



Carlsberg Breweries A/S

CVR-no. 25 50 83 43

Annual Report for 2003
(4th accounting year)

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This Annual Report is available in Danish and English.
In case of doubt, the Danish version shall apply.

Company Information

Company: Carlsberg Breweries A/S
Ny Carlsberg Vej 100
DK-1760 Copenhagen V
Denmark

Municipality of reg. office: Copenhagen

Board of Directors: Jens Bigum (Chairman), Managing Director
Povl Krogsgaard-Larsen (Deputy Chairman), Professor, D.Sc., Ph.D., Dr.h.c.
Hans Andersen, Brewery Worker (Employee Board member)
Søren Bjerre-Nielsen, Executive Vice President
Eva Vilstrup Decker, Customer Service Manager (Employee Board member)
Henning Dyremose, President and CEO
Jens Magnus Eiken, Brewmaster (Employee Board member)
Erik Dedenroth Olsen, IT Consultant (Employee Board member)

Executive Board : Nils S. Andersen, President and CEO
Paul Bergqvist, Executive Vice President
Jørn P. Jensen, Executive Vice President

Auditors: PricewaterhouseCoopers
Strandvejen 44
DK-2900 Hellerup
Denmark

Management Statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of the Carlsberg Breweries Group and the Parent Company for 2003.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Annual Report has been prepared in accordance with appropriate accounting policies and give a true and fair view of the Group's and the Parent Company's assets and liabilities, financial position, profit for the year and consolidated cash flow.

We recommend that the Annual General Meeting approve the Annual Report.

Copenhagen, 8 March 2004.

Executive Board of Carlsberg Breweries A/S

Nils S. Andersen
President and CEO

Paul Bergqvist

Jørn P. Jensen

Board of Directors of Carlsberg Breweries A/S

Jens Bigum
Chairman

Povl Krogsgaard-Larsen
Deputy chairman

Søren Bjerre-Nielsen

Henning Dyremose

Hans Andersen

Eva Vilstrup Decker

Jens Magnus Eiken

Erik Dedenroth Olsen

Auditors' report

To the shareholders of Carlsberg Breweries A/S

We have audited the Annual Report of the Carlsberg Breweries Group and the Parent Company for the financial year 2003.

The Annual Report is the responsibility of Company Management. Our responsibility is to express an opinion on the Annual Report based on our audit.

Basis of Opinion

We conducted our audit in accordance with Danish and International Auditing Standards (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies applied and significant estimates made by Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2003 of the Group and the Parent Company and of the results of the Group and the Parent Company operations and consolidated cash flows for the financial year 2003 in accordance with the Danish Financial Statements Act.

Copenhagen, 8 March 2004.

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab

Morten Iversen
State Authorised
Public Accountant

Fin T. Nielsen
State Authorised
Public Accountant

Management Report

Highlights, key figures and ratios of the Carlsberg Breweries Group

Sales ¹⁾ – million hl	<u>2003</u>	<u>2002</u>	<u>2001</u>
Beer	81.4	78.6	67.9
Soft drinks	21.2	20.9	20.3
Total sales	102.6	99.5	88.2

Earnings – DKK million

Net revenue	34,626	35,544	34,419
Operating profit (EBITA)	3,429	3,585	2,971
Goodwill amortisation	- 390	- 386	- 314
Special items, net	- 401	- 24	32
Financials, net *)	- 637	- 1,084	- 288
Profit before tax	2,001	2,091	2,401
Consolidated profit	1,508	1,394	1,779
Carlsberg Breweries A/S' share	1,242	1,052	1,369

Balance sheet – DKK million

Non-current assets	28,572	29,059	29,741
Current assets	13,946	13,432	15,036
Capital and reserves	12,511	11,878	12,868
Non-current liabilities	14,396	14,061	15,614
Current liabilities	13,986	14,853	14,324
Balance sheet total	42,518	42,491	44,777
Net interest-bearing debt	11,289	13,070	13,128

Cash flow – DKK million

Cash flow from operating activities	4,354	4,824	2,299
Cash flow from investing activities	-2,140	- 3,777	- 4,880
Cash flow from financing activities	-1,714	- 2,129	3,380

Key ratios

Operating margin ²⁾	9.9%	10.1%	8.6%
Return on investments ³⁾	9.1%	9.2%	7.4%
Return on capital and reserves ⁴⁾	10.2%	8.5%	12.2%
Solvency ratio ⁵⁾	29.4%	28.0%	28.7%
Gearing ⁶⁾	90%	110%	102%

Employees

Number of employees	31,375	28,316	27,218
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*) Financials for 2001 includes gain from the sale of Thai shares of DKK 518m

- 1) Sales of Carlsberg and Tuborg beer, including beer produced under licence, and other beer brands produced at breweries in the Carlsberg Breweries Group and associated undertakings
- 2) Operating profit expressed as a percentage of net revenue
- 3) Operating profit expressed as a percentage of average operating assets
- 4) Profit for the year, Carlsberg Breweries A/S' share expressed as a percentage of average capital and reserves
- 5) Capital and reserves at year-end expressed as a percentage of total liabilities
- 6) Interest-bearing debt expressed as a percentage of capital and reserves

The figures for the Company's first accounting year 1 July to 31 December 2000 have not been included as the accounting year only covered six months, and the Company's current level of activities was not established until the contribution of Orkla ASA's beverage activities on 1 January 2001.

Activities

The Group's main activity is production and sale of beer and other beverages. In accordance with the Group's management structure, beverage activities are segmented according to the geographical regions where production takes place.

Significant events for the Carlsberg Breweries Group

On 1 August 2003 Carlsberg Breweries A/S terminated the joint venture Carlsberg Asia. The company subsequently continues as a 100% owned subsidiary under Carlsberg Breweries A/S and was included as such in the accounts with effect from 1 July 2003. The termination was made because the value of the companies to be contributed to Carlsberg Asia by Chang Beverages Pte. Ltd. did not correspond to what had been agreed and does not in any way match the assets contributed to Carlsberg Asia by Carlsberg Breweries. Chang Beverages started arbitration proceedings against Carlsberg Breweries A/S in September 2003 claiming that the joint venture continue, alternatively damages. There is no fixed amount on Chang Beverages' claim for damages. For further details please also see the section on contingent liabilities.

The termination of the joint venture has had no significant impact on results for the year.

In January and March 2003, Carlsberg Asia acquired breweries in the Yunnan province in China. The brewery Kunming Huashi Brewery Company Ltd. was acquired in January, and in March the entire share capitals of Dali Beer (Group) Limited Company and the company Yunnan Dali Beer Joint Stock Company were acquired.

In August, Carlsberg Breweries A/S acquired IFU's (The Danish Industrialization Fund for Developing Countries) 25% shareholding in South-East Asia Brewery Ltd. in Hanoi and a 15% shareholding in Hue Brewery Ltd. in central Vietnam. This brings Carlsberg Breweries' stakes to 60% and 50%, respectively. The companies are included in the accounts as subsidiary and proportionally consolidated associated undertaking, respectively, with effect from 1 August 2003.

The stake in the Bulgarian brewery, Pirinsko Pivo was increased to 98% in January 2003 in connection with a public tender offer. In November 2003, the shareholding in the other Bulgarian brewery, Shumensko Pivo AD was increased to 89% following an acquisition of just under 30% of the share capital.

During the year Carlsberg Breweries A/S has increased its ownership interest in Carlsberg Okocim S.A. to 85% from 71%, and in December 2003 a public tender offer was made through the Polish stock exchange in Warsaw for the remaining 15% of the shares. In January 2004, this offer resulted in the acquisition of another 8%, and the shareholding now totals 92.97%.

In May 2003, Baltic Beverages Holding AB (BBH) acquired the entire share capital in the brewery Ak-Nar in Almaty, Kazakstan. The plan is to merge the brewery with the nearby brewery Irbis, which was acquired in November 2002.

On 6 June, the acquisition of an additional 12.1% of the shares in Türk Tuborg was announced. Carlsberg Breweries A/S' stake in the company now totals 95.5%. Türk Tuborg is listed on the Istanbul stock exchange.

On 1 July 2003, Carlsberg Breweries A/S' German subsidiary Hannen Brauerei sold its production unit in Mönchengladbach to the German brewery Oettinger Brauhaus GmbH.

In order to concentrate on its core activities – production and sale of beer and mineral water - Feldschlösschen Getränke AG in July entered into an agreement to sell its soft drink plant in Eglisau to Thurella AG. The agreement takes effect on 1 January 2004.

Through a direct placement Carlsberg Breweries A/S has acquired 51% of the shares in the Serbian brewery Pivara Celarevo A.D. In 2004, Carlsberg will make a public tender offer on the remaining 49% of the shares. The company is not included in the financial statement for 2003.

In November 2003, it was decided to close production in Stockholm and move it to the brewery in Falkenberg and, to a lesser degree, to Copenhagen. It has also been decided to move the administration to Falkenberg. A few departments will be merged with the Danish departments and will thus be moved to Copenhagen.

With effect from 15 January 2004, the licence agreement between Carlsberg Breweries A/S and Labatt Breweries of Canada regarding brewing, marketing and distribution of Carlsberg in Canada was terminated. Marketing of the brand in Canada will be handled by the newly established subsidiary, Carlsberg Canada Inc.

On 20 January 2004, Carlsberg Breweries A/S made an offer to acquire Holsten Brauerei AG. An agreement has been made to re-sell the breweries König-Brauerei in Duisburg and Licher Privatbrauerei in Lich to the Bitburger group. Furthermore, there is an option regarding disposal of the mineral water companies. The offer is conditional upon acquisition of at least 75% of the shares.

