

Company announcement 10/2014

20 August 2014

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Financial statement as of 30 June 2014

Operating profit growth in H1; outlook changed due to recent events in Eastern Europe

Unless otherwise stated, comments in this announcement refer to H1 performance.

Financial highlights

- Organic net revenue up by 4% to DKK 32.1bn (Q2: +4%).
- Positive price/mix of 5% (Q2: +5%).
- Organic gross profit growth of 6% (Q2: +7%).
- 8% organic operating profit growth (Q2: +14%) with particularly strong performance in Western Europe.
- Reported operating profit growth of 1% to DKK 4,054m (Q2: +6%) negatively affected by a currency impact of DKK 403m (10%).
- Flat adjusted net profit at DKK 2,238m (Q2: 7% growth to DKK 2,288m).

Operational highlights

- Strong beer volume performance in Western Europe. Group beer volume declined organically by 3% (Q2: -2%) impacted by market decline and last year's strong Q2 in Eastern Europe.
- Our market share increased in our Asian region and was flat in Western Europe. In Russia, our market share declined.
- Our international premium portfolio delivered strong growth rates: Tuborg (+26%), Somersby (+48%) and Grimbergen (+39%). The Carlsberg brand grew 3% in its premium markets.
- The implementation of the supply chain integration and business standardisation project (BSPI) continues and we are on track preparing for implementation in Poland, Switzerland and Finland.
- The integration of Chongqing Brewery is running according to plan.

2014 earnings expectations

- Due to the recent macro events the consumer sentiment and the outlook for some of the economies in Eastern Europe are becoming increasingly challenging and uncertain.
- Consequently, we believe that the beer category will deteriorate further in the second half of the year. In addition, we expect considerably less stocking among distributors in Russia than in recent year. As a consequence and in the current circumstances, the Group now expects:
 - Organic operating profit to grow low- to mid-single-digit percentages (previously high-single-digit percentages). Reported operating profit is expected to decline low- to mid-single digit percentages versus last year (previously low- single-digit growth).
 - Reported adjusted net profit to decline by mid- to high-single-digit percentages (previously low-single-digit growth).

Commenting on the results, CEO Jørgen Buhl Rasmussen says: "I am satisfied with the financial results of the Group for the first six months. Our focus on key priorities and strong execution in our markets and central functions have strengthened our business commercially and increased profits and cash flow. We continue to grow our international premium brands across markets, with particularly strong performance in Asia where Tuborg has become the no. 1 international brand in

India and is the fastest growing international premium brand in China. Our Western European region delivered another set of strong results driven by solid topline performance and continued execution on an ambitious efficiency agenda.

“In Eastern Europe, our teams are doing an excellent job mitigating the impact of the current market challenges. Unfortunately, we believe the Eastern European beer markets will be impacted further as consumers are facing increased challenges and this will impact the Group’s profits negatively this year. We will continue to do what is right for our business long-term, and this includes investing in our brands, keeping commercial activities at a high level and at the same time balancing value and volume. But we will also make tough decisions and adapt the cost structure to ensure that we maintain a strong and very profitable Eastern European business.”

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KEY FIGURES AND FINANCIAL RATIOS

DKK million	Q2 2014	Q2 2013	H1 2014	H1 2013	2013	
Total sales volumes (million hl)						
Beer	40.3	41.5	67.7	69.8	138.7	
Other beverages	6.6	6.1	11.2	10.6	21.5	
Pro rata volumes (million hl)						
Beer	37.0	36.0	62.0	60.1	119.7	
Other beverages	6.1	5.6	10.4	9.7	19.7	
Income statement						
Net revenue	19,162	19,058	32,058	31,762	64,350	
Operating profit before special items	3,601	3,399	4,054	4,027	9,723	
Special items, net	-95	-81	-124	-130	-435	
Financial items, net	-368	-405	-714	-758	-1,506	
Profit before tax	3,138	2,913	3,216	3,139	7,782	
Corporation tax	-788	-717	-804	-763	-1,833	
Consolidated profit	2,350	2,196	2,412	2,376	5,949	
Attributable to:						
Non-controlling interests	140	122	269	240	478	
Shareholders in Carlsberg A/S	2,210	2,074	2,143	2,136	5,471	
Shareholders in Carlsberg A/S (adjusted) ¹	2,288	2,134	2,238	2,229	5,772	
Statement of financial position						
Total assets	-	-	153,291	151,932	149,993	
Invested capital	-	-	118,726	119,016	119,000	
Interest-bearing debt, net	-	-	36,132	33,376	34,636	
Equity, shareholders in Carlsberg A/S	-	-	66,482	67,870	67,811	
Statement of cash flows						
Cash flow from operating activities	4,068	3,788	2,872	2,929	8,142	
Cash flow from investing activities	-1,331	-1,225	-2,231	-2,912	-8,038	
Free cash flow	2,737	2,563	641	17	104	
Financial ratios						
Operating margin	%	18.8	17.8	12.7	12.7	15.1
Return on average invested capital (ROIC)	%	-	-	8.3	7.9	8.1
Equity ratio	%	-	-	43.4	44.7	45.2
Debt/equity ratio (financial gearing)	x	-	-	0.52	0.47	0.49
Interest cover	x	-	-	5.68	5.31	6.46
Stock market ratios						
Earnings per share (EPS)	DKK	14.4	13.6	14.0	14.0	35.9
Earnings per share, adjusted (EPS-A) ¹	DKK	15.0	14.0	14.7	14.6	37.8
Cash flow from operating activities per share (CFPS)	DKK	26.6	24.8	18.8	19.2	53.4
Free cash flow per share (FCFPS)	DKK	17.9	16.8	4.2	0.1	0.7
Share price (B-shares)	DKK	-	-	587	513	600
Number of shares (period-end, excl. treasury shares)	1,000	-	-	152,536	152,545	152,533
Number of shares (average, excl. treasury shares)	1,000	152,537	152,550	152,537	152,550	152,548

¹ Adjusted for special items after tax.

BUSINESS DEVELOPMENT

	2013	Change			2014	Change Reported
		Organic	Acq., net	FX		
Q2						
Pro rata (million hl)						
Beer	36.0	-2%	5%		37.0	3%
Other beverages	5.6	9%	0%		6.1	9%
Total volume	41.6	-1%	5%		43.1	4%
DKK million						
Net revenue	19,058	4%	4%	-7%	19,162	1%
Operating profit	3,399	14%	2%	-10%	3,601	6%
Operating margin (%)	17.8				18.8	100bp
H1						
Pro rata (million hl)						
Beer	60.1	-3%	6%		62.0	3%
Other beverages	9.7	6%	0%		10.4	6%
Total volume	69.8	-1%	5%		72.4	4%
DKK million						
Net revenue	31,762	4%	4%	-7%	32,058	1%
Operating profit	4,027	8%	3%	-10%	4,054	1%
Operating margin (%)	12.7				12.7	0bp

Group financial highlights

Group beer volumes declined organically by 3% (Q2: -2%), predominately driven by Eastern Europe, while reported beer volumes grew 3% (Q2: +3%). The acquisition impact was mainly related to Chongqing Brewery in China. Other beverages grew organically by 6% (Q2: +9%).

Net revenue grew 4% organically as the strong +5% price/mix more than offset the total organic volume decline of 1%. Reported net revenue grew 1% as a result of -7% from currencies and a net acquisition impact of +4%. The negative currency impact was due to weaker currencies in several markets, including Russia, Ukraine, Norway and China.

