	58
606	934	6 Other interest income and similar income	1,011	693
44	146	Write-down of financial fixed assets, marketable securities, etc.	162	61
239	394	7 Interest expenses and similar expenses	528	372
1,480	1,707	PROFIT BEFORE TAX	1,756	1,570
417	465	8 Corporation tax	500	444
		GROUP PROFIT	1,256	1,126
		Minority interests	14	63
1,063	1,242	PROFIT FOR THE YEAR, Parent Company's share	1,242	1,063
237	258	Brought forward from previous year		
1,300	1,500	Available for appropriation		
		Proposed appropriation:		
217	230	Dividend to shareholders		
25	-	Appropriated to Carlsberg Memorial Bequest		
-	419	Reserve for revaluation of investments carried at equity		
800	851	Appropriated to other reserves		
258	-	Profit carried forward to next year		
1,300	1,500			

Balance Sheet at 30 september 1997

Parent company		Assets		Group	
30.9.96 DKK million	30.9.97 DKK million	Note		30.9.97 DKK million	30.9.96 DKK million
FIXED ASSETS					
9 Tangible fixed assets					
1,000	1,048		Land and buildings	3,893	3,574
636	666		Plant and machinery	3,724	3,171
26	39		Other fixtures and fittings, tools and equipment	1,776	909
190	244		Construction in progress	577	491
1,852	1,997			9,970	8,145
10 Financial fixed assets					
2,554	6,345		Shares in subsidiaries		
232	184		Loans to subsidiaries		
3,168	1,256		Shares in associated companies	688	586
5	16		Loans to associated companies	21	6
260	194		Other investments and shareholdings	276	323
16	16		Other loans	1,686	1,174
0	0	11	Holding of own shares	0	0
6,235	8,011			2,671	2,089
8,087	10,008		TOTAL FIXED ASSETS	12,641	10,234
CURRENT ASSETS					
Stocks and debtors					
140	135	12	Shares	1,943	1,672
187	193		Trade debtors	3,380	2,434
1,660	691		Amounts owed by subsidiaries		
131	69		Amounts owed by associated companies	123	235
290	327		Other debtors	668	557
11	16		Prepayments and accrued income	200	172
2,419	1,431			6,314	5,070
Marketable securities and liquid assets					
784	546	13	Shares	549	787
3,480	2,793	13	Bonds and other securities	3,226	3,723
119	73		Cash at bank and in hand	2,198	1,653
4,383	3,412			5,973	6,163
6,802	4,843		TOTAL CURRENT ASSETS	12,287	11,233
14,889	14,851		TOTAL ASSETS	24,928	21,467

Balance Sheet at 30 september 1997

Parent company		Equity and liabilities		Group	
30.9.96 DKK million	30.9.97 DKK million	Note		30.9.97 DKK million	30.9.96 DKK million
		14	EQUITY		
1,278	1,278		Share capital	1,278	1,278
	419		Reserve for revaluation of investments carried at equity		
187	153		Revaluation reserve	153	187
6,941	7,794		Other reserves	8,213	6,941
8,406	9,644			9,644	8,406
			Minority interests	622	506
8,406	9,644		TOTAL EQUITY	10,266	8,912
			PROVISIONS		
68	68		Pensions and similar commitments	224	221
315	327		Liability for deposits on returnable packaging	497	496
-	-	15	Deferred tax	250	409
667	379	16	Other	2,459	1,675
1,050	774		TOTAL PROVISIONS	3,430	2,801
			LIABILITIES		
		17	Long-term liabilities		
-	-		Bond loans	620	1,414
1,835	1,288		Amounts owed to subsidiaries		
-	-		Credit institutions	1,521	1,478
2	1		Other	253	11
1,837	1,289			2,394	2,903
			Current liabilities		
290	-		Bond loans	1,100	301
1,050	1,071		Credit institutions	2,167	1,979
212	174		Trade creditors	2,129	1,582
839	979		Amounts owed to subsidiaries		
17	2		Amounts owed to associated companies	12	22
148	-		Corporation tax	260	299
242	208		Excise duties and VAT	840	779
563	468		Other creditors	1,417	1,268
18	12		Accruals and deferred income	683	404
217	230		Proposed dividend	230	217
3,596	3,144			8,838	6,851
5,433	4,433		TOTAL LIABILITIES	11,232	9,754
14,889	14,851		TOTAL EQUITY AND LIABILITIES	24,928	21,467
		18	Contingent liabilities and other commitments, etc.		