Financial Review for 2003

The year 2003 is considered to be satisfactory despite a decline in both revenue and operating profit, as the year was characterised by a strengthening of the EUR and thus the Danish krone. The decline in net revenue amounted to 2.6% at DKK 34,626m. Operating profit (EBITA) fell by 4.3% to DKK 3,429m, which is in line with the expectations after the Q3 financial statement. If adjusted for the negative exchange rate development net revenue amounted to DKK 36,923m, corresponding to an increase of 3.9% and EBITA DKK 3,806m corresponding to a rise of 6.2%. The EBITA margin at 9.9% (adjusted for exchange rates 10.3%) is largely at level with 2002, 10.1%.

Earnings generally showed positive performance in the Nordic countries except for Sweden. Feldschlösschen performed better than last year. As expected, Carlsberg Okocim also achieved an improvement in earnings. Furthermore the substantial operating loss in Türk Tuborg in 2002 was reversed and the company now shows a profit. The negative trend in earnings is primarily attributable to BBH and, secondarily, to Carlsberg Italia, where a review of debtors has resulted in considerable write-downs. In addition, the investments in the Bulgarian market negatively affected results.

The declining interest rate positively affected Financials as the majority of the Group's loans are at floating rates. The substantial exchange losses suffered last year were avoided, among other things due to a restructuring of loans in BBH and Turkey.

The free cash flow exceeds DKK 2bn, which is a twofold increase on 2002. The improvement is due to reduction of working capital and investments as well as disposal of assets. Net interest-bearing debt has been correspondingly reduced by DKK 1.8bn.

The movement in capital and reserves was negatively affected by exchange rate adjustments of foreign entities, DKK 1,011m. In contrast the 100% inclusion of Carlsberg Asia had a positive effect on capital and reserves with DKK 650m.

Financial risks

The activities in the Carlsberg Breweries Group are exposed to a variety of financial risks, which primarily relate to the effects of changing foreign currency exchange rates and interest rates. The overall treasury policies aim at identifying and hedging financial risk according to the written principles provided by the Board of Directors.

The treasury function (Corporate Treasury) operates as a service centre and handles financial risk management for Group subsidiaries centrally.

Foreign exchange risk

The Carlsberg Breweries Group operates internationally and is exposed to foreign exchange risk. By far the most predominant part of the revenue originates from foreign companies being translated into DKK. The Group is mainly exposed to foreign exchange risks relating to: EUR, GBP, RUB and CHF.

Carlsberg Breweries has a number of investments in foreign subsidiaries, whose capital and reserves are exposed to currency translation risk. The Group hedges part of the currency exposure from the translation of net investments through borrowings denominated in the relevant foreign currency or by forward exchange contracts.

Interest rate risk

The most significant interest rate exposure in the Carlsberg Breweries Group relates to interest-bearing debt since the Group does not hold any significant long-term interest-bearing assets at 31 December 2003.

At the year-end, 32% of the loan portfolio was at fixed rate. The average duration on the debt portfolio was 1.2 years at 31 December 2003.

A specification of the long-term debt of the Carlsberg Breweries Group is available at note 27.

Credit exposure

The credit exposure is the risk that a counterpart fails to discharge its contractual obligation and thereby causes a loss to the Carlsberg Breweries Group. The credit exposure is monitored centrally. The treasury policies ensure that financial transactions can only be entered with financial institutions with high credit rating.

Carlsberg Breweries advances loans to the on-trade. Credit risk related to trade loans is monitored and controlled continuously, and it is estimated that provisions made are sufficient to cover any loss.

Liquidity risk

Liquidity risk is the risk that the Carlsberg Breweries Group fails to discharge its contractual obligations due to liquidity shortfall.

At 31 December 2003, Carlsberg Breweries had unutilised committed credit facilities of DKK 5.6bn.

Environment

In 2003, the Carlsberg Breweries Group introduced ISO 14001 environmental certification in 17 production sites and the headquarters. An extra 17 production sites are expected to be ready for ISO 14001 certification by the end of 2004.

In connection with the introduction of environmental certification, all subsidiaries will prepare and set up goals and plans for environmental activities on an ongoing basis.

Relevant environmental data from all subsidiaries is collected centrally and benchmarked and annual internal and external environmental reports are prepared.

In the past year, Carlsberg Breweries has had a close and positive co-operation with strategic suppliers as regards Corporate Social Responsibility, including environmentally responsible management.

No major accidents at work or environmental accidents occurred in 2003. As part of the increased activities within certification, Carlsberg Breweries will continue its efforts to implement preventive measures within environment, health and safety.

Apart from the usual process and maintenance investments, Carlsberg Breweries does not anticipate any environmental costs that will significantly impact the results for the year.

Recent developments

No events have occurred after the end of the accounting year that materially affect the results and financial position of the Group at 31 December 2003.

The above-mentioned offer to acquire a minimum of 75% of the shares in the Holsten AG group has no effect on the financial statement for 2003, but will, if the acquisition is carried through according to plans, affect the balance sheet for 2004.

With effect from 8 March 2004, Carlsberg A/S has acquired Orkla ASA's 40% shareholding in the company for a total of approx. DKK 14.8bn.

Outlook for 2004

A stable development is expected for 2004 with an unchanged operating profit (EBITA) compared to 2003.

Forward-looking statement

The above sections in this Annual Report reflect the management's expectations to future events and financial results as well as to fluctuations in the most significant markets and to developments in the international money, currency, stock, and interest markets. Statements about future prospects naturally always involve uncertainties and actual results may thus differ materially from those projected.

Carlsberg Breweries A/S – The Parent Company

The Parent Company's main activities are investments in national and international breweries as well as licence and export business.

Accounting policies

The annual report of the Carlsberg Breweries Group for 2003 has been prepared in accordance with the Danish Financial Statements Act of 7 June 2001. The Carlsberg Breweries Group complies with the provisions laid down for large companies in reporting class C. The accounting policies remain unchanged from last year.

Consolidation policies

The consolidated financial statements of the Carlsberg Breweries Group (the "Group") comprise the Parent Company, Carlsberg Breweries A/S and other subsidiaries, i.e. undertakings in which the Parent Company, directly or indirectly, holds the majority of the voting rights or – in some other way – has a controlling interest.

Associated undertakings, which by agreement are managed jointly with one or more other undertakings (joint ventures), are consolidated proportionally with the proportionate share of the individual items. Other associated undertakings are included at a proportionate share of profit and capital and reserves (the equity method).

The consolidated financial statements are prepared on the basis of the financial statements of the Parent Company, its subsidiaries and proportionally consolidated associated undertakings, by combining items of a uniform nature and eliminating intercompany sales, licences, interest, dividends, profit and balances. Investments in subsidiaries and proportionally consolidated associated undertakings are offset against a proportionate share of the undertaking's capital and reserves stated in accordance with the accounting policies of the Group.

Investments in subsidiaries and associated undertakings are treated according to the purchase accounting method and any balance between cost and capital and reserves at the time of acquisition, stated in accordance with the accounting policies of the Group, is allocated to the assets and liabilities of the individual undertakings based on their fair values. Provision is made for liabilities relating to restructuring of acquired undertakings, which has been decided and announced to the relevant parties at the time of acquisition.

Any remaining balance (goodwill on consolidation) is recognised under intangible assets and amortised under the straight-line method over the estimated useful life, however not exceeding 20 years.

Any negative balance (negative goodwill on consolidation) equivalent to expected future losses or costs is included in the balance sheet and recorded as income as the losses or costs are realised. Any negative goodwill apart from this is systematically recorded as income over the economic lives of intangible assets and property, plant and equipment.

Minority shareholders' share of the profit and capital and reserves of the subsidiaries is stated separately. Minority interests are included on the basis of their proportionate share of assets and liabilities acquired, revalued to fair value at the time of acquisition of subsidiaries.

When disposing of subsidiaries and proportionally consolidated undertakings and other associated undertakings, the undertaking's results are included in the consolidated income statement until the date of

disposal. Any realised gains or losses constituting the difference in value compared to net carrying amount at the date of disposal are recorded in the income statement.

Foreign currency translation

The exchange rates at the day of transaction are applied to transactions in foreign currency.

Amounts receivable and payable in foreign currencies are translated into Danish kroner at the exchange rates ruling at the balance sheet date. Realised and unrealised exchange gains and losses are recorded in the income statement.

The financial statements of independent foreign subsidiaries and associated undertakings are translated into Danish kroner at the average exchange rates during the financial year for the income statements, and at the exchange rates ruling at the balance sheet date for assets and liabilities. Differences in exchange rates when translating foreign undertakings' capital and reserves at the exchange rate at the balance sheet date are taken directly to capital and reserves. Net currency exchange rate gains and losses on transactions to hedge investments in subsidiaries and associated undertakings are taken directly to capital and reserves.

Goodwill relating to foreign subsidiaries and proportionally consolidated undertakings is treated as an asset belonging to the foreign undertakings and translated into Danish kroner at the exchange rates ruling at the balance sheet date. Goodwill amortisation is translated at average rates for the financial year.

Where the statements of foreign subsidiaries and associated undertakings are presented in a currency for which the accumulated inflation over the past three years exceeds 100%, adjustment for inflation is made. The adjusted statement is translated into Danish kroner at the exchange rates at the balance sheet date.

Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently at fair value. Derivative financial instruments are included in other receivables and other liabilities.

Changes in the fair value of derivatives, which qualify as fair value hedges of a recognised asset or a recognised liability, are recognised in the income statement along with any changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivatives, which qualify as hedges of future assets or liabilities, are recognised in retained profit in capital and reserves. Income and costs relating to such hedging transactions are transferred from capital and reserves upon realisation of the hedged item.