Cost of sales per hl grew organically by approximately 3% while declining by approximately 4% in DKK. Gross profit grew organically by 6%, corresponding to 7% growth in gross profit per hl. The gross profit margin increased by 80bp (Q2: +140bp) to 49.4%.

Operating expenses grew organically by approximately 6% primarily due to phasing of sales and marketing investments, higher logistics costs, primarily in Eastern Europe, and higher BSP1 implementation costs. The latter amounted to approximately DKK 250m (DKK 190m in 2013).

Group operating profit grew organically by 8% (Q2: +14%). All three regions delivered organic operating profit growth with particularly strong performance in Western and Eastern Europe

while the lower growth in Asia was due to investments in brands and new markets. Group operating margin was flat at 12.7% for the six months with a 100bp improvement in Q2 to 18.8%.

Adjusted net profit (adjusted for post-tax impact of special items) was flat at DKK 2,238m (2013: DKK 2,229m) but delivered 7% growth in Q2 to DKK 2,288 (2013: DKK 2,134m). Reported net profit was DKK 2,143m (2013: DKK 2,136m).

Free operating cash flow was DKK 675m (2013: DKK 658m). Total working capital impacted cash flow negatively for the first six months due to seasonality and higher sales in Western Europe in the end of Q2. Trade working capital continued to improve and was -3.8% to net revenue (MAT) versus -3.1% at the end of Q2 2013 (MAT). Free cash flow was DKK 641m (2013: DKK 17m).

Return on invested capital increased by 40bp to 8.3%.

In May, the Group successfully placed 10-year EUR notes at a principal amount of EUR 1bn with a coupon of 2.5%.

Group operational highlights

Our commercial agenda remained unchanged and included continued embedding and, in some mature markets, further development and improvement of our value management toolbox. In addition, our innovation efforts remained at a high level and included the further rollout of brands, concepts and innovations, such as Radler, Brewmaster's Collection, Jacobsen, K by Kronenbourg, the non-alcoholic beer Carlsberg Nordic, our proprietary DraughtMaster™ technology and Seth & Riley's Garage.

The Carlsberg brand grew 3% in its premium markets with particularly strong performance in markets such as India and China. The brand is gaining market share in the majority of its markets. Our English Premier League sponsorship with the "That Premier Feeling" campaign was activated in 66 markets across the world. The Carlsberg brand's Nordic heritage has inspired a new limited edition of the brand, which was launched in 11 European markets. The "Nordic Collection" comprises three bottle designs based on the landscape and industrial design of the Nordic region and also focuses on the famous Carlsberg hop leaf symbol.

The Tuborg brand grew strongly by 26% for the quarter as a result of strong growth in Asia. Tuborg achieved particularly strong growth in China and India and it is now the fastest growing international premium brand in China and the no. 1 international premium brand in India. We continued the further deployment of the brand rejuvenation programme which was rolled out in the Baltics, the Balkan markets and Nepal in addition to the many markets it is already in.

Brasseries Kronenbourg celebrates its 350th anniversary in 2014. Kronenbourg 1664 grew 15%, helped by easy comparisons last year due to French destocking in Q1 2013 and market share gains in France, but also driven by further rollouts in new markets. 1664 Blanc is achieving good penetration in several Asian markets.

Somersby continued its very strong progress, growing 48%. Somersby continues to be the fastest growing cider brand among the top 10 biggest ciders globally and the cider is now available in 43 markets across the world. The key reasons for this impressive growth were continued positive performance in Poland, the new activation programme #Friendsie, line extensions in established markets, and launches in new markets.

Our Belgian abbey ale, Grimbergen, also further strengthened its position and since 2011 it has been the fastest growing international abbey beer. We continue to expand the brand's footprint and it is now available in 33 markets around the world.

In March, BSP1 was rolled out in the UK and we are now well into the process of preparing for launches in Poland, Finland and Switzerland during autumn.

Structural changes

During the first six months of the year, the Group took further steps to strengthen its growth profile:

- In Vietnam, we increased the ownership of South-East Asia Brewery Ltd to 100% (previously 60% ownership) and of Hanoi-Vung Tau Beer Joint Stock Company to 100% (previously 55% ownership).
- In the Czech Republic, we acquired 51% of Zatecký Pivovar, spol. s r.o.

2014 earnings expectations

Our Eastern European business delivered organic operating profit growth and margin improvement in spite of the challenging market conditions. However, due to the recent macro events, the consumer sentiment and the outlook for some of the economies in Eastern Europe are becoming increasingly challenging and uncertain. In light of this, the Carlsberg Group believes that consumer spending in Eastern Europe will be impacted more negatively than previously anticipated and consequently that also the beer category will deteriorate further in the second half of the year.

Furthermore, due to their potentially restricted financing opportunities and a possible freeze of excise duties for 2015, we do not anticipate that our partners will build inventories in Q4 to the same extent as in previous years. Any less stocking in Q4, will impact the Group's results in Q1 2015 positively.

In order to mitigate the risks as much as possible, several changes have been and will be made in our Eastern European business, including structural changes. These include considerations related to brewery closures.

Based on the current situation, for 2014, the Group now expects:

- Organic operating profit to grow low- to mid- single-digit percentages (previously high-single-digit percentages). Reported operating profit is expected to decline low to mid-single digit percentages versus last year (previously low-single-digit growth).

- Reported adjusted net profit to decline by mid- to high-single-digit percentages (previously low-single-digit growth).

The outlook is based on the following assumptions for market development in our three regions:

- The Western European beer markets to be flat or slightly declining.
- The Russian beer market to decline by high single-digit percentages.
- The Asian beer markets to continue to grow in line with 2013.

Other assumptions underlying the outlook are as follows.

The outlook, in reported terms, is based on an assumed 2014 average for our major currencies calculated on forward rates, including an average EUR/RUB exchange rate of approximately 50 (an EUR/RUB change of +/- 1 impacts Group operating profit by approximately +/- DKK 100m).

Reported cost of goods sold per hl is expected to be lower than in 2013. In organic terms, cost of goods sold per hl is expected to be similar to last year.

Sales and marketing investments to net revenue are expected to remain at a similar level to last year.

Costs related to the integrated supply chain and business standardisation project in Western Europe are expected to impact Group operating profit negatively in 2014 by DKK 400-450m (2013: approximately DKK 350m).

Average all-in cost of debt is assumed to be slightly lower than in 2013.

The tax rate is expected to be 25%.

Capital expenditures are expected to be at the level of 2013 with continued capacity investments in Asia.

WESTERN EUROPE

DKK million	Change			2014	Change Reported	
	2013	Organic	Acq., net			FX
Q2						
Pro rata (million hl)						
Beer	13.9	7%	0%		14.8	7%
Other beverages	4.0	10%	0%		4.3	10%
Total volume	17.9	8%	0%		19.1	8%
DKK million						
Net revenue	10,371	6%	0%	0%	10,945	6%
Operating profit	1,709	11%	0%	-1%	1,871	10%
Operating margin (%)	16.5				17.1	60bp
H1						
Pro rata (million hl)						
Beer	23.5	5%	0%		24.7	5%
Other beverages	7.1	6%	0%		7.5	6%
Total volume	30.6	5%	0%		32.2	5%
DKK million						
Net revenue	17,854	5%	0%	-1%	18,585	4%
Operating profit	2,117	11%	0%	-2%	2,311	9%
Operating margin (%)	11.9				12.4	50bp

The Western European beer markets grew by an estimated 2-3% for the first six months and an estimated 3-4% in Q2 cycling a soft Q2 last year which was impacted by poor weather. Q2 was also positively impacted by the football World Cup and Easter.