Statement of cash flows for the group 1996/97

	1996/97 DKK million	1995/96 DKK million
Operating profit	1,255	1,252
Depreciation	877	834
Other adjustments	-69	416
Financial income, net	629	379
Corporate tax paid	-507	-443
Cash flow from operations before adjustments in working capital	2,185	2,438
Change in debtors	529	-145
Change in stocks	65	-192
Change in creditors, excise duties, etc.	-456	295
CASH FLOW, OPERATIONS	2,323	2,396
Acquisition of tangible fixed assets	-1,042	-1,513
19 Acquisition of subsidiaries and associated companies	-1,301	-192
Disposal of subsidiaries and associated companies	190	-
Disposal of other financial fixed assets, net	138	-320
Disposal of marketable securities	736	302
Dividends from associated companies	25	24
CASH FLOW, INVESTMENTS	-1,254	-1,699
Dividend paid	-217	-217
Minority interests	29	-100
Financial income and expenditure	-328	105
CASH FLOW, FINANCING	-516	-212
NET CASH FLOW FROM OPERATIONS, INVESTMENTS AND FINANCING	553	485
Liquid assets at the beginning of the year	1,653	1,157
Foreign exchange adjustment of liquid assets at the beginning of the year	-8	11
Cash flow for the year	553	485
Liquid assets at the end of the year	2,198	1,653

The statement of cash flows cannot be derived solely from the published annual accounts. The composition of some of the items in the cash flow statement has been changed in relation to previous years.

Notes to the accounts (dkk million)

1 Group turnover distributed over principal activities:

	1996/97		1995/96	
		%		%
Beverage companies in Denmark	7,157	37	6,914	38
Beverage companies outside Denmark	10,099	52	8,719	49
Other companies	2,122	11	2,332	13
	19,378	100	17,965	100

Licence fees are included in turnover. For further details refer to the annual report.

2 Total wages, salaries, personnel costs, depreciation and fees to auditors appointed at the Annual General Meeting of the Parent Company are as follows:

Wages, salaries and personnel costs:

	1996/97		1995/96	
Group:				
Wages, salaries and remuneration	2,784		2,711	
Pensions	140		178	
Other social security costs	177		142	
Other personnel costs	86		72	
	3,187		3,103	
Parent Company:				
Wages, salaries and remuneration	603		640	
Pensions	71		71	
Other social security costs	8		12	
Other personnel costs	22		22	
	704		745	

Wages, salaries, remuneration and pensions for the Group and the Parent Company include remuneration paid to the Executive Board of the Parent Company of DKK 15 million (1995/96: DKK 12 million) and to the Supervisory Board of DKK 2 million (1995/96: DKK 2 million).

In the financial year the average number of employees in the Parent Company was 1,897 (1995/96: 2,082) and the Group 18,081 (1995/96: 18,519) of whom 7,145 (1995/96: 7,616) persons were employed in pro-rata consolidated companies.

Depreciation:

	1996/97		1995/96	
Parent Company	159		153	
Group companies	718		681	
Group	877		834	

Fees to the auditors appointed at the Annual General Meeting of the Parent Company:

	1996/97		1995/96	
KPMG C. Jespersen:				
Audit	1.7		1.7	
Other services	1.4		1.0	
Price Waterhouse/Seier-Petersen:				
Audit	1.3		1.3	
Other services	20.6		20.7	

Other services relate to fees for reorganisation of administration, including the implementation of new computer systems, decided in previous years.

3 Other operating income, net includes income from rental properties, experimental farms and external contributions to the Carlsberg Research Center, as well as profits arising from Royal Copenhagen's disposal of property reduced by provisions for restructuring and establishment of shops etc.

Notes to the accounts (dkk million)

4 Profit from trade investments:

	<u>1996/97</u>	<u>1995/96</u>
Group:		
Profit of other associated companies comprises:		
Profit before tax	76	33
Corporation tax	34	11
Profit after tax	<u>42</u>	<u>22</u>
Parent Company:		
Profit of subsidiaries comprises:		
Profit before tax	414	411
Corporation tax	164	137
Profit after tax	<u>250</u>	<u>274</u>
Profit of pro-rata consolidated associated companies comprises:		
Profit before tax	450	409
Corporation tax	199	120
Profit after tax	<u>251</u>	<u>289</u>
Profit of other associated companies comprises:		
Profit before tax	76	33
Corporation tax	34	11
Profit after tax	<u>42</u>	<u>22</u>

5 Income from other financial fixed assets, etc:

Realised gains relating to income from other financial fixed assets, etc. amounting to DKK 101 million (1995/96: DKK 17 million) have been booked as income in the Group accounts as well as relating to Royal Copenhagen's sale of 2 subsidiaries amounting to DKK 55 million. Provisions in Royal Copenhagen amounting to DKK 37 million have been deducted.

6 Other interest income, etc. of the Parent Company includes interest received from subsidiaries of DKK 132 million (1995/96: DKK 110 million).

Realised gains relating to marketable securities totalling DKK 482 million (1995/96: DKK 261 million) have been included in the profit and loss account of the Group.