For derivative financial instruments, which do not meet the criteria for hedge accounting, changes in the fair value are recognised in the income statement on a current basis.

Net revenue

Sales are recorded as income upon delivery. Licence fee income is recorded on the basis of the amounts earned during the year. Contract work for the account of third parties is recorded under the percentage of completion method and is recorded in the balance sheet under receivables after a prudent evaluation of each contract. Net revenue consists of the above items less the taxes and duties imposed on sales, including excise duties on beer and soft drinks and discounts.

Cost of sales

Cost of sales represents direct and indirect costs paid to achieve the net revenue for the year, including depreciation.

Sales and distribution expenses

Sales and distribution expenses represent salaries to sales and distribution staff, marketing expenses and costs relating to operation of vehicles, including depreciation of property, plant and equipment and amortisation of intangible assets relating to sales and distribution activities, other than goodwill.

Administrative expenses

Administrative expenses include management costs, administrative staff costs, office premises and other expenses, including depreciation of property, plant and equipment and amortisation of intangible assets relating to administration, other than goodwill.

Other operating income and other operating expenses

Other operating income and other operating expenses include items of a nature secondary to the primary activities, such as income from rental properties, gains and losses from the sale of property, plant and equipment as well as government grants not related to acquisition of assets or refunds of expenses.

Special items

This item includes significant non-recurring items, which are not directly attributable to the normal operating of the company, including relatively substantial profit or loss arising from disposals, special write-downs and provisions and any reversal of such items.

Write-down of assets

The net carrying amount of intangible assets and property, plant and equipment is assessed on an annual basis to determine any indication of impairment of value. If this is the case, the assets are written down to the lower value estimated as the net market value or the net present value, if higher. Write-downs of intangible assets (apart from goodwill) and property, plant and equipment, that are not part of a restructuring, are charged to the income statement under the same item as the relevant amortisation/depreciation.

Profit from investments in associated undertakings

The share of the profit or loss from associated undertakings is recorded in accordance with the accounting policies of the Group. Adjustments are made for changes in unrealised inter-company profit and loss. The share of the calculated tax of these undertakings is charged to the income statement under corporation tax.

Financial income and expenses

Financial income and expenses include interest, realised and unrealised exchange rate adjustments, adjustment of securities and other financial instruments to fair value, amortisation of debt and receivables, dividends and refunds as well as deductions and additions under the on-account taxation scheme.

Corporation tax

Tax for the year recognised in the income statement consists of current and deferred tax for the year, the effect on deferred tax from changes of tax rates as well as adjustments of actual tax from previous years. The portion of the tax for the year that is directly attributable to capital and reserves is recognised directly under capital and reserves.

Current tax is calculated at the tax rate applicable for the year. Deferred tax is calculated at the adopted or expected tax rates.

The Parent Company is taxed jointly with its wholly-owned Danish subsidiaries. The jointly-taxed, profit-yielding Danish undertakings pay tax to the Parent Company. The Parent Company settles the tax with the tax authorities (the full allocation method).

Intangible assets

The cost of goodwill and other intangible assets is capitalised and amortised under the straight-line method over the expected useful lives of the assets. There is no revaluation to fair value.

Research costs are recognised in the income statement as incurred. Costs incurred in connection with development activities are recognised as an asset if expected to generate probable future economic benefit. Other development costs are charged to the income statement as incurred.

Amortisation is calculated under the straight-line method over the estimated useful lives of the assets as follows:

- Goodwill: maximum 20 years
- Brands: maximum 20 years
- Software, etc.: 3-5 years
- Distribution rights: contract period, but not exceeding 5 years

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Borrowing costs incurred during the production period relating to assets of own manufacture are not capitalised.

Depreciation to scrap value is provided under the straight-line method over the estimated useful lives of the assets as follows:

- Buildings: 20-40 years
- Plant, machinery and equipment: 5-15 years
- Other assets, vehicles, fixtures and equipment, including draught beer equipment and soft drink machines: 5-10 years
- Returnable packaging: 3-5 years

Items costing less than DKK 25,000 are fully charged to the income statement in the year of acquisition.

Leased and rented assets qualifying as finance leases are treated according to the same principles as corresponding owned assets.

Investments

Investments in associated undertakings are recognised in the consolidated balance sheet with a proportionate share of the net carrying amount of the undertakings in question (capital and reserves stated under Group policies) deducting or adding inter-company profit and losses.

Subsidiaries and associated undertakings with a negative financial value are measured at DKK nil and any receivables in these undertakings are written down with the Parent Company's share of the negative net asset value. If the negative net asset value exceeds the receivables, the remaining amount is recognised under provisions for liabilities and charges to the extent that the Parent Company holds a legal or constructive obligation to cover the negative balance of the undertaking.

Non-current receivables from associated undertakings, i.e. amounts falling due after more than one year, are recognised at the lower of amortised cost or recoverable value.

Associated beverage undertakings are recognised under operating profit as these undertakings are an integrated part of the primary activities of the Group.

Other securities and investments include financial assets such as bonds, shares and similar items of a non-current nature. The assets are recognised at cost and subsequently valued at fair value. Listed securities are recognised at the rates ruling at the balance sheet date. Unlisted securities are recognised based on a prudent estimation of fair value. Any adjustment to fair value is included under financials.

Other non-current receivables, i.e. amounts falling due after more than one year, are recognised at amortised cost or recoverable value, if lower.

Inventories

Inventories are recognised at cost, stated under the average method or net realisable value, if lower. Write-down is made of obsolete inventory.

Indirect production overheads are included in the cost price.

Receivables

Receivables from trade with third party customers, associated undertakings and other receivables, which are expected to be realised within 12 months from the balance sheet date, are recognised at amortised cost or net realisable value, if lower. Short-duration receivables with no stated interest rate are as a rule recognised at nominal value unless the effect of imputing interest would be significant.

Receivables also include current trade loans and contract work in progress at the account of third parties. Contract work in progress on behalf of third parties is recognised under net revenue and in the balance sheet at the percentage of completion method. The net amount of recorded cost, recognised profit/loss and progress billings is included in trade receivables, unless the progress billings exceed the sales price. In such cases they are included in trade payables.

Capital and reserves

Dividends are recognised at the time of adoption at the Annual General Meeting. Dividends proposed for the year are shown as a separate item in capital and reserves.

Retirement benefit obligations and similar obligations

To the extent that pension obligations and other post retirement obligations relating to defined benefit schemes are not covered by insurance or a separate pension fund, provision is made in the balance sheet.

Commitments for defined benefit plans are computed on the basis of an annual actuarial valuation at present value of the expected future benefits to be paid. If the actuarial gain or loss exceeds 10% of the computed pension obligation or the fair value of the pension fund assets, such gain or loss is amortised over the relevant employees' expected remaining term of service in the Group. Actuarial gain or loss not exceeding 10% is not recognised in the financial statements but included in the future actuarial valuation.

Payments to defined contribution schemes are charged to the income statement in the year in which they are made.

Deferred tax

Deferred tax is provided for all temporary differences between accounting and tax values using the balance sheet liability method based on the tax rates adopted or expected at the balance sheet date. However, no provision is made for investments in subsidiaries, joint ventures and associated undertakings, where it is not likely that the temporary difference will be reversed in the foreseeable future or where sale is tax-exempt. Deferred tax assets, including assets relating to tax losses carried forward, are stated at recoverable value based on a conservative valuation.

Deposit on returnable packaging

Deposits on returnable packaging are stated on the basis of deposit price as well as an estimate of the number of cans, bottles and crates in circulation.

Provisions for restructuring, etc.

Restructuring provisions, etc. are recognised on the balance sheet date when the decision has been adopted and announced to the parties involved, provided that a reliable estimate of the liability can be made. Restructuring provisions are based on a plan according to which restructuring starts immediately after the decision has been made.

Interest-bearing loans and similar liabilities

Debt is recognised at cost at the time of raising the loan. Subsequently, debt is stated at amortised cost. Capital losses and costs of loans are thus allocated over the term of the liabilities based on the calculated effective rate of interest when raising the loan.

Government grants

Government grants relating to the purchase of property, plant and equipment and intangible assets are offset in the balance sheet against the cost price of the assets acquired. Other government grants are either offset against the costs to which they relate or included in other operating income and as such form part of cash generated from operating activities.

Cash flow statement

The statement shows the consolidated cash flows in operating activities, investing activities and financing activities and consolidated cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are reported using the indirect method and comprise the consolidated operating profit of the Group adjusted for non-cash financials, corporation tax, depreciation and other items. This adjusted operating profit is adjusted for the change in working capital such as inventories, receivables, payables, etc. for the year.

Cash flows from investing activities arise from the acquisition and disposal of undertakings, investments in other non-current assets and dividends received. Cash flows from financing activities comprise dividends paid and changes in non-current liabilities, etc.

Cash and cash equivalents comprise cash in hand and demand deposits as well as short-term, highly liquid investments that are readily convertible into cash and only subject to an insignificant risk of changes in value less short-term credit facility drawdowns. Cash equivalents include bonds and other investments with a maturity at the date of acquisition not exceeding 3 months. Shares and other short-term bank borrowings are not included.

Segment information

The Group's main activity is production and sale of beer and other beverages, which accounts for more than 90% of the consolidated revenue. In accordance with the Group's management structure, beverage activities are segmented according to the geographical regions where production takes place.