Overall, our market share was flat for the region, reflecting good share performance in markets such as France, Poland, Portugal, Italy, Greece and Bulgaria.

Our commercial activities remained at a high level. They included further rollouts of our international premium brands, product launches, innovation introductions in new markets and activations around music events and football. A few launch examples are the Carlsberg Nordic Collection in a number of markets, Somersby in Germany, K by Kronenbourg in France, Radler in new markets and the non-alcoholic Carlsberg Nordic in Denmark.

Our beer volumes grew organically by 5% (Q2: +7%). Beer volumes grew in most markets in the region with particularly strong growth in markets such as France, the UK, Poland and Germany while they declined in the Balkans, the Baltics and Finland. Other beverages grew organically by 6% (Q2: +10%), mainly due to strong performance in the Nordics and Switzerland.

The Polish market increased by an estimated 1-2% and we continued to gain market share and increased volumes by 6%. Price/mix per hl was flat. The continued strong performance was

driven by excellent commercial execution and growth of the local brands Kasztelan, Harnás and Okocim as well as continued good progress of our innovations such as Somersby and Radler.

Our French beer volumes grew by 25% due to an estimated 7% market growth and the impact from last year's destocking in Q1. Our total market share was slightly up as Kronenbourg 1664, K by Kronenbourg, Grimbergen and Skøll by Tuborg all delivered strong performance.

The UK market grew by 4% with particularly strong growth in Q2 due to favourable weather conditions versus last year and World Cup activations. The channel shift from on-trade to off-trade continued. Our market share declined.

Driven by better weather conditions versus last year, soft drink category growth, strong commercial execution (including product launches and value management), our Nordic businesses performed strongly in the first six months. All beer markets grew, except Finland which was impacted by weak macroeconomic conditions. Our volumes grew in Denmark, Norway and Sweden with our market share being flat in Norway and Sweden. In Denmark, our market share in Q2 increased 200bp following the relisting at an off-trade customer.

The Balkan markets were negatively impacted by severe flooding in some of the countries with our businesses in Serbia and Bosnia being particularly negatively impacted.

Net revenue increased organically by 5% (Q2: +6%) to DKK 18,585m. Price/mix was flat. While we achieved a positive effect from our value management efforts, price/mix for the first six months was negatively impacted by strong growth in other beverages and last year's strong price/mix development in Q2.

Operating profit grew organically by 11% to DKK 2,311m in spite of higher BSPI implementation costs than last year. The improvement was driven by volume growth, cost savings within supply chain and our relentless focus on driving further efficiencies in all areas. Operating margin improved 50bp to 12.4%.

EASTERN EUROPE

DKK million	Change				2014	Change Reported
	2013	Organic	Acq., net	FX		
Q2						
Pro rata (million hl)						
Beer	14.2	-13%	0%		12.4	-13%
Other beverages	0.8	4%	0%		0.9	4%
Total volume	15.0	-12%	0%		13.3	-12%
DKK million						
Net revenue	6,245	-4%	0%	-16%	4,992	-20%
Operating profit	1,608	10%	0%	-16%	1,518	-6%
Operating margin (%)	25.8				30.4	460bp
H1						
Pro rata (million hl)						
Beer	21.9	-11%	0%		19.5	-11%
Other beverages	1.0	2%	0%		1.1	2%
Total volume	22.9	-10%	0%		20.6	-10%
DKK million						
Net revenue	9,147	-2%	0%	-16%	7,476	-18%
Operating profit	1,691	7%	0%	-18%	1,510	-11%
Operating margin (%)	18.5				20.2	170bp

The value of the Russian beer market grew in the first six months while market volumes declined by an estimated 6-7% due to the uncertain macroenvironment, weak economic development and bad weather, particularly in June.

Our Russian volume market share declined by 120bp to 37.4% (source: Nielsen Retail Audit, Urban & Rural Russia) but with our value share declining considerably less as the market share loss was most pronounced in the economy segment. The market share loss was mainly in the modern trade channel and driven by the launch of slightly smaller pack sizes to minimise price increases and by our price leadership. A temporary disruption in sales as a consequence of a change in the legal structure of Baltika Breweries also played an important part in relation to the market share loss. Our local brands Baltika 7 and Baltika 9 showed particularly good progress for the first six months.

The Ukrainian beer market declined by an estimated 10% due to the very challenging and uncertain macroeconomic climate coupled with a 43% beer tax increase in May. The decline accelerated during Q2, though with significant variances between regions within Ukraine. We have been able to operate our business in Ukraine with limited disruptions, although distribution to some cities in parts of eastern Ukraine has been challenging and, in February, we had to stop production for a few days.

The Group's regional beer volumes declined organically by 11% (Q2: -13%). Our Russian shipments declined 11% due to the overall market decline and market share development.

Regardless of the challenging Russian macroeconomy, we kept investing in our brands and maintained a high level of commercial activities to drive value and volume in the region. They included activation of sponsorships such as the Continental Hockey League and music events such as Tuborg Greenfest. In addition, we continued to launch innovations which included Brewmaster's Collection and Seth & Riley's Garage.

Organic net revenue declined by 2% (Q2: -4%). Price/mix remained strong at +8% (Q2: +8%) as a result of price increases, mix improvements and slightly smaller pack sizes in Russia. We increased prices in Russia in March and May. Reported net revenue declined by 18% due to the substantial negative currency impact of -16%. Especially the weakness of the Ukrainian Hryvna (-24%) and the Russian Rouble (-15%) had a negative impact.

In spite of the challenging market environment and the negative volume development, we managed to deliver organic operating profit growth and improved margins. This was achieved by applying our value management tools with a consequently very healthy price/mix, overall very tight cost control, including organisational changes, and different phasing of sales and marketing investments versus the previous year.

Organic operating profit grew by 7% (Q2: +10%). However, due to the very negative currency impact, reported operating profit declined by 11% (Q2: -6%) to DKK 1,510m. Operating profit margin increased by 170bp (Q2: 460bp) to 20.2% (Q2: 30.4%).

ASIA

DKK million	Change				2014	Change Reported
	2013	Organic	Acq., net	FX		
Q2						
Pro rata (million hl)						
Beer	7.9	0%	24%		9.8	24%
Other beverages	0.8	9%	0%		0.9	9%
Total volume	8.7	1%	21%		10.7	22%
DKK million						
Net revenue	2,416	15%	26%	-9%	3,193	32%
Operating profit	484	17%	11%	-8%	580	20%
Operating margin (%)	20.0				18.2	-180bp
H1						
Pro rata (million hl)						
Beer	14.7	-2%	23%		17.8	21%
Other beverages	1.6	11%	1%		1.8	12%
Total volume	16.3	-1%	21%		19.6	20%
DKK million						
Net revenue	4,678	9%	26%	-8%	5,925	27%
Operating profit	961	5%	10%	-7%	1,035	8%
Operating margin (%)	20.5				17.5	-300bp

Beer volumes declined organically by 2% (Q2: 0%). Including acquisitions, beer volumes grew by 21% (Q2: 24%). We achieved particularly strong growth in India, Nepal, Cambodia and Laos and for our international premium brands in China and India, while overall volumes in China declined due to specific circumstances in certain provinces. The acquisition impact relates mainly to the consolidation of Chongqing Brewery Group.

Our international premium portfolio continued to perform strongly across the region. The Carlsberg brand grew by approximately 12% in its premium markets, mainly because of good performance in China, driven by Carlsberg Chill and Carlsberg Light; and India.