7 Includes interest paid by the Parent Company to subsidiaries of DKK 209 million (1995/96: DKK 144 million).

8 Corporation tax comprises:

	<u>1996/97</u>	<u>1995/96</u>
Parent Company's share of tax on profit for the financial year	69	142
Adjustment for previous years	-1	7
Tax charge for Parent Company	68	149
Parent Company's share of tax in subsidiaries, cf. note 4	164	137
Parent Company's share of tax in associated companies, cf. note 4.	233	131
Parent Company's share of Group tax	465	417
Minority shareholders' share of Group tax	35	27
Group	<u>500</u>	<u>444</u>

In the financial year taxes paid amount to DKK 507 million for the Group (1995/96: DKK 443 million) and DKK 204 million for the Parent Company (1995/96: DKK 184 million) including taxes paid abroad. The Parent Company and its Danish subsidiaries participate in the tax on account scheme.

The tax charge of the Parent Company is influenced by non-taxable gains, etc. as well as application of provisions which are tax-deductible. These circumstances do not affect the tax charge for the year stated in the profit and loss account as Carlsberg A/S does not record deferred tax assets.

Notes to the accounts (dkk million)

9 Tangible fixed assets:	Land and buildings	Plant and machinery	Other fixtures and fittings, etc.	Construction in progress
Group:				
Cost				
Balance at 1 October 1996	5,010	6,939	2,225	491
Additions, acquisition of company	761	1,447	1,378	-
Additions during year	184	227	299	731
Disposals during year	321	641	236	55
Currency translation adjustments, etc.	149	265	261	-2
Transfers	285	263	40	-588
Balance at 30 September 1997	<u>6,068</u>	<u>8,500</u>	<u>3,967</u>	<u>577</u>
Revaluation				
Balance at 1 October 1996	427	379	20	-
Additions, acquisition of company	212	69	-	-
Revaluation and write-downs for the year	52	60	1	-
Currency translation adjustments, etc.	37	14	-7	-
Balance at 30 September 1997	<u>728</u>	<u>522</u>	<u>14</u>	<u>-</u>
Depreciation and write-downs				
Balance at 1 October 1996	1,863	4,147	1,336	-
Additions, acquisition of company	1,059	1,105	702	-
Depreciation and write-downs for the year	153	489	235	-
Depreciation and write-downs eliminated on disposals during year	194	573	184	-
Currency translation adjustments, etc.	22	130	116	-
Transfers	-	-	-	-
Balance at 30 September 1997	<u>2,903</u>	<u>5,298</u>	<u>2,205</u>	<u>-</u>
Book value at 30 September 1997	<u>3,893</u>	<u>3,724</u>	<u>1,776</u>	<u>577</u>

The book value of land and buildings in Denmark amounts to DKK 2,503 million. The value of land and buildings in Denmark as assessed for property tax purposes amounted to DKK 3,927 million at 1 January 1997.

Depreciation and write-downs relating to "Additions, acquisition of company" include write-downs in Carlsberg-Tetley as a result of the scheduled restructuring.

Parent Company:	Land and Buildings	Plant and machinery	Other fixtures and fittings, etc.	Construction in progress
Cost				
Balance at 1 October 1996	1,855	1,453	102	190
Additions during year	17	19	3	342
Disposals during year	194	167	5	-
Transfers	154	106	28	-288
Balance at 30 September 1997	<u>1,832</u>	<u>1,411</u>	<u>128</u>	<u>244</u>
Depreciation and write-downs				
Balance at 1 October 1996	855	817	76	-
Depreciation and write-downs for the year	52	89	18	-
Depreciation and write-downs eliminated on disposals during year	123	161	5	-
Transfers	-	-	-	-
Balance at 30 September 1997	<u>784</u>	<u>745</u>	<u>89</u>	<u>-</u>
Book value at 30 September 1997	<u>1,048</u>	<u>666</u>	<u>39</u>	<u>244</u>

The value of land and buildings as assessed for property tax purposes at 1 January 1997 aggregated DKK 2,030 million to which should be added the value of Tuborg Harbour, for which no official valuation has been made, the net value of additions and disposals since 1 January 1997, and construction in progress.

Notes to the accounts (dkk million)

10 Financial fixed assets:

	Associated companies		Other investments, etc.	Other loans
	Shares	Loans		
Group:				
Cost				
Balance at 1 October 1996	686	12	1,022	1,359
Additions, acquisition of company	-	-	5	828
Additions during year	86	16	53	54
Disposals during year	-	1	106	409
Currency translation adjustments, etc.	-2	-	1	103
Balance at 30 September 1997	<u>770</u>	<u>27</u>	<u>975</u>	<u>1,935</u>
Value adjustments				
Balance at 1 October 1996	5	-	-453	-
Share of profit for the year	42	-	-	-
Dividends received	-27	-	-	-
Disposals during year	-	-	35	-
Currency translation adjustments, etc.	3	-	-	-
Balance at 30 September 1997	<u>23</u>	<u>-</u>	<u>-418</u>	<u>-</u>
Depreciation and write-downs				
Balance at 1 October 1996	105	6	246	185
Additions, acquisition of company	-	-	-	89
Depreciation and write-downs for the year	-	-	64	-40
Disposals during year	-	-	26	8
Currency translation adjustments, etc.	-	-	-3	23
Balance at 30 September 1997	<u>105</u>	<u>6</u>	<u>281</u>	<u>249</u>
Book value at 30 September 1997	<u>688</u>	<u>21</u>	<u>276</u>	<u>1,686</u>

Other loans mainly relate to free-trade loans in the UK.