The segment's operating profit includes net revenue, operating costs, and share of profit from associated undertakings to the extent that they are directly attributable to this. Income and costs related to Group functions have not been distributed and, accordingly are not included in the operating profit of the segments.

Non-current assets in the segment consist of the non-current assets used directly for segment operations, including intangible assets, property, plant and equipment and investments in associated undertakings.

Segment liabilities comprise segment operating liabilities, including trade payables and other liabilities.

Income Statement

PARENT COMPANY			GROUP	
2002	2003	Note	2003	2002
DKK million	DKK million		DKK million	DKK million
685	940		47,345	48,603
-	-		12,719	13,059
685	940	1 NET REVENUE	34,626	35,544
170	357	2 Cost of sales	17,020	17,803
515	583	GROSS PROFIT	17,606	17,741
359	450	2 Sales and distribution expenses	12,172	11,941
302	326	2 Administrative expenses	2,672	2,684
88	131	3 Other operating income, net	439	282
1,066	1,104	4 Profit, subsidiaries	-	-
1,032	888	4 Profit, proportionally consolidated associates	-	-
13	20	4 Profit, other associates	228	187
2,053	1,950	1 OPERATING PROFIT (EBITA)	3,429	3,585
-	8	9 Amortisation of goodwill	390	386
79	-	5 Special items, net	-401	-24
2,132	1,942	PROFIT BEFORE FINANCIALS (EBIT)	2,638	3,175
393	233	6 Financial income	211	370
899	544	7 Financial expenses	848	1,454
1,626	1,631	PROFIT BEFORE TAX	2,001	2,091
574	389	8 Corporation tax	493	697
1,052	1,242	CONSOLIDATED PROFIT	1,508	1,394
-	-	18 Minority interests	266	342
1,052	1,242	PROFIT FOR THE YEAR, Carlsberg Breweries A/S' share	1,242	1,052
		Profit appropriation:		
1,052	1,242	Profit for the year		
9,285	10,769	Transfer from previous years		
10,337	12,011	Available for appropriation 31 December		
		Proposed appropriation:		
263	3,300	Dividend to shareholders		
10,074	8,711	Appropriated to reserves		
10,337	12,011			

Balance Sheet at 31 December

PARENT COMPANY		ASSETS	GROUP	
31.12.02	31.12.03		31.12.03	31.12.02
DKK million	DKK million	Note	DKK million	DKK million
		NON-CURRENT ASSETS		
		9 Intangible assets		
-	145	Goodwill	5,322	5,417
-	-	Other intangible assets	356	407
-	-	Advance payments	165	7
-	145		5,843	5,831
		10 Property, plant and equipment		
99	92	Land and buildings	6,991	7,456
-	-	Plant, machinery and equipment	7,456	7,502
3	3	Other assets, vehicles, etc.	2,972	3,396
-	-	Construction in progress	713	1,243
102	95		18,132	19,597
		Investments		
15,742	15,214	11 Investments in subsidiaries	-	-
213	-	Receivables from subsidiaries	-	-
4,019	2,829	11 Investments in associates	1,367	926
-	-	11 Receivables from associates	-	29
93	261	11,12 Other investments	440	272
220	170	20 Deferred tax	654	389
70	-	11,12 Other receivables	2,136	2,015
20,357	18,474		4,597	3,631
20,459	18,714	1 TOTAL NON-CURRENT ASSETS	28,572	29,059
		CURRENT ASSETS		
		Inventories and receivables		
25	29	13 Inventories	2,675	2,781
65	92	14 Trade receivables	6,203	6,274
3,834	5,436	Receivables from subsidiaries	-	-
-	-	Receivables from associates	327	26
54	1	Receivables from shareholders	17	56
-	38	Corporation tax receivables	115	87
147	448	15 Other receivables	1,360	1,390
140	77	15 Prepayments and accrued income	620	839
4,265	6,121		11,317	11,453
944	610	16 Securities and cash and cash equivalents	2,629	1,979
5,209	6,731	TOTAL CURRENT ASSETS	13,946	13,432
25,668	25,445	TOTAL ASSETS	42,518	42,491

Balance Sheet at 31 December

PARENT COMPANY		CAPITAL AND RESERVES AND LIABILITIES		GROUP	
31.12.02	31.12.03	Note	31.12.03	31.12.02	
DKK million	DKK million		DKK million	DKK million	
500	500	17	500	500	
1,041	-		-	-	
10,337	12,011		12,011	11,378	
11,878	12,511		12,511	11,878	
-	-	18	1,625	1,699	
11,878	12,511		14,136	13,577	
-	-	19	549	648	
-	-	20	1,168	1,304	
38	41		1,234	1,197	
26	1	21	350	188	
64	42		3,301	3,337	
		22			
158	153		10,883	10,696	
9,506	8,820		-	-	
-	-		212	28	
9,664	8,973		11,095	10,724	
650	970	22	4,865	5,839	
9	2		5	21	
2,850	2,343		-	-	
-	-		2	2	
69	180		4,168	3,619	
-	-		404	280	
484	424	23	4,455	4,871	
-	-		87	221	
4,062	3,919		13,986	14,853	
13,790	12,934	1	28,382	28,914	
25,668	25,445		42,518	42,491	
		26			
		27			
		28			
		29			

Cash Flow Statement

		GROUP	
Note		2003	2002
		DKK million	DKK million
24	Cash flow relating to operations	5,733	6,128
	Interest received	219	250
	Interest paid	930	898
	Corporation tax paid	668	656
	CASH FLOW FROM OPERATING ACTIVITIES	4,354	4,824
25	Acquisition/divestment of undertakings	143	1,131
	Capital expenditure, net	1,232	2,878
	Loans provided to customers, etc., net	13	21
	Other financial investments, net	572	-418
	Investments in intangible assets, net	221	200
	Dividend received	41	35
	CASH FLOW FROM INVESTING ACTIVITIES	2,140	3,777
	FREE CASH FLOW	2,214	1,047
	Increase of share capital in affiliates by minorities	45	217
	Dividend paid to shareholders	263	434
	Dividend paid to minorities	148	170
	Acquisition of minority interests	522	223
	Borrowings, net	-884	-1,312
	Other financing activities, net	58	-207
	CASH FLOW FROM FINANCING ACTIVITIES	-1,714	-2,129
	NET CASH FLOW	500	-1,082
	Securities and cash and cash equivalents, beginning of year	1,033	2,580
	Acquired/sold cash at bank and in hand	237	-419
	Currency translation adjustments	-60	-46
16	Securities and cash and cash equivalents, year-end	1,710	1,033

Movements in Capital and Reserves

Group:	2003					2002
	Share capital	Revaluation reserve, equity method	Retained earnings	Dividend	Total	Total
	DKK million	DKK million	DKK million	DKK million	DKK million	DKK million
Capital and reserves at 1 January 2003	500	-	11,115	263	11,878	5,994
Accumulated effect of change in accounting policies, beginning of year						6,874
Adjusted capital and reserves at 1 January 2003	500	-	11,115	263	11,878	12,868
Profit for the year			1,242		1,242	1,052
Dividend paid to shareholders				-263	-263	-434
Change in capital and reserves following the termination of the Carlsberg Asia joint venture.....			650		650	-758
Currency translation adjustments relating to foreign entities.....			-1,011		-1,011	-848
Other			15		15	-2
Proposed dividend for shareholders			-3,300	3,300	-	-
Capital and reserves at 31 December 2003	500	-	8,711	3,300	12,511	11,878
Parent:	2003					2002
	Share capital	Revaluation reserve, equity method	Retained earnings	Dividend	Total	Total
	DKK million	DKK million	DKK million	DKK million	DKK million	DKK million
Capital and reserves at 1 January 2003	500	1,041	10,074	263	11,878	5,994
Accumulated effect of change in accounting policies, beginning of year						6,874
Adjusted capital and reserves at 1 January 2003	500	1,041	10,074	263	11,878	12,868
Profit for the year.....		1,499	-257		1,242	1,052
Dividend paid to shareholders				-263	-263	-434
Dividend.....		-1,155	1,155		-	-
Change in capital and reserves following the termination of the Carlsberg Asia joint venture.....			650		650	-758
Currency translation adjustments relating to foreign entities		-1,401	390		-1,011	-848
Other		16	-1		15	-2
Proposed dividend to shareholders			-3,300	3,300	-	-
Capital and reserves at 31 December 2003	500	-	8,711	3,300	12,511	11,878

NOTES

1 Segment information

	2003				
	Western Europe	Eastern Europe	Asia	Not distributed	Group
Net revenue ¹⁾	26,182	7,331	1,290	-177	34,626
%	76%	21%	4%	-1%	100%
Operating profit (EBITA)	2,364	1,226	451	-612	3,429
Non-current assets	17,983	7,356	2,473	760	28,572
Liabilities ²⁾	15,637	4,230	1,538	6,977	28,382
	2002				
	Western Europe	Eastern Europe	Asia	Not distributed	Group
Net revenue ¹⁾	26,997	7,475	1,019	53	35,544
%	76%	21%	3%	0%	100%
Operating profit (EBITA)	2,269	1,274	467	-425	3,585
Non-current assets	19,804	7,168	1,690	397	29,059
Liabilities ²⁾	15,299	4,586	732	8,297	28,914

¹⁾ Licence fees are included in net revenue.

²⁾ Not allocated liabilities of DKK 6,977m (2002: DKK 8,297m) primarily relate to the Group's funding in connection with acquisition of undertakings.

In accordance with the exemption order issued by the Danish Commerce and Companies Agency, segment information is not stated for the Parent Company.