Tuborg more than doubled its volumes in the region thanks to very strong performance in China and India. We continued the further rollout of Kronenbourg 1664. The brand is establishing a solid footprint in the super premium segment across our Asian region and is now available in Malaysia, Singapore, Hong Kong, China, India and Malawi.

Our Chinese volumes grew by 31% (Q2: +30%) due to the Chongqing Brewery Group consolidation. We saw organic volume decline due to unrest and bad weather in Xinjiang, the reduction of unprofitable products, and bad weather in Chongqing. Price/mix improved by 16% due to portfolio optimisation, value management efforts and growth of our international premium products. The integration of Chongqing Brewery Group is progressing according to plan.

In Indochina, our beer volumes grew organically by 2% (Q2: +10%) with continued strong performance in Cambodia and Laos, driven by our strong local power brands Angkor and Beerlao. Following a weak start to the year, the Vietnamese market recovered during Q2.

Our Indian business continues its strong growth trend and delivered almost 40% organic volume growth in spite of a slight market contraction. The growth was mainly driven by very strong performance of the Tuborg brand, turning India into our largest Tuborg market. Our market share in India now exceeds 10%.

The construction of our brewery in Myanmar is running according to schedule and we expect to open it later this year.

Net revenue grew organically by 9% (Q2: +15%). Reported growth, including the consolidation of Chongqing Brewery Group and the negative impact from currencies in China, Laos, India and Malaysia, was 27%. Price/mix was +7% (Q2: +8%) with positive price/mix in most markets.

Operating profit increased by 8% in reported terms to DKK 1,035m and 5% organically (Q2: +17%). Profitability in the region was negatively impacted by our targeted investments in growth opportunities, such as the start-up in Myanmar and investments in our local power brands and our international brand portfolio. However, this negative impact was more than offset by the very positive price/mix, which resulted in high single-digit organic gross profit growth, and income from a terminated licence agreement.

CENTRAL COSTS (NOT ALLOCATED)

Central costs were DKK 733m (DKK 664m in 2013) for the six months and DKK 331m for Q2 (DKK 376m in 2013). Central costs are incurred for ongoing support of the Group's overall operations and strategic development and driving efficiency programmes. In particular, they include the costs of running headquarter functions and central marketing (including sponsorships).

OTHER ACTIVITIES

In addition to beverage activities, Carlsberg runs the Carlsberg Research Center which generated an operating loss of DKK 69m (loss of DKK 78m in 2013).

COMMENTS ON THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The present interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and Danish regulations governing presentation of interim reports by listed companies.

Except for the changes described below, the consolidated financial statements have been prepared using the same accounting policies as the consolidated financial statements for 2013. The consolidated financial statements for 2013 contain a complete description of the accounting policies, including a description of the below described changes in the accounting policies which have been implemented as of 1 January 2014.

As of 1 January 2014, the Carlsberg Group has implemented IFRS 10-12 and the amendments to IAS 27-28 which have impacted the Group's financial statements and segment reporting as investments in joint ventures have been included as associates, i.e. accounted for using the equity method instead of proportionately consolidated. The change has primarily impacted the consolidation method for Unicer (Portugal) and Cambrew (Cambodia).

The changed consolidation method has impacted all line items in the financial statements due to the deconsolidation of the previously proportionately consolidated share of the entities.

The effect of the change in accounting policies is recognised in the opening balance 1 January 2013 in accordance with the specific transition requirements in the standards. Comparative figures for 2013 have been restated accordingly. The effect of the changes in accounting policies on the main figures is as follows:

	30 June 2013			31 December 2013		
	Reported, old policies	Change	Restated, new policies	Reported, old policies	Change	Restated, new policies
Net revenue	32,918	-1,156	31,762	66,552	-2,202	64,350
Operating profit before special items	4,096	-69	4,027	9,844	-121	9,723
Consolidated profit	2,377	-1	2,376	5,951	-2	5,949
Result attributable to shareholders in Carlsberg A/S	2,136	-	2,136	5,471	-	5,471
Total assets	153,307	-1,375	151,932	151,138	-1,145	149,993
Equity attributable to shareholders in Carlsberg A/S	67,870	-	67,870	67,811	-	67,811
Equity attributable to non-controlling interests	3,253	-12	3,241	3,688	-13	3,675
Free cash flow	-85	102	17	200	-96	104

Furthermore, amendments to IAS 32 and IAS 39 and IFRIC 21 "Levies" have been implemented without impacting financial reporting.

Additionally, the classification of duties payable and amortisation of on-trade loans in the statement of cash flows have been changed as of 1 January 2014. Duties payable are now included in change in trade working capital while in prior periods, they were included in change in other working capital. Amortisation of on-trade loans is now included in change in on-trade

loans, while in prior periods it was included in adjustment for non-cash items. The comparative figures have been restated accordingly.

INCOME STATEMENT

Net special items (pre-tax) include costs in connection with the restructuring measures implemented across the Group and amounted to DKK -124m versus DKK -130m in 2013.

Net financial items amounted to DKK -714m versus DKK -758m in 2013. Net interest costs were DKK -668m, down DKK 102m from 2013 due to lower average funding cost. Other net financial items were impacted by currency movements, fair value adjustments and fees and amounted to DKK -46m compared with DKK 12m last year.

Tax totalled DKK -804m against DKK -763m in 2013, equivalent to a tax rate of 25%.

Carlsberg's share of net profit was DKK 2,143m. Adjusted net profit (adjusted for post-tax impact of special items) was DKK 2,238m compared with DKK 2,229m in 2013.

STATEMENT OF FINANCIAL POSITION

At 30 June 2014, Carlsberg had total assets of DKK 153.3bn (DKK 150.0bn at 31 December 2013).

Assets

The increase of DKK 3.3bn in total assets was caused by a decrease in intangible assets offset by an increase in inventories and receivables.

Intangible assets decreased to DKK 90.2bn against DKK 91.2bn at 31 December 2013 mainly due to foreign exchange adjustments.

Trade receivables increased to DKK 10.4bn (DKK 7.0bn at 31 December 2013) due to higher sales in Western Europe in addition to normal seasonality. Other receivables etc. totalled DKK 4.7bn against DKK 3.6bn at 31 December 2013.

Property, plant and equipment were DKK 32.0bn against 32.4bn at 31 December 2013.

Liabilities

Total equity amounted to DKK 70.0bn against DKK 71.5bn at 31 December 2013. DKK 66.5bn can be attributed to shareholders in Carlsberg A/S and DKK 3.5bn to non-controlling interests.

The decline in equity of DKK 1.5bn was the result of profit for the period of DKK 2.4bn; foreign exchange adjustments of DKK -2.2bn; payment of dividends to shareholders of DKK -1.6bn; value adjustments of hedging instruments of DKK 0.3bn; and acquisition of non-controlling interests of DKK -0.2bn.

Liabilities increased to DKK 83.3bn against DKK 78.5bn at 31 December 2013. The increase was driven by an increase in trade payables of DKK 2.2bn and other current liabilities of DKK 1.1, both due to seasonality.

Non-current liabilities increased by DKK 8.8bn to DKK 53.6bn (DKK 44.7bn as of 31 December 2013) and current borrowings decreased to DKK 1.9bn (DKK 9.4bn as of 31 December 2013) due to a change in the debt profile following the maturity of the EUR 1bn bond and the issuance of 10-year 1bn EUR notes in May.