The quoted value of stock-exchange listed associated companies of the Group at 30 September 1997 exceeds their book value by DKK 1,620 million (1995/96: DKK 1,643 million).

	Subsidiaries		Associated companies		Other investments, etc.
	Shares	Loans	Shares	Loans	
Parent Company:					
Cost					
Balance at 1 October 1996	1,769	232	3,448	11	912
Additions during year.	1,347	133	109	11	19
Disposals during year	8	69	12	-	106
Currency translation adjustments, etc.	-	-	-	-	-
Transfers	1,890	-	-1,886	-	-4
Balance at 30 September 1997	<u>4,998</u>	<u>296</u>	<u>1,659</u>	<u>22</u>	<u>821</u>
Value adjustments					
Balance at 1 October 1996	916	-	-176	-	-453
Share of profit for the year	250	-	293	-	-
Dividends received	-66	-	-179	-	-
Disposals during year	-195	-	-	-	35
Currency translation adjustments, etc.	-60	-	427	-	-
Transfers	658	-	-658	-	-
Balance at 30 September 1997	<u>1,503</u>	<u>-</u>	<u>-293</u>	<u>-</u>	<u>-418</u>

Notes to the accounts (dkk million)

10 continued

	Subsidiaries		Associated companies		Other investments, etc.
	Shares	Loans	Shares	Loans	
Depreciation and write-downs					
Balance at 1 October 1996	131	-	104	6	199
Depreciation and write-downs for the year	25	112	14	-	40
Disposals during year	-	-	12	-	26
Currency translation adjustments, etc.	-	-	-	-	-
Transfers	-	-	4	-	-4
Balance at 30 September 1997	<u>156</u>	<u>112</u>	<u>110</u>	<u>6</u>	<u>209</u>
Book value at 30 September 1997	<u>6,345</u>	<u>184</u>	<u>1,256</u>	<u>16</u>	<u>194</u>

11 Holding of own shares:	Number of shares	Nominal value	% of share capital
	DKK 20 each		
Holding at 1 October 1996	652,075	13	1,0
Disposals during year	100,000	2	0,1
Holding at 30 September 1997	<u>552,075</u>	<u>11</u>	<u>0,9</u>

The quoted value of the holding of own shares at 30 September 1997 amounted to DKK 206 million booked at DKK 0 million. The proceeds from the disposal of shares amount to DKK 38 million.

12 Stocks:	30.9.1997	30.9.1996
Group:		
Raw materials and consumables	698	551
Work in progress	150	148
Finished goods of own production and goods purchased for resale	1,086	929
Contract work in progress for the account of third parties	9	44
	<u>1,943</u>	<u>1,672</u>

Contract work in progress for the account of third parties is stated at the appropriate proportion of the contract price DKK 768 million (30.9.1996: DKK 630 million) less payments received on account, DKK 759 million (30.9.1996: DKK 586 million). Based on a conservative evaluation, accumulated profit on work in progress has been included in the amount of DKK 12 million (30.9.1996: DKK 10 million).

Parent Company:		
Raw materials and consumables	51	49
Work in progress	13	16
Finished goods of own production and goods purchased for resale	<u>71</u>	<u>75</u>
	<u>135</u>	<u>140</u>

13 The quoted values of shares and bonds owned by the Parent Company at 30 September 1997 exceed their book values by DKK 209 million (30.9.96: DKK 194 million).

Notes to the accounts (dkk million)

14 The share capital comprises:

	Number of shares of DKK 20 each	Nominal value
A-shares	35,257,090	705
B-shares	28,649,192	573
		<u>1,278</u>

Movements in the equity in the financial year:

	Group		Parent Company	
	1996/97	1995/96	1996/97	1995/96
Total at 1 October	8,912	8,242	8,406	7,808
Profit for the financial year	1,256	1,126	1,242	1,063
Write-down of Group goodwill	-137	-315	-137	-315
Adjustment of group goodwill in previous years	-	-	-	-
Changes in minority interests	75	-100	-	-88
Currency translation adjustments of Group companies	491	165	470	147
Other adjustments of Group companies	46	26	40	23
Value adjustment of shares, net	-34	45	-34	45
Currency translation adjustments of loans, net	-113	-35	-113	-35
Proposed contribution to Carlsberg Memorial Bequest	-	-25	-	-25
Proposed dividend for Carlsberg A/S	-230	-217	-230	-217
Total at 30 September	<u>10,266</u>	<u>8,912</u>	<u>9,644</u>	<u>8,406</u>

Movements in the individual equity accounts in the financial year:

