Q4 2017 AIDE MEMOIRE

A number of events in 2016 and 2017 have an impact on the year-on-year comparison for H2 and Q4 2017. These include the following items, which you may wish to consider in your modelling. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for H2 2017 versus H2 2016.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

At the Q4 2016 conference call, when asked about the volume weakness in the **fourth quarter**, we said:

"…the market was a bit weak, but it's a combination of a few aspects. First of all, the continuation of the withdrawal of some contracts. If we would exclude these, the minus in Q4 would be between minus 2% to 3%. We had as well some market share loss in Poland and we were suffering from delivery issues in the UK as a consequence of an incident in UK where we had an ammonia leakage. For that, the brewery was closed for almost three weeks and we couldn't deliver from there."

In the Q3 2017 announcement, we commented on **price/mix**:

"In most markets, price/mix was flat or positive. The flat regional price/mix was mainly due to negative country mix."

Eastern Europe

At the Q3 2017 conference call, we commented on the **Russian market development** and **pricing environment** for 2017:

"With regards to Russia, the market decline is approximately 5%, and the competitive pricing pressure is not easing at the moment."

At the Q4 2016 conference call, we commented on the timing of the **downsizing of PET** bottles in Russia:

"In Q4, we reduced our PET bottles to comply with the 1.5-liter ban that came into effect on the 1st of January 2017."

At the Q1 2017 conference call, we commented on Eastern European **price/mix for the remainder of the year**:

"Please be aware that price/mix will be less pronounced in the remainder of the year as we start cycling last year's price increases and as we started the PET downsizing in the second half of last year."

Asia

At the Q3 2017 conference call, we commented on Cambodia:

"In Cambodia, volumes declined…"

… and on **India**:

"…we still feel that in Q4 there can be an impact of the highway ban on our figures."

Other

At the Q1 2017 conference call, we made the following comment re. **disposals**:

"A few visible actions taken so far this year is the further streamlining and focusing of the Group by divesting Carlsberg Uzbekistan, our 23% holding in United Romanian Breweries, a 30% minority holding in the Russian malt producer, and the Nordic Getränke wholesale business in Germany."

…and in the Q3 announcement, we said:

"On 30 August, we placed 6-year EUR notes for a principal amount of EUR 500m with a coupon of 0.5%. The proceeds of the offering are being used for general corporate purposes, including repayment of the EUR 1bn bond on 13 October 2017."

OUTLOOK

In the Q3 2017 announcement, we commented:

"Funding the Journey is progressing well and is now expected to deliver around DKK 2bn in net benefits. In addition, as we see faster delivery of the benefits than previously expected, we are adjusting the full-year earnings expectations upwards:

- *7-8% organic growth in operating profit (previously mid-single-digit percentage organic).*
- *Financial leverage reduction.*

Based on the spot rates as of 31 October, we now expect a positive translation impact of around DKK 75m, compared to our previous expectation of DKK 50m.

Other relevant assumptions are:

Financial expenses, excluding currency losses or gains and fair value adjustments, are now expected to be around DKK 1bn compared to previous expectations of DKK 1.0-1.1bn.

The effective tax rate is expected to be just below 30%.

Capital expenditures are expected to be approximately DKK 4bn."

At the Q1 2017 conference call, we further elaborated on the impact from the **disposal of Nordic Getränke**:

"Please note that the sale of Nordic Getränke will have an impact on net revenue of approximately minus DKK 1bn, but modest impact on operating profit."

At the Q2 conference call, we further elaborated on the **expected H2 performance**:

“As said earlier in the year, we saw a stronger year-on-year operating profit performance in first half than we expect in second half as we will have tougher comps in the second half of the year. In Eastern Europe because of a very strong Q3 last year, and in Western Europe, because of bad weather in Northern Europe so far in Q3 this year. In addition, there is a different phasing of costs this year compared to last year, and lastly, we are right now accelerating investments in SAIL’22 activities.”

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