STATEMENT OF CASH FLOWS

Operating profit before depreciation and amortisation was DKK 6,036m (DKK 5,945m in 2013).

The change in trade working capital was DKK -673m (DKK -533m in 2013). The change in trade working capital was impacted by seasonality and higher sales in Western Europe at the end of Q2. Trade working capital to net revenue (MAT) was -3.8% at the end of Q2 2014 versus -3.1% at the end of Q2 2013. The change in other working capital was DKK -271 (DKK 195m in 2013), impacted by lower VAT payable this year versus this year.

Paid net interest etc. amounted to DKK -768m (DKK -1,323m in 2013). The decline was mainly due to lower funding costs and settlement of financial instruments last year.

Cash flow from operating activities was DKK 2,872m against DKK 2,929m in 2013.

Cash flow from investing activities amounted to DKK -2,231m against DKK -2,912m in 2013.

Operational investments totalled DKK -2,197m (DKK -2,271m in 2013), whereas financial investments amounted to DKK -30m, down DKK 611m from 2013 when they were impacted by prepayments related to the acquisition of shares in Chongqing Brewery Group.

Free cash flow amounted to DKK 641m versus DKK 17m in 2013.

FINANCING

As of 30 June 2014, gross interest-bearing debt amounted to DKK 41.1bn and net interest-bearing debt amounted to DKK 36.1bn. The difference of DKK 5.0bn was other interest-bearing assets, including DKK 3.4bn in cash and cash equivalents.

Of the gross interest-bearing debt, 95% (DKK 39.2bn) was long term i.e. with maturity more than one year from 30 June 2014. The net interest-bearing debt consisted primarily of loan and credit facilities in EUR and approximately 70% was fixed interest (fixed-interest period exceeding one year).

FINANCIAL CALENDAR

The financial year follows the calendar year and the following schedule has been set for 2014:

10 November 2014 Interim results for Q3 2014

Carlsberg's communication with investors, analysts and the press is subject to special restrictions during a four-week period prior to the publication of interim and annual financial statements.

DISCLAIMER

This Company Announcement contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's expectations or forecasts at the time. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of raw materials and packaging materials, cost of energy, production- and distribution-related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market-driven price reductions, market acceptance of new products, changes in consumer preferences, launches of rival products, stipulation of market value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have discussed and approved the interim report of the Carlsberg Group for the period 1 January – 30 June 2014.

The interim report which has not been audited or reviewed by the Company's auditor has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Carlsberg Group's assets, liabilities and financial position at 30 June 2014, and of the results of the Carlsberg Group's operations and cash flow for the period 1 January – 30 June 2014. Furthermore, in our opinion the management review (p. 1-14) gives a true and fair account of the development in the Group's operations and financial matters, the result of the Carlsberg Group for the period and the financial position as a whole, and describes the significant risks and uncertainties pertaining to the Group.

Copenhagen, 20 August 2014

Executive Board of Carlsberg A/S

Jørgen Buhl Rasmussen
President & CEO

Jørn P. Jensen
Deputy CEO & CFO

Supervisory Board of Carlsberg A/S

Flemming Besenbacher
Chairman

Jess Søderberg
Deputy Chairman

Hans Andersen

Carl Bache

Richard Burrows

Donna Cordner

Eva V. Decker

Elisabeth Fleuriot

Kees van der Graaf

Finn Lok

Søren-Peter Fuchs Olesen

Elena V. Pachkova

Peter Petersen

Nina Smith

Lars Stemmerik

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The Carlsberg Group is one of the leading brewery groups in the world, with a large portfolio of beer and other beverage brands. Our flagship brand – Carlsberg – is one of the best-known beer brands in the world and the Baltika, Carlsberg and Tuborg brands are among the eight biggest brands in Europe. More than 45,000 people work for the Carlsberg Group, and our products are sold in more than 150 markets. In 2013, the Carlsberg Group sold 120 million hectolitres of beer, which is about 36 billion bottles of beer.

Find out more at www.carlsberggroup.com.

INCOME STATEMENT

DKK million	Q2 2014	Q2 2013	H1 2014	H1 2013	2013
Net revenue	19,162	19,058	32,058	31,762	64,350
Cost of sales	-9,265	-9,489	-16,222	-16,317	-32,423
Gross profit	9,897	9,569	15,836	15,445	31,927
Sales and distribution expenses	-5,216	-5,150	-9,500	-9,338	-18,181
Administrative expenses	-1,318	-1,161	-2,616	-2,289	-4,415
Other operating activities, net	115	37	128	35	22
Share of profit after tax, associates and joint ventures	123	104	206	174	370
Operating profit before special items	3,601	3,399	4,054	4,027	9,723
Special items, net	-95	-81	-124	-130	-435
Financial income	108	503	261	810	717
Financial expenses	-476	-908	-975	-1,568	-2,223
Profit before tax	3,138	2,913	3,216	3,139	7,782
Corporation tax	-788	-717	-804	-763	-1,833
Consolidated profit	2,350	2,196	2,412	2,376	5,949
Attributable to:					
Non-controlling interests	140	122	269	240	478
Shareholders in Carlsberg A/S	2,210	2,074	2,143	2,136	5,471
Earnings per share	14.4	13.6	14.0	14.0	35.9
Earnings per share, diluted	14.4	13.6	14.0	14.0	35.7

STATEMENT OF COMPREHENSIVE INCOME

DKK million	Q2 2014	Q2 2013	H1 2014	H1 2013	2013
Consolidated profit	2,350	2,196	2,412	2,376	5,949
Other comprehensive income:					
Retirement benefit obligations	-138	-36	-149	-34	824
Share of other comprehensive income, associates and joint ventures	1	-	1	-	2
Corporation tax relating to items that will not be reclassified	28	9	30	9	-195
Items that will not be reclassified to the income statement	-109	-27	-118	-25	631
Foreign exchange adjustments of foreign entities	3,012	-4,660	-2,212	-3,380	-7,499
Value adjustments of hedging instruments	166	181	256	9	10
Effect of hyperinflation	-	6	-	27	61
Other	-	-	-	21	-29
Corporation tax relating to items that may be reclassified	-45	-22	-52	12	-8
Items that may be reclassified to the income statement	3,133	-4,495	-2,008	-3,311	-7,465
Other comprehensive income	3,024	-4,522	-2,126	-3,336	-6,834
Total comprehensive income	5,374	-2,326	286	-960	-885
Attributable to:					
Non-controlling interests	177	102	277	337	305
Shareholders in Carlsberg A/S	5,197	-2,428	9	-1,297	-1,190

STATEMENT OF FINANCIAL POSITION

DKK million	30 June 2014	30 June 2013	31 Dec 2013
Assets			
Intangible assets	90,244	87,929	91,196
Property, plant and equipment	32,013	30,300	32,377
Financial assets	7,021	11,158	6,963
Total non-current assets	129,278	129,387	130,536
Inventories and trade receivables	15,901	15,189	12,245
Other receivables etc.	4,706	4,190	3,626
Cash and cash equivalents	3,406	3,166	3,586
Total current assets	24,013	22,545	19,457
Total assets	153,291	151,932	149,993
Equity and liabilities			
Equity, shareholders in Carlsberg A/S	66,482	67,870	67,811
Non-controlling interests	3,519	3,241	3,675
Total equity	70,001	71,111	71,486
Borrowings	39,179	28,801	30,239
Deferred tax, retirement benefit obligations etc.	14,391	15,306	14,502
Total non-current liabilities	53,570	44,107	44,741
Borrowings	1,917	9,513	9,417
Trade payables	14,866	13,546	12,621
Deposits on returnable packaging	1,683	1,375	1,598
Other current liabilities	11,254	12,280	10,130
Total current liabilities	29,720	36,714	33,766
Total equity and liabilities	153,291	151,932	149,993