	1996/97	1995/96
Revaluation reserve		
Balance at 1 October	187	142
Value adjustment of shares	-34	45
Balance at 30 September	<u>153</u>	<u>187</u>
Reserve for revaluation of investments carried at equity		
Balance at 1 October	-	-
Carried forward from profit and loss accounts 1996/97	419	-
Balance at 30 September	<u>419</u>	<u>-</u>
Other reserves comprise:		
Profit carried forward to next year		
Balance at 1 October	258	237
Transferred to other distributable reserves	-258	21
Balance at 30 September	<u>0</u>	<u>258</u>
Other distributable reserves		
Balance at 1 October	6,683	6,151
Appropriated from profit for the year	851	800
Other movements	260	-268
Balance at 30 September	<u>7,794</u>	<u>6,683</u>
Total other reserves, Parent Company	<u>7,794</u>	<u>6,941</u>
Reserve for revaluation of investments carried at equity	419	-
Total other reserves, Parent Company's share	<u>8,213</u>	<u>6,941</u>

15 Deferred tax:

	1996/97	1995/96
The Group:		
Balance at 1 October	409	296
Relating to income for the year	31	89
Adjustment for previous year	-190	24
Balance at 30 September	<u>250</u>	<u>409</u>

Notes to the accounts (dkk million)

15 *Continued*

The provision for deferred tax in the balance sheet relates to tangible fixed assets, stocks, debtors, pensions, etc.

In addition to the above provision, the Parent Company and the Group have a tax asset mainly relating to provisions.

No further provision has been made for tax liabilities which may arise from realisation of tangible fixed assets and shares.

16 Other provisions:

	Group	Parent Company
Balance at 1 October 1996	1,675	667
Additions, acquisition of company	1,078	-
Allocated during year	160	-
Applied during year	454	288
Balance at 30 September 1997	<u>2,459</u>	<u>379</u>

Other provisions include amounts for structural changes and renewal of plant in Denmark and abroad.

Of the compensation received from Allied Domecq earlier this year, DKK 16 million was booked as income.

The residual amount will be released to the profit and loss account over the coming years.

The increase in relation to acquisitions refers to provisions made for severance pay and restructuring, etc. in Carlsberg-Tetley PLC. DKK 283 million of the amount derives from a difference in price in connection with the acquisition of Bass Brewers' 50 per cent stake in Carlsberg-Tetley.

In Royal Copenhagen, DKK 89 million deriving from PLM AB's subscription of shares in Holmegaard Emballage was appropriated. Other additions during the year relates mainly to provisions for restructuring and establishments of shops, etc.

In the past year, DKK 454 million was charged against profit in accordance with previous plans. For further explanation, please see Financial Review.

- 17 The long-term liabilities of the Group aggregate DKK 2,394 million (30.9.1996: DKK 2,903 million) and of the Parent Company DKK 1,289 million (30.9.1996: DKK 1,837 million) of which DKK 1,751 million (30.9.1996: DKK 1,345 million) and DKK 1,288 million (30.9.1996: DKK 925 million) respectively, are due for repayment more than five years after the balance sheet date.

18 Contingent liabilities and other commitments etc. of the Group:

	30.9.1997	30.9.1996
Security given to credit institutions	1,010	1,006
Mortgage loans secured in land and buildings, etc	820	418
Security given for unused credit lines	211	157
Guarantees given, etc.	93	246
Leasing and rental commitments, etc.	115	96

Carlsberg A/S has provided security in respect of loans amounting to DKK 4,228 million raised by subsidiaries. Carlsberg A/S has a contractual obligation, which may become effective in certain circumstances, to purchase shares in Sinebrychoff Ab. Other guarantees relating to Group companies amount to DKK 239 million.

Forward exchange contracts and options:

Parent Company:

Sale of foreign currencies	-	50
Purchase of foreign currencies	-	23

Carlsberg Finans A/S:

Sale of foreign currencies	1,048	1,525
Purchase of foreign currencies	55	250

The company has furthermore entered into forward rate agreements relating to the funding of marketable securities, etc.

19 Acquisition of subsidiaries and associated companies

	1996/97
Assets acquired:	
Fixed assets	-2,057
Current assets	-1,553
Liabilities taken over:	
Long-term liabilities	0
Current liabilities	1,323
Provisions	1,178
Acquisition, Minority interests	-192
Total price	<u>-1,301</u>

Auditors' Report

Auditors' Report

Copenhagen, 24 November 1997

Executive Board of Carlsberg A/S

Flemming Lindeløv

President and Group Chief Executive Officer

Michael C. Iuul

Walther Paulsen

Sven G. Petersen

Supervisory Board of Carlsberg A/S

Poul Chr. Matthiessen

Chairman

Erik B. Rasmussen

Deputy Chairman

Torkild Andersen

Tage Arentoft *)

Karin Troest Clemmensen *)

Dorte Krag *)

Povl Krogsgaard-Larsen

Holger Lavesen

Axel Michelsen

Erik Michelsen *)

Jens W. Werner

Per Øhrgaard

*) Elected by the employees

Auditors' Report

We have audited the financial statements for the financial year 1 October 1996 to 30 September 1997 presented by the Supervisory Board and the Executive Board of the Carlsberg Group and the Parent Company, Carlsberg A/S.