NOTES

2

Staff costs, share options granted to Management and fees for auditor appointed by the General Meeting are:

Staff costs	2003		2002	
	Parent	Group	Parent	Group
Wages, salaries and remuneration	140	5,430	131	5,750
Social security costs	3	829	7	891
Pension costs - defined contribution plans.....	12	117	11	88
Pension costs - defined benefit plans.....	-	249	-	220
Other benefits.....	-	51	-	9
	<u>155</u>	<u>6,676</u>	<u>149</u>	<u>6,958</u>

Wages, salaries and remuneration for the Parent Company and the Group include remuneration paid to the Executive Board of the Parent Company of DKK 17m (2002: DKK 15m) and to the Board of Directors of DKK 0m (2002: DKK 0m), including the value of the share options in Carlsberg A/S.

Total staff costs are distributed on the following items:

	2003		2002	
	Parent	Group	Parent	Group
Cost of sales	-	1,879	-	1,943
Sales and distribution expenses.....	51	3,566	41	3,968
Administrative expenses	104	1,159	108	1,047
Special items (restructuring)	-	72	-	-

In the financial year, the average number of employees in the Parent Company was 198 (2002: 193) and 31,375 in the Group (2002: 28,316), of whom 8,185 (2002: 8,225) in proportionally consolidated undertakings.

Share options

The Executive Board and key managers of Carlsberg Breweries A/S have been granted share options in Carlsberg A/S in 2001, 2002 and 2003 as set out below:

Granted in	No. of options	Exercise price	Exercise period
2001	88,500	405.75	2004-2008
2002	87,000	339.91	2005-2009
2003	107,000	225.13	2006-2010
<u>Total</u>	<u>282,500</u>		

Fees for auditor appointed by the General Meeting

	2003		2002	
	Parent	Group	Parent	Group
PricewaterhouseCoopers: Audit	2	14	1	12
Other services	6	10	8	13

Other services include fees for assistance in connection with projects, due diligence, etc.

NOTES

3 Other operating income, net

2003:

Other operating income, net includes the profit guarantee for the period 1.1.2003 to 30.6.2003 for the Thailand operations, gains from the sale of property, plant and equipment, distribution from trade associations as well as income from rental property.

2002:

Other operating income, net includes the profit guarantee for the Thailand operations, gains from sale of property, plant and equipment and income from rental property.

Other operating income, net comprises:

	2003		2002	
	Parent	Group	Parent	Group
Other operating income	131	609	88	439
Other operating expenses		170		157
	<u>131</u>	<u>439</u>	<u>88</u>	<u>282</u>

4 Profit from investments

	2003		2002	
	Parent	Group	Parent	Group
Profit from investments in subsidiaries:				
Profit before tax	1,104		1,066	
Corporation tax	<u>215</u>		<u>462</u>	
Profit after tax	<u>889</u>		<u>604</u>	
Profit from investments in proportionally consolidated associates:				
Profit before tax	888		1,032	
Corporation tax	<u>291</u>		<u>320</u>	
Profit after tax	<u>597</u>		<u>712</u>	
Profit from investments in other associated companies:				
Profit before tax	20	228	13	187
Corporation tax	<u>7</u>	<u>64</u>	<u>3</u>	<u>59</u>
Profit after tax	<u>13</u>	<u>164</u>	<u>10</u>	<u>128</u>

5 Special items

	2003		2002	
	Parent	Group	Parent	Group
Gain on sale and fair value adjustment of shares	-	-	79	48
Gain on sale of brands	-	-	-	75
Reversal of impairment charge relating to Hannen Brauerei GmbH	-	138	-	-
Impairment of plant, etc	-	-132	-	-
Restructuring charges	-	-407	-	-147
Special items, net	<u>-</u>	<u>-401</u>	<u>79</u>	<u>-24</u>

NOTES

6 Financial income

	2003		2002	
	Parent	Group	Parent	Group
Interest income	194	170	277	244
Dividend income	1	2	10	11
Fair value adjustment, net	26	-	-	-
Gain on foreign currency translation, net	12	34	-	-
Other financial income.....	-	5	106	115
	<u>233</u>	<u>211</u>	<u>393</u>	<u>370</u>

The Parent Company's interest income from subsidiaries amounted to DKK 159m (2002: DKK 215m). The Group's interest income from shareholders amounted to DKK 0m (2002: DKK 3m).

Gain on foreign currency translation includes adjustments of DKK 16m (2002: loss of DKK 44m) relating to monetary net assets in hyperinflation economies.

7 Financial expenses

	2003		2002	
	Parent	Group	Parent	Group
Interest expenses	514	768	792	1,127
Fair value adjustments, net	-	4	27	27
Loss on foreign currency translation, net	-	-	40	209
Other financial expenses.....	30	76	40	91
	<u>544</u>	<u>848</u>	<u>899</u>	<u>1,454</u>

Interest paid by the Parent Company to subsidiaries amounted to DKK 491m (2002: DKK 676m). Interest expenses paid by the Group to shareholders totalled DKK 0m (2002: DKK 92m).

Fair value adjustments, net in the Group relate to the following instruments:

Interest rate swaps: fair value	-	6	29	23
Forward exchange contracts: fair value hedging	34	-12	-25	-24
Fair value adjustments, other assets.....	-8	10	23	28
	<u>26</u>	<u>4</u>	<u>27</u>	<u>27</u>

8 Corporation tax

Tax on profit for the year comprises:

	2003		2002	
	Parent	Group	Parent	Group
Current tax	27	782	21	756
Movement in deferred tax during the year.....	-114	-264	-232	-157
Share of tax in subsidiaries, cf. note 4.....	215	-	462	-
Share of tax in associates, cf. note 4	298	64	323	59
Adjustment of tax for previous year	-37	-89	-	39
	<u>389</u>	<u>493</u>	<u>574</u>	<u>697</u>

Reconciliation of the effective tax rate for the year:

	2003	2002
	Group	Group
Tax rate in Denmark	30.0%	30.0%
Difference in tax rates, foreign subsidiaries	-4.7%	-1.8%
Amortisation of goodwill.....	5.9%	5.5%
Non-taxable income and non-tax deductible expenses.....	-0.8%	-1.9%
Adjustment of tax for previous years.....	-0.7%	1.9%
Tax loss.....	-7.5%	2.0%
Other	2.4%	-2.4%
Effective tax rate for the year.....	<u>24.6%</u>	<u>33.3%</u>

The Parent Company and its Danish subsidiaries participate in the joint tax on account scheme.

NOTES

9 Intangible assets

Group:	<u>Goodwill</u>	<u>Other intangible assets</u>	<u>Advance payments</u>
Cost			
Cost at 1 January 2003	6,752	846	7
Additions relating to the acquisition of undertakings.....	136	7	5
Disposals relating to the divestment of undertakings	-	-	-
Additions during the year	578	73	165
Disposals during the year	49	25	-
Currency translation adjustments, etc.	-400	-30	-
Transfers	3	45	-12
Cost at 31 December 2003	<u>7,020</u>	<u>916</u>	<u>165</u>
Amortisation and impairment losses			
Amortisation and impairment losses at 1 January 2003	1,335	439	-
Additions relating to the acquisition of undertakings.....	5	3	-
Disposals relating to the divestment of undertakings	-	-	-
Additions during the year.....	24	6	-
Disposals during the year	7	18	-
Currency translation adjustments, etc.	-52	-9	-
Amortisation for the year.....	390	139	-
Transfers.....	3	-	-
Amortisation and impairment losses at 31 December 2003	<u>1,698</u>	<u>560</u>	<u>-</u>
Carrying amount at 31 December 2003	<u>5,322</u>	<u>356</u>	<u>165</u>

Amortisation of intangible assets other than goodwill is included in the following items:	<u>2003</u>	<u>2002</u>
Cost of sales.....	7	21
Sales and distribution expenses	25	19
Administrative expenses	107	80
	<u>139</u>	<u>120</u>

The carrying amount of other intangible assets at 31 December 2003 includes capitalised software of DKK 268m (2002: DKK 311m) and supply rights of DKK 42m (2002: DKK 64m).

Research and development costs of DKK 33m (2002: DKK 33m) have been expensed.

Parent:	<u>Goodwill</u>
Cost	
Cost at 1 January 2003	-
Additions during the year	153
Cost at 31 December 2003	<u>153</u>
Amortisation and impairment losses	
Amortisation and impairment losses at 1 January 2003	-
Amortisation for the year.....	8
Amortisation and impairment losses at 31 December 2003	<u>8</u>
Carrying amount at 31 December 2003	<u>145</u>

NOTES

10 Property, plant and equipment:

Group:	Land and buildings	Plant, machinery and equipment	Other assets, vehicles, etc.	Construction in progress
Cost				
Cost at 1 January 2003	10,898	18,473	9,411	1,252
Additions relating to the acquisition of undertakings.....	113	307	49	5
Disposals relating to the divestment of undertakings	-	-	-	-
Additions during the year	331	1,341	1,581	794
Disposals to shareholders.....	11	-	-	-
Disposals during the year	735	1,567	2,539	5
Currency translation adjustments, etc..	-631	-1,136	-624	-89
Transfers.....	259	798	123	-1,235
Cost at 31 December 2003	<u>10,224</u>	<u>18,216</u>	<u>8,001</u>	<u>722</u>
Depreciation and impairment losses				
Depreciation and impairment losses at 1 January 2003	3,442	10,971	6,015	9
Additions relating to the acquisition of undertakings.....	29	135	21	-
Disposals relating to the divestment of undertakings	-	-	-	-
Additions during the year	24	209	109	-
Disposals to shareholders.....	2	-	-	-
Disposals during the year	420	1,335	1,743	-
Currency translation adjustments, etc..	-134	-619	-441	-
Depreciation during the year	279	1,168	1,068	-
Impairment losses during the year	15	244	9	-
Transfers.....	-	-13	-9	-
Depreciation and impairment losses at 31 December 2003 ..	<u>3,233</u>	<u>10,760</u>	<u>5,029</u>	<u>9</u>
Carrying amount at 31 December 2003	<u>6,991</u>	<u>7,456</u>	<u>2,972</u>	<u>713</u>

Other assets, vehicles, etc. includes rolling equipment such as cars and trucks, draught beer equipment and coolers, returnable packaging and office equipment.