STATEMENT OF CHANGES IN EQUITY (PAGE 1 OF 2)

DKK million	Shareholders in Carlsberg A/S						30 June 2014	
	Share capital	Currency translation	Hedging reserves	Total reserves	Retained earnings	Equity, shareholders in Carlsberg A/S	Non-controlling interests	Total equity
Equity at 1 January 2014	3,051	-13,208	-682	-13,890	78,650	67,811	3,675	71,486
Consolidated profit	-	-	-	-	2,143	2,143	269	2,412
Other comprehensive income:								
Foreign exchange adjustments of foreign entities	-	-2,220	-	-2,220	-	-2,220	8	-2,212
Value adjustments of hedging instruments	-	133	123	256	-	256	-	256
Retirement benefit obligations	-	-	-	-	-149	-149	-	-149
Share of other comprehensive income, associates and joint ventures	-	-	-	-	1	1	-	1
Corporation tax	-	-30	-22	-52	30	-22	-	-22
Other comprehensive income	-	-2,117	101	-2,016	-118	-2,134	8	-2,126
Total comprehensive income for the period	-	-2,117	101	-2,016	2,025	9	277	286
Acquisition/disposal of treasury shares	-	-	-	-	-13	-13	-	-13
Share-based payment	-	-	-	-	49	49	-	49
Dividends paid to shareholders	-	-	-	-	-1,220	-1,220	-392	-1,612
Acquisition of non-controlling interests	-	-	-	-	-154	-154	-56	-210
Acquisition of entities	-	-	-	-	-	-	15	15
Total changes in equity	-	-2,117	101	-2,016	687	-1,329	-156	-1,485
Equity at 30 June 2014	3,051	-15,325	-581	-15,906	79,337	66,482	3,519	70,001

STATEMENT OF CHANGES IN EQUITY (PAGE 2 OF 2)

DKK million	Shareholders in Carlsberg A/S							30 June 2013	
	Share capital	Currency translation	Hedging reserves	Total reserves	Retained earnings	Equity, in Carlsberg A/S	Non-controlling interests	Total equity	
Equity at 1 January 2013	3,051	-5,865	-758	-6,623	73,833	70,261	3,389	73,650	
Changes in accounting policies	-	-	-	-	-	-	-13	-13	
Restated equity at 1 January 2013	3,051	-5,865	-758	-6,623	73,833	70,261	3,376	73,637	
Consolidated profit	-	-	-	-	2,136	2,136	240	2,376	
Other comprehensive income:									
Foreign exchange adjustments of foreign entities	-	-3,475	-	-3,475	-	-3,475	95	-3,380	
Value adjustments of hedging instruments	-	-81	90	9	-	9	-	9	
Retirement benefit obligations	-	-	-	-	-34	-34	-	-34	
Effect of hyperinflation	-	26	-	26	-	26	1	27	
Other	-	-	-	-	20	20	1	21	
Corporation tax	-	35	-23	12	9	21	-	21	
Other comprehensive income	-	-3,495	67	-3,428	-5	-3,433	97	-3,336	
Total comprehensive income for the period	-	-3,495	67	-3,428	2,131	-1,297	337	-960	
Acquisition/disposal of treasury shares	-	-	-	-	-36	-36	-	-36	
Share-based payment	-	-	-	-	30	30	-	30	
Dividends paid to shareholders	-	-	-	-	-915	-915	-302	-1,217	
Acquisition of non-controlling interests	-	-	-	-	-173	-173	-174	-347	
Acquisition of entities	-	-	-	-	-	-	4	4	
Total changes in equity	-	-3,495	67	-3,428	1,037	-2,391	-135	-2,526	
Equity at 30 June 2013	3,051	-9,360	-691	-10,051	74,870	67,870	3,241	71,111	

STATEMENT OF CASH FLOWS

DKK million	Q2	Q2	H1	H1	2013
	2014	2013	2014	2013	
Operating profit before special items	3,601	3,399	4,054	4,027	9,723
Adjustment for depreciation, amortisation and impairment losses	993	958	1,982	1,918	3,869
Operating profit before depreciation, amortisation and impairment losses ¹	4,594	4,357	6,036	5,945	13,592
Adjustment for other non-cash items	-114	-76	-164	-134	-221
Change in trade working capital	1,090	926	-673	-533	620
Change in other working capital	-77	280	-271	195	-843
Restructuring costs paid	-89	-78	-216	-156	-617
Interest etc. received	-17	-4	10	78	329
Interest etc. paid	-709	-1,015	-778	-1,401	-2,424
Corporation tax paid	-610	-602	-1,072	-1,065	-2,294
Cash flow from operating activities	4,068	3,788	2,872	2,929	8,142
Acquisition of property, plant and equipment and intangible assets	-1,410	-1,387	-2,363	-2,361	-5,582
Disposal of property, plant and equipment and intangible assets	32	46	71	79	149
Change in trade loans	28	8	95	11	48
Total operational investments	-1,350	-1,333	-2,197	-2,271	-5,385
Free operating cash flow	2,718	2,455	675	658	2,757
Acquisition and disposal of entities, net	-	-	-76	-138	-2,340
Acquisition and disposal of associates, net	-53	-72	-53	-72	-191
Acquisition and disposal of financial assets, net	-1	1	1	-3	5
Change in financial receivables	-	70	6	-537	-250
Dividends received	74	109	92	109	141
Total financial investments	20	108	-30	-641	-2,635
Other investments in property, plant and equipment	-1	-	-4	-	-18
Total other activities²	-1	-	-4	-	-18
Cash flow from investing activities	-1,331	-1,225	-2,231	-2,912	-8,038
Free cash flow	2,737	2,563	641	17	104
Shareholders in Carlsberg A/S	-4	-5	-1,233	-951	-986
Non-controlling interests	-196	-212	-527	-619	-677
External financing	-2,080	-4,123	1,196	-1,522	-67
Cash flow from financing activities	-2,280	-4,340	-564	-3,092	-1,730
Net cash flow	457	-1,777	77	-3,075	-1,626
Cash and cash equivalents at beginning of period	2,723	3,793	3,208	5,000	5,000
Currency translation adjustments	26	-118	-79	-27	-166
Cash and cash equivalents at period-end³	3,206	1,898	3,206	1,898	3,208

¹ Impairment losses excluding those reported in special items.

² Other activities cover real estate, separate from beverage activities.

³ Cash and cash equivalents less bank overdrafts.