Basis of Opinion

We have planned and conducted our audit in accordance with generally accepted auditing standards to obtain reasonable assurance that the financial statements are free from material misstatements. Based on an evaluation of materiality and risk, we have, during the audit, tested the basis and documentation for the amounts and the disclosures in the financial statements. Our audit included an assessment of the

accounting policies applied and the estimates made. In addition, we have evaluated the overall adequacy of the presentation in the financial statements.

Our audit has not resulted in any qualifications.

Opinion

In our opinion, the financial statements have been prepared in accordance with the accounting provisions of Danish legislation and give a true and fair view of the Group's and the Parent Company's assets and liabilities, financial position and profit for the year 1 October 1996 to 30 September 1997.

Copenhagen, 24 November 1997

KPMG C.Jespersen

Price Waterhouse/Seier-Petersen

Statsautoriseret Revisionsaktieselskab

Aksel Runge Johansen

*State Authorised
Public Accountant*

Poul Erik Olsen

*State Authorised
Public Accountant*

Morten Iversen

*State Authorised
Public Accountant*

Fin T. Nielsen

*State Authorised
Public Accountant*

Subsidiaries

Subsidiaries, associated companies and others

Carlsberg-Tetley PLC Carlsberg-Tetley Brewing Limited

United Kingdom
2410 The Crescent
Birmingham Business Park
GB-Birmingham B37 7YE

Management: Ebbe Dinesen
Employees: 3.757
Share: 100 per cent

Falcon Holding AB Falcon Bryggerier AB

Sweden
Årstadvägen
Box 164
S-311 22 Falkenberg

Management: Lars Fellman
Employees: 797
Share: 50 per cent

Oy Sinebrychoff Ab

Finland
PB 87
SF-04201 Kerava

Management: Kaj Forssell
Employees: 770
Share: 10 per cent

Hannen Brauerei GmbH

Germany
Senefelderstrasse 25
D-41066 Mönchengladbach

Management: Erik Juul
Rasmussen
Employees: 310
Share: 100 per cent

Carlsberg Importers S.A.-N.V.

Belgium
Rue Laneau 119-133
B-1020 Bruxelles

Management: Paul Haelterman
Employees: 31
Share: 10 per cent

Carlsberg France S.A.

France
40, Rue du Kéfir
Senia 301
F-94537 Orly Cedex

Management: Stig Christensen
Employees: 21
Share: 100 per cent

Industrie Poretti S.p.A.

Italy
Via Olona 103
I-21056 Induno Olona (VA)

Management: Marcello Veratti
Employees: 408
Share: 75 per cent

Grupo Cruzcampo, S.A.

Spainien
Avenida de la Innovaci-Edificio
Arena 3
E-41020 Sevilla

Management: Allen F. Peeters
Employees: 2.601
Share: 11 per cent

Unicer-União Cervejeira S.A.

Portugal
Apartado1044
P-4466 S. Mamede de Infesta
CODEX

Management: José Manuel Capelo
Soares da Fonseca
Employees: 1,639
Share: 31 per cent

Ókocimskie Zakłady Piwowarskie S.A.

Poland
Ul. Browarna 14
PL-32-800 Brzesko

Management: Mieczyslaw Mietla
Employees: 1,216
Share: 32.9 per cent

United Romanian Breweries Bereprod SRL

Romania
27 Unirii Blvd. 15 Entrance 2
ROM-Bucharest

Management: Shlomo Graziani
Employees: 202
Share: 100 per cent owned by
International Breweries
(Netherlands) B.V.,
in which Carlsberg A/S has a
20 per cent interest

Panonska Pivovara d.o.o.

Croatia
Delekovecka Cesta BB
HR-48000 Koprivnica

Management: Kresimir Mulvaj
Employees: 292
Share: 40 per cent

Türk Tuborg Bira ve Malt Sanayii A.S.

Turkey
P.K. 150
TR-35212 Izmir

Management: Osman Caglayan
Employees: 508
Share: 15.4 per cent

Israel Beer Breweries Ltd.

Israel
Amikek Bldg.
11 Ben Gurion Street
Givat Shmuel

Management: Rafi Baharav
Employees: 200
Share: 20 per cent

Nuuk Imeq A/S

Greenland
Postbox 1075
3900 Nuuk

Management: Nis Nissen
Employees: 39
Share: 23.68 per cent

Carlsberg Malawi Brewery Limited

Malawi
P.O. Box 1050
Blantyre

Management: John Vitus Nielsen
Employees: 470
Share: 49 per cent

Southern Bottlers Limited

Malawi
P.O. Box 406
Blantyre

Management: John Vitus Nielsen
Employees: 2,246
Share: Carlsberg Malawi
Brewery Limited
49.8 per cent
Carlsberg A/S
8.56 per cent