Depreciation during the year is included in the following items:

	<u>2003</u>	<u>2002</u>
Cost of sales	1,462	1,502
Sales and distribution expenses	874	789
Administrative expenses	179	181
	<u>2,515</u>	<u>2,472</u>

The cost of finance leases amounted to DKK 894m (2002: DKK 206m).

Accumulated depreciation on finance leases amounted to DKK 83m (2002: DKK 60m), and the net carrying value of finance leases thus amounted to DKK 811m (2002: DKK 146m). Depreciation of DKK 31m (2002: DKK 8m) has been recognised in 2003.

The carrying amount of land and buildings in Denmark amounted to DKK 1,023m (2002: DKK 1,028m). The value of property in Denmark as assessed for tax purposes amounted to DKK 1,699m (2002: DKK 1,674m).

NOTES

10 Property, plant and equipment - continued:

Parent:	<u>Land and buildings</u>	<u>Other assets, vehicles, etc.</u>
Cost		
Cost at 1 January 2003	141	25
Additions during the year	-	3
Disposals to shareholders	-	-
Disposals during the year	-	9
Currency translation adjustments, etc.	-	-
Transfers	-	-
Cost at 31 December 2003	<u>141</u>	<u>19</u>
Depreciation and impairment losses		
Depreciation and impairment losses at 1 January 2003	42	22
Additions during the year	-	-
Disposals to shareholders	-	-
Disposals during the year	-	7
Currency translation adjustments, etc.	-	-
Depreciation during the year	7	1
Impairment losses during the year	-	-
Transfers	-	-
Depreciation and impairment losses at 31 December 2003 ..	<u>49</u>	<u>16</u>
Carrying amount at 31 December 2003	<u>92</u>	<u>3</u>

The assessed value of property in Denmark at 1 January 2003 amounted to DKK 162m (2002: DKK 222m).

NOTER

11 Investments

Group:	Associates		Other investments	Other non-current receivables
	Investments	Receivables		
Cost				
Cost at 1 January 2003	813	29	259	2,038
Additions relating to the acquisition of undertakings	-	-	3	7
Disposals relating to the divestment of undertakings	-	-	-	-
Additions during the year	565	-	240	921
Disposals during the year	136	29	10	470
Currency translation adjustments, etc.	-155	15	-15	-103
Transfers	-7	-15	-20	146
Transfers to/from current assets	-	-	-1	-302
Cost at 31 December 2003	1,080	-	456	2,237
Revaluation and impairment losses				
Revaluation and impairment losses at 1 January 2003	113	-	13	-23
Additions relating to the acquisition of undertakings	-	-	-	-
Disposals relating to the divestment of undertakings	-	-	-	-
Additions during the year	106	-	-	-
Disposals during the year	-	-	8	-
Dividend	60	-	-	-
Share of profit before tax	228	-	-	-
Tax on profit for the year	64	-	-	-
Impairment losses during the year	-	-	8	26
Currency translation adjustments, etc.	-48	14	-15	41
Transfers	12	-14	2	-140
Transfers to/from current assets	-	-	-	47
Revaluation and impairment losses at 31 December 2003	287	-	-16	-101
Carrying amount at 31 December 2003	1,367	-	440	2,136

Investments in associated undertakings at 31 December 2003 includes goodwill of DKK 92m, net of accumulated amortisation of DKK 12m (2002: DKK 66m, net of accumulated amortisation of DKK 6m).

Parent:	Subsidiaries	Associates	Other investments	Other non-current receivables
	Investments	Investments		
Cost				
Cost at 1 January 2003	15,548	3,168	246	70
Additions relating to the acquisition of undertakings	325	-	187	-
Disposals relating to the divestment of undertakings	-	-	-	-
Additions during the year	1,092	-	-	-
Disposals during the year	-	-	-	-
Currency translation adjustments, etc.	636	-	3	-
Transfers	1,444	-1,226	-170	-
Transfers to/from current assets	-	-	-	-70
Cost at 31 December 2003	19,045	1,942	266	-
Revaluation and impairment losses				
Revaluation and impairment losses at 1 January 2003	194	851	-153	-
Disposals during the year	-	-	-	-
Dividend	3,844	60	-	-
Share of profit before tax	1,104	908	-	-
Tax on profit for the year	215	298	-	-
Impairment losses during the year	-	-	8	-
Currency translation adjustments, etc.	-1,041	-338	-	-
Transfers	-29	-176	156	-
Revaluation and impairment losses at 31 December 2003	-3,831	887	-5	-
Carrying amount at 31 December 2003	15,214	2,829	261	-

The carrying amount includes goodwill of DKK 3,266m (2002: DKK 3,520m) from the acquisition of subsidiaries.

Investments in associated undertakings at 31 December 2003 includes goodwill of DKK 309m, net of accumulated amortisation of DKK 74m (2002: DKK 329m, net of accumulated amortisation of DKK 54m).

NOTES

12 Other investments and other non-current receivables

Other investments in the Group include shares of DKK 344m (2002: DKK 210m), bonds of DKK 86m (2002: DKK 52m) and other financial assets of DKK 10m (2002: DKK 10m).

Non-current receivables in the Group of DKK 2,136m (2002: DKK 2,015m) mainly relate to on-trade loans and receivables of DKK 560m relating to the sale and lease back of draught beer equipment in the UK.

The average effective interest rate for the interest-bearing non-current assets is as follows:

	2003		2002	
	Parent	Group	Parent	Group
Bonds	-	6.5%	-	6.5%
Non-current receivables.....	-	4.5%	6.3%	4.0%
Repayments falling due after five years from the balance sheet date:				
Non-current receivables.....	-	795	-	360

13 Inventories

	2003		2002	
	Parent	Group	Parent	Group
Raw materials and consumables.....	29	1,105	25	1,165
Work in progress.....	-	221	-	232
Finished goods.....	-	1,349	-	1,384
	<u>29</u>	<u>2,675</u>	<u>25</u>	<u>2,781</u>

14 Trade receivables

	2003		2002	
	Parent	Group	Parent	Group
Trade receivables.....	98	6,755	69	6,793
Contract work in progress	-	5	-	2
Provision for bad and doubtful debts.....	-6	-557	-4	-521
	<u>92</u>	<u>6,203</u>	<u>65</u>	<u>6,274</u>

Provision for bad and doubtful debts in the Group of DKK 96m (2002: DKK 41m) have been applied. The Parent Company applied provision for bad and doubtful debts of DKK 2m in 2003 (2002: DKK 0).

Receivables from construction contracts in the Group are netted as follows:

	2003	2002
Work in progress	40	1,139
Advances received on construction contracts	35	1,137
	<u>5</u>	<u>2</u>

15 Other receivables and prepayments and accrued income

Other receivables consists of VAT receivables, interest receivables and other receivables not arising from the sale of beverages. DKK 62m (2002: DKK 437m) of the receivables are interest-bearing.

The main part of prepayments is attributable to prepaid sponsorship and marketing expenses.

NOTES

16 Cash and cash equivalents	2003		2002	
	Parent	Group	Parent	Group
Cash at bank and in hand.....	610	2,626	944	1,979
Liquid securities.....	-	3	-	-
	<u>610</u>	<u>2,629</u>	<u>944</u>	<u>1,979</u>

For the purpose of the Group's cash flow statement, bank overdrafts are offset against cash and cash equivalents:

	2003	2002
Cash and cash equivalents and liquid securities	<u>2,629</u>	<u>1,979</u>
Bank overdrafts	<u>919</u>	<u>946</u>
Securities and cash and cash equivalents, net	<u>1,710</u>	<u>1,033</u>

Short-term bank deposits amounted to DKK 1,927m (2002: DKK 1,421m). The average interest rate on these deposits amounted to 2.7% (2002: 5.6%) and the average duration was 46 days (2002: 156 days).

17 Share capital

The share capital amounted to DKK 500m divided into shares in denominations of DKK 1,000 and multiples thereof. None of the shares confer any special rights. The share capital is owned by Carlsberg A/S, Copenhagen, Denmark.

Carlsberg Breweries A/S is included in the consolidated accounts of Carlsberg A/S.

Changes in the share capital since the foundation of the Company:

Share capital at the foundation on 1 July 2000	1
Increase of capital, non-cash contribution in 2000	299
Increase of capital, cash/non-cash contribution in 2001.....	200
	<u>500</u>

18 Minority interests

	2003	2002
Minority interests at 1 January 2003.....	1,699	1,971
Acquisition of undertakings.....	0	58
Termination of Carlsberg Asia joint venture.....	6	-149
Acquisition of minorities.....	<u>-93</u>	<u>-145</u>
Disposals relating to acquisition of undertakings....	-87	-236
Capital injections.....	62	101
Minority interests.....	266	342
Dividend to minority interests.....	-148	-150
Currency translation adjustments, etc.	-167	-329
Minority interests at 31 December 2003.....	<u>1,625</u>	<u>1,699</u>

19 Retirement benefit obligations

	2003	2002
Net retirement benefit obligations at 1 January 2003.....	648	683
Currency translation adjustments, etc.....	-20	-2
Transfer to/from other provisions, etc	-3	48
Expensed during the year.....	247	234
Payments during the year	<u>-323</u>	<u>-315</u>
Net retirement benefit obligations at 31 December 2003.....	<u>549</u>	<u>648</u>

Not recognised actuarial loss at 31 December 2003 amounted to DKK 670m (2002: DKK 1,064m) and is primarily attributable to Carlsberg-Tetley PLC, UK. Inclusion of the actuarial loss is expected to amount to DKK 30m a year.