NOTE 1

Segment reporting by region (beverages)

	Q2 2014	Q2 2013	H1 2014	H1 2013	2013
Beer sales (pro rata, million hl)					
Western Europe	14.8	13.9	24.7	23.5	49.0
Eastern Europe	12.4	14.2	19.5	21.9	42.4
Asia	9.8	7.9	17.8	14.7	28.3
Total	37.0	36.0	62.0	60.1	119.7
Other beverages (pro rata, million hl)					
Western Europe	4.3	4.0	7.5	7.1	14.9
Eastern Europe	0.9	0.8	1.1	1.0	1.7
Asia	0.9	0.8	1.8	1.6	3.1
Total	6.1	5.6	10.4	9.7	19.7
Net revenue (DKK million)					
Western Europe	10,945	10,371	18,585	17,854	37,393
Eastern Europe	4,992	6,245	7,476	9,147	17,711
Asia	3,193	2,416	5,925	4,678	9,063
Not allocated	32	26	72	83	183
Beverages, total	19,162	19,058	32,058	31,762	64,350
Operating profit before depreciation, amortisation and special items (EBITDA, DKK million)					
Western Europe	2,282	2,135	3,139	2,971	6,923
Eastern Europe	1,838	1,966	2,158	2,433	5,566
Asia	793	627	1,448	1,236	2,475
Not allocated	-285	-347	-645	-621	-1,242
Beverages, total	4,628	4,381	6,100	6,019	13,722
Operating profit before special items (EBIT, DKK million)					
Western Europe	1,871	1,709	2,311	2,117	5,183
Eastern Europe	1,518	1,608	1,510	1,691	4,127
Asia	580	484	1,035	961	1,882
Not allocated	-331	-376	-733	-664	-1,330
Beverages, total	3,638	3,425	4,123	4,105	9,862
Operating margin (%)					
Western Europe	17.1	16.5	12.4	11.9	13.9
Eastern Europe	30.4	25.8	20.2	18.5	23.3
Asia	18.2	20.0	17.5	20.5	20.8
Not allocated
Beverages, total	19.0	18.0	12.9	12.9	15.3

NOTE 2

Segment reporting by activity

DKK million	Q2 2014			Q2 2013		
	Bever- ages	Non- beverages	Total	Bever- ages	Non- beverages	Total
Net revenue	19,162	-	19,162	19,058	-	19,058
Operating profit before special items	3,638	-37	3,601	3,425	-26	3,399
Special items, net	-90	-5	-95	-88	7	-81
Financial items, net	-359	-9	-368	-398	-7	-405
Profit before tax	3,189	-51	3,138	2,939	-26	2,913
Corporation tax	-797	9	-788	-875	158	-717
Consolidated profit	2,392	-42	2,350	2,064	132	2,196
Attributable to:						
Non-controlling interests	140	-	140	122	-	122
Shareholders in Carlsberg A/S	2,252	-42	2,210	1,942	132	2,074

DKK million	H1 2014			H1 2013		
	Bever- ages	Non- beverages	Total	Bever- ages	Non- beverages	Total
Net revenue	32,058	-	32,058	31,762	-	31,762
Operating profit before special items	4,123	-69	4,054	4,105	-78	4,027
Special items, net	-117	-7	-124	-137	7	-130
Financial items, net	-700	-14	-714	-748	-10	-758
Profit before tax	3,306	-90	3,216	3,220	-81	3,139
Corporation tax	-825	21	-804	-935	172	-763
Consolidated profit	2,481	-69	2,412	2,285	91	2,376
Attributable to:						
Non-controlling interests	269	-	269	240	-	240
Shareholders in Carlsberg A/S	2,212	-69	2,143	2,045	91	2,136

NOTE 3

Segment reporting by quarter

DKK million	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Net revenue								
Western Europe	10,361	9,175	7,483	10,371	10,542	8,997	7,640	10,945
Eastern Europe	5,805	4,480	2,902	6,245	4,598	3,966	2,484	4,992
Asia	2,389	2,085	2,262	2,416	2,232	2,153	2,732	3,193
Not allocated	32	30	57	26	47	53	40	32
Beverages, total	18,587	15,770	12,704	19,058	17,419	15,169	12,896	19,162
Non-beverages	-	-	-	-	-	-	-	-
Total	18,587	15,770	12,704	19,058	17,419	15,169	12,896	19,162
Operating profit before special items								
Western Europe	1,807	1,038	408	1,709	1,985	1,081	440	1,871
Eastern Europe	1,600	1,174	83	1,608	1,297	1,139	-8	1,518
Asia	502	319	477	484	485	436	455	580
Not allocated	-286	-343	-288	-376	-350	-316	-402	-331
Beverages, total	3,623	2,188	680	3,425	3,417	2,340	485	3,638
Non-beverages	-27	-36	-52	-26	-25	-36	-32	-37
Total	3,596	2,152	628	3,399	3,392	2,304	453	3,601
Special items, net	-6	-1,306	-49	-81	-43	-262	-29	-95
Financial items, net	-442	-452	-353	-405	-290	-458	-346	-368
Profit before tax	3,148	394	226	2,913	3,059	1,584	78	3,138
Corporation tax	-787	-85	-46	-717	-738	-332	-16	-788
Consolidated profit	2,361	309	180	2,196	2,321	1,252	62	2,350
Attributable to:								
Non-controlling interests	225	117	118	122	113	125	129	140
Shareholders in Carlsberg A/S	2,136	192	62	2,074	2,208	1,127	-67	2,210

NOTE 4

Special items

DKK million	H1 2014	H1 2013	2013
Special items, income:			
Revaluation gain, incl. recycling of cumulative exchange rate differences, on entities acquired in step acquisitions	13	-	239
Gain on disposal of property, plant and equipment impaired in prior years	-6	-	40
Income total	7	-	279
Special items, expenses:			
Impairment of trademarks	-	-	-200
Restructuring of Ringnes, Norway	-27	-48	-88
Impairments of other non-current assets	-	-	-30
Restructuring of Carlsberg Deutschland	-	-	-40
Impairment and restructuring in relation to optimisation and standardisation in Western Europe	-64	-63	-176
Termination benefits and restructuring of sales, logistics and administration, Carlsberg UK	-	-	-27
Termination benefits and impairment of Brasseries Kronenbourg, France	-16	-19	-59
Restructuring of Baltika Breweries, Russia	-15	-	-37
Restructuring of Aldaris, Latvia	-3	-	-74
Impairment and restructuring of Xinjiang Wusu Group, China	-	-	-62
Costs related to acquisitions and disposals of entities	-6	-	-28
Reversal of provision for onerous malt and hops contracts	-	-	107
Expenses total	-131	-130	-714
Special items, net	-124	-130	-435

NOTE 5 (PAGE 1 OF 2)

Debt and credit facilities

DKK million	
30 June 2014	
Non-current borrowings	
Issued bonds	28,857
Bank borrowings	8,808
Mortgages	1,457
Other non-current borrowings	57
Total	39,179
Current borrowings	
Current portion of other non-current borrowings	171
Bank borrowings	1,737
Other current borrowings	9
Total	1,917
Total non-current and current borrowings	41,096
Cash and cash equivalents	-3,406
Net financial debt	37,690
Other interest bearing assets	-1,558
Net interest bearing debt	36,132

All borrowings are measured at amortised cost. However, EMTN £300m bond with fixed-rate swapped to floating rate, is measured at fair value. The carrying amount of this bond is DKK 2,913m.

NOTE 5 (PAGE 2 OF 2)

Debt and credit facilities

DKK million						
Time to maturity for non-current borrowings	30 June 2014					
	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	-	2,913	7,414	-	18,530	28,857
Bank borrowings	995	20	12	11	7,770	8,808
Mortgages ¹	-	-	-	-	1,457	1,457
Other non-current borrowings and leases	-	9	9	22	17	57
Total	995	2,942	7,435	33	27,774	39,179

DKK million		Interest ¹			
Interest risk as at 30 June 2014	Net financial debt	Floating	Fixed	Floating %	Fixed %
EUR	23,587	-2,459	26,046	-10%	110%
DKK	3,624	3,415	209	94%	6%
Other currencies	10,479	10,420	59	99%	1%
Total	37,690	11,376	26,314	30%	70%

¹ After interest rate, net investment hedges and currency sw aps.