Carlsberg Brewery Hong Kong Limited

Hong Kong
1 Dai Kwai Street
Tai Po Industrial Estate
Tai Po, New Territories

Management: Jesper Bjørn
Madsen (Group),
Geoffrey Cundle (CBHK)
Employees:
1,069 (Group)
353 (CBHK)
Share: 51 per cent

Huizhou Brewing Company Limited

China
28 Elin South Road
Huizhou City
Guangdong 516001

Management: David Li
Employees: 588
Share: 99 per cent owned by
Carlsberg Brewery Hong Kong
Limited

Subsidiaries

Subsidiaries, associated companies and others

Carlsberg Brewery (Shanghai) Company Limited

China
8 Dongjing Road
Songjiang Bonded Warehouse
Songjiang Industrial Zone,
Songjiang
Shanghai 201600

Management: Michael Lam
Employees: 12
Share: 95 per cent owned by
Carlsberg Brewery, Hong Kong
Limited

Carlsberg Marketing (Singapore) Pte Ltd.

Singapore
677 Rangoon Road 04-01
Singapore 0821

Management: David Ho
Employees: 48
Share: 100 per cent owned by
Carlsberg Brewery Hong Kong
Limited

Carlsberg Marketing (Taiwan) Limited

Taiwan
Room 904, 9th Floor
No. 18 Chang An East Rd, Sec 1
Taipei

Management: Gary An
Employees: 35
Share: 100 per cent owned by
Carlsberg Brewery Hong Kong
Limited

Carlsberg Brewery Malaysia Berhad

Malaysia
P.O. Box 10617
50720 Kuala Lumpur

Management: Jørgen Bornhøft
Employees: 632
Share: 26 per cent

Carlsberg Brewery (Thailand) Co., Ltd.

Thailand
288,288/35-36 Surawongse Road
Bangkok 10500

Management: Sawat Sopa
Employees: 978
Share: 8 per cent

South-East Asia Brewery Ltd.

Vietnam
167 B Minh Khai Street
Hanoi

Management: Torben Petersen
Employees: 347
Share: 35 per cent

Hue Brewery Ltd.

Vietnam
Thuan An Street
Hue City

Management: Nguyen Minh
Employees: 220
Share: 35 per cent

Gorkha Brewery Limited

Nepal
P.O. Box 4140
New Baneshwor
Katmandu

Management: Chandra Prakash
Khetan
Employees: 171
Share: 48.3 per cent

Ceylon Brewery Ltd.

Sri Lanka
83, George R. de Silæva Mawatha
Colombo 13

Management: Suresh Shah
Employees: 257
Share: 8 per cent

Fredericia Bryggeri A/S

Fredericia, Denmark
Vestre Ringvej 111
7000 Fredericia

Management: Jette W. Knudsen
Employees: 332
Share: 100 per cent

Wiibroes Bryggeri A/S

Helsingør, Denmark
H.P. Christensens Vej 1
3000 Helsingør

Management: Hans Henrik Vasby
Employees: 142
Share: 100 per cent

Coca-Cola Nordic Beverages A/S

Hellerup, Denmark
Tuborg Parkvej 8
2900 Hellerup

Management: Svend Ivan Petersen
and Shirley Pih
Share: 51 per cent
(per 1 Oct. 1997)

A/S Dadeko

Glostrup, Denmark
Fabriksparken 7-9
2600 Glostrup

Management: Jesper Møller and
Carsten Møller
Employees: 1,153
Share: 100 per cent

Rynkeby Foods A/S

Ringe, Denmark
Vestergade 30
5750 Ringe

Management: Ole Bang Nielsen
and Leif Nielsen
Employees: 296
Share: 50 per cent

Vingaarden A/S

Odense, Denmark
Gammel Højmevej 30
5250 Odense SV

Management: Peter Sanggaard
Employees: 180
Share: 81 per cent

Danbrew Ltd. A/S

Copenhagen, Denmark
Rahbeks Allé 21
1801 Frederiksberg C

Management: Jens Due
Employees: 99
Share: 100 per cent

Danish Malting Group A/S

Vordingborg, Denmark
Spirevej 5, Ørslev
4760 Vordingborg

Management: Kim G. Jørgensen
Employees: 24
Share: 50 per cent

J.C. Bentzen A/S

Copenhagen, Denmark
Bjerregårdsvej 10
2500 Valby

Management: Ole Bent Andersen
Employees: 28
Share: 100 per cent

Jyske Bryg Holding A/S

Århus, Denmark
Fredens Torv 3B
8000 Århus C

Management: Eilif Damkær
Employees: 1,095
Share: 37 per cent

Carlsberg Finans A/S

Copenhagen, Denmark
Ny Carlsberg Vej 100
1799 København V

Management: Jesper Børnholdt
Employees: 7
Share: 100 per cent

Tuborg Nord B, C, D

Copenhagen, Denmark
Ny Carlsberg Vej 100
1799 København V

Management: Orla Kristensen
Share: 100 per cent

Royal Copenhagen A/S

Copenhagen, Denmark
Smallegade 45
2000 Frederiksberg

Management: Leonhard Schröder,
Knud Odgaard Pedersen and
Hardy Thøgersen
Employees: 2,567
Share: 82 per cent

A/S Kjøbenhavns Sommer-Tivoli

Copenhagen, Denmark
Vesterbrogade 3
1630 København V

Management: Lars Liebst and
Niels Leth Espensen
Employees: 451
Share: 43 per cent

Shares and shareholders

Shares

Carlsberg A/S' shares are listed on the Copenhagen Stock Exchange in class Carlsberg A with 20 votes per DKK 20, and Carlsberg B with 2 votes per DKK 20.