NOTES

20 Deferred tax assets and liabilities

Provision for deferred tax at 31 December 2003 relate to the following items:

Group:	Assets		Liabilities	
	2003	2002	2003	2002
Intangible assets.....	159	106	429	157
Land and buildings	28	13	601	622
Plant, machinery and equipment, etc.	182	215	886	929
Inventories.....	45	36	48	91
Receivables.....	45	17	4	3
Provisions	51	69	66	41
Tax losses, etc.....	1,095	752	85	280
Tax assets and liabilities	1,605	1,208	2,119	2,123
Netting.....	951	819	951	819
Tax assets and liabilities, net.....	654	389	1,168	1,304
Parent:				
Intangible assets.....	54	52	-	-
Land and buildings	-	-	13	15
Plant, machinery and equipment, etc.	2	4	-	-
Receivables.....	2	1	-	-
Provisions	0	13	-	-
Tax losses, etc.....	125	165	-	-
Tax assets and liabilities	183	235	13	15
Netting.....	13	15	13	15
Tax assets and liabilities, net.....	170	220	-	-

Non-capitalised tax assets for the Group amounted to DKK 133m.

Movements in deferred tax assets/liabilities:

	Deferred tax assets		Deferred tax liabilities	
	Parent	Group	Parent	Group
Deferred tax assets/liabilities at 1 January 2003	220	389	-	1,304
Additions relating to the acquisition of undertakings.....	-	152	-	6
Taken to the income statement	152	-230	165	-211
Taken to capital and reserves.....	-	27	-	-23
Adjustments for previous years.....	-37	203	-	-4
Currency translation adjustments.....	-	-20	-	-37
Transfers.....	-165	133	-165	133
Deferred tax assets/liabilities at 31 December 2003	170	654	-	1,168

NOTES

21 Other provisions

Group:	2003		2002	
	Restructuring	Other	Restructuring	Other
Other provisions at 1 January 2003	90	98	147	243
Additions relating to the acquisition of undertakings.....	-	-	4	24
Additions during the year	294	-19	87	-
Disposals relating to the divestment of undertakings.....	-	-	-	-2
Disposals during the year.....	84	44	217	121
Currency translation adjustments, etc.....	-2	-2	1	1
Reclassification from current liabilities.....	-	14	69	-
Transfer to post retirement obligations.....	-	-	-	-48
Transfers.....	-8	13	-1	1
Other provisions at 31 December 2003	290	60	90	98

22 Borrowings

	2003		2002	
	Parent	Group	Parent	Group
Current liabilities:				
Current portion of non-current liabilities	-	1,004	-	578
Bank borrowings and overdrafts.....	610	2,386	391	4,372
Other current liabilities.....	360	1,475	259	889
Total current liabilities.....	970	4,865	650	5,839
Non-current liabilities:				
Bond loans.....	-	8,672	-	8,788
Mortgages	153	405	158	423
Bank borrowings.....	-	512	-	1,349
Other borrowings.....	-	1,294	-	136
Total non-current borrowings.....	153	10,883	158	10,696
Payables to affiliated undertakings.....	8,820	-	9,506	-
Other non-current liabilities	-	212	-	28
Total non-current liabilities.....	8,973	11,095	9,664	10,724

The non-current liabilities fall due from the balance sheet day:

Between 2 and 5 years	3,742	5,367	4,408	5,120
After 5 years	5,231	5,728	5,256	5,604
	8,973	11,095	9,664	10,724

The weighted average effective interest rate at 31 December 2003 in the Group and the periods in which the borrowings reprice are:

	Weighted average interest rate	Carrying amounts allocated in repricing periods		
		1 year	2-5 years	After 5 years
Bond loans.....	6.3%		3,902	4,770
Bank borrowings and other borrowings.....	3.9%	6,442	200	-
Effect of interest rate swaps.....	-0.9%	6,024	-2,416	-3,174
Total	4.3%	12,466	1,686	1,596

Of the bond loans DKK 8,672m (2002: DKK 9,299m) is at fixed rates, of which the main part has been swapped into floating rates. The main part of bank borrowings totalling DKK 1,446m (2002: DKK 2,159m) is also at floating rates.

23 Other current liabilities

Group:	2003	2002
Duties and VAT.....	1,760	1,614
Social costs, etc.....	843	923
Interest payable.....	199	298
Other.....	1,653	2,036
	4,455	4,871

NOTES

24 Cash flow from operating activities	2003	2002
Profit before financials (EBIT).....	2,638	3,175
Adjustment of non-cash transactions:		
Depreciation and amortisation.....	3,044	2,978
Impairment losses	268	-
Profit before tax from investments	-228	-187
Gain from sale of activities/subsidiaries	-138	-124
Gain from disposal of non-current assets	-315	-131
Other non-cash adjustments to EBIT	-57	16
Cash flow from operations before changes in working capital.....	<u>5,212</u>	<u>5,727</u>
Changes in working capital:		
Inventories.....	-18	171
Trade receivables and other receivables.....	400	105
Trade payables and other payables.....	85	474
Post retirement obligations and other obligations.....	87	-240
Adjustment of unrealised gains/losses on working capital.....	-33	-109
	<u>521</u>	<u>401</u>
Cash flow from operating activities	<u>5,733</u>	<u>6,128</u>

25 Acquisition and divestment of companies

Acquisition and divestment of companies had the following effect on the Group's assets and liabilities:

	2003		2002	
	Acquisition	Divestment	Acquisition	Divestment
Intangible assets, exclusive of goodwill	9	-	10	44
Property, plant and equipment.....	289	-	1,070	162
Investments, exclusive of deferred tax assets.....	10	-	5	-
Inventories.....	61	-	60	14
Trade receivables and other receivables.....	137	-	310	31
Securities and cash and cash equivalents.....	89	-	18	11
Provisions, exclusive of deferred tax assets	1	-	36	1
Deferred tax assets/liabilities, net.....	-	-	51	8
Borrowings.....	176	-	177	5
Trade payables and other payables.....	194	-	478	154
Minority interests.....	43	-	59	-
Identifiable assets and liabilities, net.....	<u>181</u>	<u>-</u>	<u>672</u>	<u>94</u>
Share of capital and reserves transferred from investments in associated companies.....	-85	-	-63	-
Goodwill, etc on acquisitions/divestments.....	<u>136</u>	<u>-</u>	<u>606</u>	<u>-17</u>
Cash consideration received/paid.....	232	-	1,215	77
Cash and cash equivalents.....	<u>89</u>	<u>-</u>	<u>18</u>	<u>11</u>
Cash outflow/inflow.....	<u>143</u>	<u>-</u>	<u>1,197</u>	<u>66</u>
Acquisition and divestment of undertakings, net		<u>143</u>		<u>1,131</u>

The termination of the joint venture, Carlsberg Asia, with effect from 1 July 2003 is not included in the figures, just as the establishment is not comprised in the comparative figures.

NOTES

26 Investments in proportionally consolidated undertakings

The amounts specified below represent the Group's share of the assets and liabilities, net revenue and results in proportionally consolidated undertakings. These amounts are included in the consolidated balance sheet and income statement.

	<u>2003</u>	<u>2002</u>
Non-current assets.....	4,712	6,078
Current assets.....	1,771	2,641
Non-current liabilities.....	1,066	710
Current liabilities.....	<u>2,123</u>	<u>3,074</u>
Net assets.....	<u>3,294</u>	<u>4,935</u>
Net revenue.....	6,059	6,723
Operating profit (EBITA)	1,381	1,879
Profit before financials (EBIT)	1,313	1,818
Net cash flow.....	89	-234
Securities and cash and cash equivalents at the end of the period.....	449	368

The development in the figures reflects the termination of the joint venture in Asia and the inclusion of Carlsberg Asia as a subsidiary with effect from July 2003.

NOTES

27 Financial instruments

The net fair value at 31 December of derivative financial instruments primarily designated for fair value hedging of investments and borrowings:

	2003		2002	
	Parent	Group	Parent	Group
Contracts with positive fair value:				
Interest rate swaps	-	167	-	23
Forward exchange contracts	130	130	89	89
Other	-	-	-	-
Contracts with negative fair value:				
Interest rate swaps	6	19	-	135
Forward exchange contracts	57	62	69	66
Other	-	-	-	-
Interest rate swaps:				
The notional principal amount on outstanding interest rate swaps	188	4,378		7,764
The fixed interest rate varies from (lowest)		5.4%		4.3%
The fixed interest rate varies from (highest)		7.0%		7.0%
The floating interest rate varies from (lowest)		1.2%		1.4%
The floating interest rate varies from (highest)		4.7%		5.1%

Net interest-bearing debt by currencies and next interest rate adjustment:

Amounts in DKK million	Next interest rate adjustment						
	31.12.2003	2004	2005	2006	2007	2008	After 5 years
DKK	353	267	4	56	26	-	-
USD	2,913	2,891	22	-	-	-	-
EUR	5,237	3,702	67	5	1,463	-	-
GBP	3,130	1,534	-	-	-	-	1,596
CHF	1,977	1,977	-	-	-	-	-
NOK	802	800	2	-	-	-	-
SEK	134	134	-	-	-	-	-
SGD	-	-	-	-	-	-	-
RUB	159	159	-	-	-	-	-
TRL	-	-	-	-	-	-	-
PLN	765	743	-	22	-	-	-
Other	278	259	19	-	-	-	-
Total interest-bearing debt	15,748	12,466	114	83	1,489	-	1,596
Short-term bank deposits	-1,927	-1,927					
Liquid assets (other securities and cash and cash equivalents)	-702	-702					
Other interest-bearing assets	-1,830	-1,830	-	-	-	-	-
Net interest-bearing debt	11,289	8,007	114	83	1,489	0	1,596

NOTES

28 Related parties

The income statement and the balance sheet include the following transactions from associated undertakings:

	2003		2002	
	Parent	Group	Parent	Group
Net revenue	-	206	-	160
Cost of sales	-	19	-	9
Borrowings, net	-	323	-	-
Receivables	-	24	-	55
Trade payables	-	3	-	-

In 2002 and 2003, the Company sold property on market terms to shareholders.