DKK million	
Committed credit facilities ²	30 June 2014
Less than 1 year	1,917
1 to 2 years	2,105
2 to 3 years	2,942
3 to 4 years	7,435
4 to 5 years	33
More than 5 years	38,623
Total	53,055
Short term	1,917
Long term	51,138

² Defined as short term borrowings and long term committed credit facilities.

NOTE 6

Net interest-bearing debt

DKK million	Q2 2014	Q2 2013	H1 2014	H1 2013	2013
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Net interest-bearing debt is calculated as follows:

Non-current borrowings			39,179	28,801	30,239
Current borrowings			1,917	9,513	9,417
Payables, acquisitions			50	-	188
Gross interest-bearing debt			41,146	38,314	39,844
Cash and cash equivalents			-3,406	-3,166	-3,586
Loans to associates, interest-bearing portion			-56	-107	-55
On-trade loans			-1,806	-1,891	-1,850
less non-interest-bearing portion			840	885	869
Other receivables			-2,791	-2,361	-2,128
less non-interest-bearing portion			2,205	1,702	1,542
Net interest-bearing debt			36,132	33,376	34,636

Changes in net interest-bearing debt:

Net interest-bearing debt at beginning of period	38,571	35,759	34,636	31,962	31,962
Cash flow from operating activities	-4,068	-3,788	-2,872	-2,929	-8,142
Cash flow from investing activities, excl. acquisition of entities	1,331	1,225	2,155	2,774	5,698
Cash flow from acquisition of entities, net	-	-	76	138	2,340
Dividend to shareholders and non-controlling interests	184	165	1,612	1,217	1,272
Acquisition of non-controlling interests	12	47	135	317	320
Acquisition/disposal of treasury shares and exercise of share options	5	5	14	36	70
Acquired net interest-bearing debt from acquisition of entities	-	-44	113	8	1,039
Change in interest-bearing lending	46	4	30	65	291
Effects of currency translation	48	-27	239	-280	-139
Other	3	30	-6	68	-75
Total change	-2,439	-2,383	1,496	1,414	2,674
Net interest-bearing debt, end of period	36,132	33,376	36,132	33,376	34,636

NOTE 7

Acquisition of entities

In Q2 and Q1 2014, Carlsberg gained control of Maybev Pte Ltd, (Singapore) and Hanoi-Vung Tau Beer Joint Stock Company, (Vietnam) respectively. In Q4 2013, Carlsberg gained control of Chongqing Brewery Group (China) and South Asian Breweries Group (India).

Acquired entities	Country of main operations	Previous method of consolidation	Previously held ownership interest	Acquired ownership interest	Total Carlsberg effective interest	Acquisition date	Main activity	Consideration, DKK million
Maybev Pte Ltd	Singapore	Not applicable	Not applicable	51%	26%	3 Apr. 2014	Wholesale trade of beer	10
Hanoi-Vung Tau Beer Joint Stock Company	Vietnam	Equity method	55%	45%	100%	12 Feb. 2014	Brewery	92
Chongqing Brewery Group	China	Equity method	30%	30%	60%	11 Dec. 2013	Brewery	2,636
South Asian Breweries Group	India	Propotionate	60%	7%	67%	31 Oct. 2013	Brewery	108

The acquisition of Maybev Pte Ltd expanded Carlsberg's premium drinks portfolio in Singapore and is in line with its premiumisation strategy in Asia. The step acquisitions of Hanoi-Vung Tau Beer Joint Stock Company, Chongqing Brewery Group and South Asian Breweries Group were a natural step for Carlsberg and in line with the strategy of obtaining full control of key operating activities. The calculation of goodwill represents staff competences as well as expectations of positive growth.

DKK million	Chongqing Brewery	Other	Total
Fair value of consideration transferred for acquired ownership interest	2,636	210	2,846
Fair value of previously held ownership interest	4,115	294	4,409
Fair value of put options recognised as part of acquisition	428	-	428
Total cost of acquisition	7,179	504	7,683
Net assets of acquired entities, attributable to Carlsberg	1,013	401	1,414
Goodwill from step acquisitions	6,166	103	6,269

In April 2014, Carlsberg Singapore Pte Ltd gained control of Maybev Pte Ltd, (Singapore) through the acquisition of the 51% shareholding. Carlsberg Singapore Pte Ltd is a subsidiary of Carlsberg with a 51% shareholding held by Carlsberg. Therefore, Carlsberg has an effective ownership interest of 26% of Maybev Pte Ltd, (Singapore).

In February 2014, Carlsberg gained control of Hanoi-Vung Tau Beer Joint Stock Company, (Vietnam) through the acquisition of the 45% shareholding held by our partner Hanoi Beer Alcohol and Beverage Corporation, (Vietnam). The shareholding in the company recognised prior to gaining control had a fair value that was higher than the carrying amount, which is why a revaluation adjustment of DKK 13m has been recognised.

In December 2013, Carlsberg gained control of Chongqing Brewery Group in China by completing a partial takeover offer acquiring 30.29% of the shares at a purchase price of DKK 2,636m. In addition, a put option was granted allowing a non-controlling interest of 4.95% of the shares to be sold to Carlsberg within a 12-

month period at the same price per share as the partial takeover offer price. This put option was recognised at fair value, amounting to DKK 428m. Prior to Carlsberg gaining control, Chongqing Brewery Group was classified as an associate and consolidated according to the equity method.

In October 2013, Carlsberg gained control of South Asian Breweries Group through the exercise by a non-controlling interest of a put option of 6.67% of the shares at a price of DKK 108m. Prior to Carlsberg gaining control, South Asian Breweries Group was classified as a joint venture and proportionately consolidated.

The acquisitions of Chongqing Brewery Group and South Asian Breweries Group were both made in several steps over a period of 2-3 years, leading to Carlsberg gaining control in December and October 2013 respectively. The shareholding for each of these groups recognised prior to gaining control had a fair value equal to the carrying amount, which is why no revaluation adjustment has been recognised.

For each of the acquisitions, the purchase price allocations of the fair value of identified assets, liabilities and contingent liabilities are still ongoing. Adjustments are therefore expected to be made to all items in the opening statements of financial position, especially in relation to trademarks and property, plant and equipment in Chongqing Brewery Group. Accounting for the acquisitions will be completed within the 12-month period from each of the acquisition dates as required by IFRS 3.

DKK million	Chongqing Brewery	Other	Total
Intangible assets	106	15	121
Property, plant and equipment	2,297	987	3,284
Financial assets, excl. deferred tax	132	1	133
Inventories	265	73	338
Loans and receivables, current	226	339	565
Cash and cash equivalents	444	39	483
Provisions	-89	-4	-93
Deferred tax assets and liabilities, net	25	-	25
Borrowings	-1,101	-817	-1,918
Trade payables and other payables	-753	-217	-970
Net assets of acquired entities	1,552	416	1,968
Non-controlling interests' proportionate share of acquired net assets, recognised	-539	-15	-554
Net assets of acquired entities, attributable to Carlsberg	1,013	401	1,414

NOTE 8

Contingent liabilities

The Federal Cartel Office in Germany has issued a decision against Carlsberg Deutschland and imposed a fine to the amount of EUR 62m on Carlsberg Deutschland for alleged infringement of the competition rules in 2007. Management does not agree with the conclusions or findings of the Federal Cartel Office and, accordingly, Carlsberg Deutschland has appealed the decision to the relevant German Court. The imposed fine has therefore not been accounted for in the accounts.