The ISIN code of the A-shares is DK001018167-6 and DK001018175-9 of the B-shares.

Being listed on the KFX-index, the Carlsberg B-share is among the 20 most traded shares of the Copenhagen Stock Exchange. Total trading volume amounts to DKK 1,278 million, distributed on 63.91 million shares in the denomination of DKK 20.

At year-end, the market value amounted to DKK 23,8 bn which is identical with last year.

Shareholders

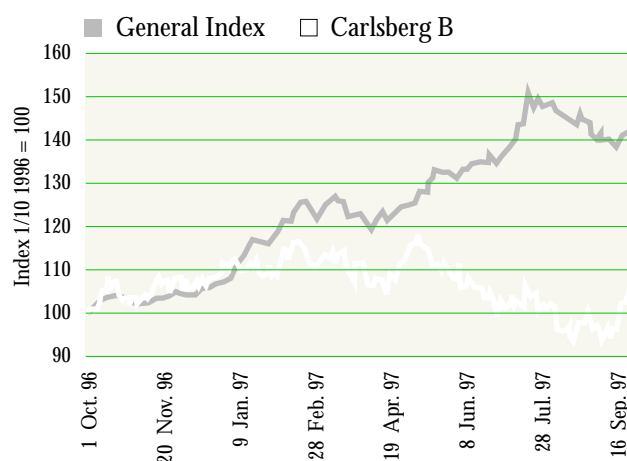
The Carlsberg Foundation is registered as holder of 55.2 per cent of the share capital in Carlsberg A/S and The Danish Labour Market Supplementary Pension Scheme as holder of 14.6 per cent. No other shareholder is recorded to hold more than 5 per cent.

The remaining shares are held by 20,000 shareholders of whom about 11,000 are registered.

Key Figures in relation to shares

	1995/96	1996/97
Price of the B-share at year-end	357	374
Cash Flow per share	37.49	36.35
Earnings per share	16.63	19.43
Dividend per share	3.4	3.6

Price Trend of the Carlsberg B share compared to the general index in the period 1 October 1996 to 30 September 1997



Announcements to The Stock Exchange

Announcements to The Stock Exchange since 1 October 1996 (excl. of the dates of interim reports and preliminary profit statements)

Carlsberg A/S:

12 November 1996	Annual Accounts of Allied Domecq.
25 November 1996	Preliminary Profit Statement 1995/96.
4 March 1997	Cooperation between Carlsberg and The Coca-Cola Company.
3 June 1997	Interim Report 1996/97.
27 June 1997	Refusal of the merger between Carlsberg-Tetley/Bass Brewers.
11 September 1997	The EU Commission's approval of joint-venture with Coca-Cola.
22 September 1997	Changes in the structural design of Carlsberg A/S.
25 September 1997	Three-year plan of Carlsberg-Tetley.
1 October 1997	Carlsberg majority shareholder in Oy Sinebrychoff Ab.
28 October 1997	Carlsberg's disposal of shares at a nominal value of DKK 43.2 million in Royal Copenhagen.
3 November 1997	Carlsberg-Tetley's disposal of the Burton Brewery.
24 November 1997	Preliminary Profit Statement 1996/97.

Royal Copenhagen A/S:

20 November 1996	Preliminary Profit Statement 1995/96.
2 February 1997	PLM co-owner of Holmegaard Emballage A/S.
18 November 1997	Holmia A/S sold to PLM.
28 May 1997	Interim Report 1996/97.
19 June 1997	Disposal of Dansk Flaskegenbrug A/S.
30 September 1997	Acquisition of additional shares in Orrefors Kosta Boda Holding AB.
28 October 1997	Establishment of Royal Scandinavia A/S.
18 November 1997	Preliminary Profit Statement 1996/97.

A/S Kjøbenhavns Sommer-Tivoli:

28 November 1996	Preliminary Profit Statement 1995/96.
15 February 1997	Agreement between Tivoli International A/S and Tivoli Berlin GmbH I.G.
27 May 1997	Interim Report 1996/97.
21 November 1997	Preliminary Profit Statement 1996/97.

Annual General Meeting

Carlsberg A/S
15 December 1997 at 16.30 hours
Tivolis Koncertsal
20, Tietgensgade
Copenhagen V