During the financial year, the Group has repaid DKK 16m (2002: DKK 3,580m) on borrowings from the shareholders. Loans from the shareholders have been granted on market terms.

Apart from this, the Group has not undertaken any significant transactions with major shareholders, the Board of Directors, the Executive Board or undertakings outside the Carlsberg Breweries Group, in which the relevant parties have interests.

Related parties with controlling interest:

Carlsberg A/S, Ny Carlsberg Vej 100, 1760 Copenhagen V, Denmark owns all the shares in Carlsberg Breweries A/S.

29 Contingent liabilities and other commitments, etc.

Contingent liabilities

The following assets have been pledged as security for borrowings of DKK 588m:

	2003		2002	
	Parent	Group	Parent	Group
Land and buildings, carrying amount.....	92	1,076	93	1,091
Plant, machinery and equipment, carrying amount.....	-	629	-	953
	<u>92</u>	<u>1,705</u>	<u>93</u>	<u>2,044</u>

Carlsberg Breweries A/S has issued guarantees for loans amounting to DKK 13,666 (31.12.2002: DKK 9,902m) raised by subsidiaries and loans amounting to DKK 0m (31.12.2002: DKK 53m) raised by third parties.

Carlsberg Breweries has issued guarantees for bank loans totalling DKK 32m (31.12.2002: DKK 188m) raised by customers/suppliers. The objective of such guarantees is to strengthen business relations with the companies in question.

Carlsberg Breweries A/S is registered jointly with Carlsberg A/S and Carlsberg Danmark A/S regarding VAT and excise duties and has joint and several liability in connection with payment thereof. Carlsberg Breweries A/S has joint and several liability for payment of corporation tax in the undertakings included in the joint taxation.

Following Carlsberg Breweries A/S' termination of the joint venture with Chang Beverages Pte. Ltd the latter has started arbitration proceedings in London. Chang Beverages Pte. Ltd. has filed three claims:

- primarily that the joint venture be re-established.
- further, damages for Carlsberg Breweries' unjustified termination of the agreement.
- further, that Carlsberg Breweries A/S until the matter has been settled be ordered to observe a number of restrictions as regards material decisions, etc. made in or regarding Carlsberg Asia.

As the case is at a relatively early stage, it is very difficult to predict the outcome. It has not been deemed necessary to make any provisions in the annual report in relation to this case.

Carlsberg Breweries A/S is party to certain lawsuits, etc. The management does not expect the outcome of these cases to have a material, negative impact on the financial position of the Group.

NOTES

29 Contingent liabilities and other commitments - continued

Capital commitments

Capital expenditure contracted for on the balance sheet day but not recognised in the financial statement can be specified as follows:

	2003		2002	
	Parent	Group	Parent	Group
Intangible assets.....	-	355	-	104
Plant, machinery and equipment.....	-	300	-	331
	<u>-</u>	<u>655</u>	<u>-</u>	<u>435</u>

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases can be specified as follows:

	2003		2002	
	Parent	Group	Parent	Group
Not later than 1 year	1	111	-	54
Later than 1 year and not later than 5 years.....	2	249	-	134
Later than 5 years	-	101	-	82
	<u>3</u>	<u>461</u>	<u>-</u>	<u>270</u>

Group Companies

			Investments	Nominal share capital ('000)	Currency	Exchange rate
CARLSBERG BREWERIES A/S						
Share capital DKK 500,000,000						
Northern Europe						
Carlsberg Danmark A/S, Copenhagen	2 subsidiaries	●	100%	100,000	DKK	100.00
Pripps Ringnes AB, Stockholm, Sweden	1 subsidiary	●	100%	287,457	SEK	82.54
Oy Sinebrychoff Ab, Helsinki, Finland		●	100%	96,707	EUR	744.17
Carlsberg Holding Sverige AB, Falkenberg, Sweden	2 subsidiaries	●	100%	150,000	SEK	82.54
Ringnes a.s., Oslo, Norway - owned by Pripps Ringnes AB	4 subsidiaries	●	100%	248,590	NOK	90.51
United Kingdom						
Carlsberg - Tetley PLC, Northampton	2 subsidiaries	●	100%	90,004	GBP	1,060.36
Western and southern Europe						
Carlsberg Italia S.p.A, Varese, Italy	39 subsidiaries	●	100%	48,400	EUR	744.17
Unicer-Bebidas de Portugal, SGPS, S.A., Porto, Portugal	12 subsidiaries	●	44%	50,000	EUR	744.17
Hannan Brauerei GmbH, Mönchengladbach, Germany	4 subsidiaries	●	100%	17,897	EUR	744.17
Feldschlösschen Getränke Holding AG, Rheinfelden, Switzerland	4 subsidiaries	●	100%	95,000	CHF	478.88
International Breweries (Netherlands) B.V., Bussum, Netherlands	2 subsidiaries	■	16%	2,523	USD	607.03
Eastern Europe, Africa and Americas						
BBH - Baltic Beverages Holding AB, Stockholm, Sweden owned by Pripps Ringnes AB	16 subsidiaries	●	50%	12,000	EUR	744.17
Carlsberg Okocim S.A., Brzesko, Poland	3 subsidiaries	● 1)	85%	28,721	PLN	159.81
Panonska Pivovara d.o.o., Koprivnica, Croatia		●	80%	159,932	HRK	96.94
Israel Beer Breweries Ltd, Ashkelon, Israel		■	20%	15,670	ILS	137.94
Nuuk Imeq A/S, Nuuk, Greenland		■	24%	34,720	DKK	100.00
Browary Dolnoslaskie Piast S.A., Wroslaw, Poland	5 subsidiaries	●	100%	101,193	PLN	159.81
Türk Tuborg Bira ve Malt Sanayii A.S., Izmir, Turkey	1 subsidiary	● 1)	96%	186,988	USD	607.03
OAO Vena, St. Petersburg, Russia		●	50%	34,063	EUR	744.17
Bottling and Brewing Group Ltd., Blantyre, Malawi	2 subsidiaries	●	44%	1,132,877	MWK	5.74
Carlsberg Hungary Sales Limited Liability Company, Hungary		●	100%	25,000	HUF	2.81
Carlsberg Canada Inc, Toronto, Canada		●	100%	750	CAD	461.99
Carlsberg Agency Inc., New York, USA		●	100%	70	USD	607.03
Shumensko Pivo AD, Shumen, Bulgaria	1 subsidiary	●	89%	700	BGN	381.11
Pirinsko Pivo AD, Blagoevgrad, Bulgaria		●	98%	1,032	BGN	381.11
Asia						
Carlsberg Asia Pte Ltd., Singapore	11 subsidiaries	● 2)	100%	170,000	SGD	354.67
Other companies						
Carlsberg International A/S, Copenhagen		●	100%	1,000	DKK	100.00
Danbrew Ltd. A/S, Copenhagen	1 subsidiary	●	100%	2,000	DKK	100.00
Danish Malting Group A/S, Vordingborg		●	100%	100,000	DKK	100.00
Carlsberg Finans A/S, Copenhagen		●	100%	25,000	DKK	100.00
Carlsberg (UK) Limited, Northampton, UK		●	100%	100	GBP	1,060.36
Carlsberg Nordic ITS A/S, Copenhagen		●	100%	50,000	DKK	100.00
Carlsberg Breweries Insurance A/S, Copenhagen		●	100%	25,066	DKK	100.00
J.C. Bentzen A/S, Copenhagen		●	100%	30,000	DKK	100.00

● Subsidiaries

● Proportionally consolidated undertakings

■ Other associated undertakings

1) Listed enterprise managed by Carlsberg Breweries.

2) Including Carlsberg Malaysia Berhad, listed with shareholding of 50%. Managed by Carlsberg Asia.

In Carlsberg Asia the first half of 2003 is proportionally consolidated whereas the second half is fully consolidated.

Carlsberg Asia comprises i.a. the following companies: Carlsberg Brewery Hong Kong Ltd., Hong Kong (51%); Carlsberg Singapore Pte. Ltd. (100%), Singapore and Carlsberg Brewery Malaysia Berhad (50%), Malaysia.

3) The company owns i.a. the following companies: Baltika Brewery (74%), Russia; Yarpivo PLC Company (60%), Russia; Voronezh Brewery (78%), Russia; Slavutich Brewery (92%), Ukraine; A/S Aldaris (75%), Lithuania; Saku Brewery AS (75%), Estonia and Svyturys-Utenos Alus AB (76%), Lithuania.