

Carlsberg Finans A/S

Ny Carlsberg Vej 100
1799 København V

Annual report
1 January 2016 - 31 December 2016

**The annual report has been presented and
approved on the company's general meeting the**

17/03/2017

Ulrik Andersen
Chairman of general meeting

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Company information

Reporting company	Carlsberg Finans A/S Ny Carlsberg Vej 100 1799 København V Phone number: 33273327 CVR-nr: 12867336 Reporting period: 01/01/2016 - 31/12/2016
Main financial institution	Danske Bank A/S Holmens Kanal 2 - 12 1092 København K DK Danmark
Auditor	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø DK Danmark CVR-nr: 25578198 P-number: 1018974173

Statement by Management

The Supervisory Board and the Executive Board have today discussed and approved the Annual Report of Carlsberg Finans A/S for 2016.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies used to be appropriate. In our opinion the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion the Management's review includes a fair review of the matters the review describes.

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

Copenhagen, the 17/03/2017

Management

Curt Anders Johan Örbom

Board of directors

Jan Thieme Rasmussen

Ulrik Andersen

Olga Golchikova

The independent auditor's report on financial statements

To the shareholders of Carlsberg Finans A/S

Opinion

We have audited the financial statements of Company B for the financial year 1 January – 31 December 2016, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion,

forgery, intentional omissions, misrepresentations or the override of internal control

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

— evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management's review

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 17/03/2017

Henrik O. Larsen
State Authorised Public Accountant
KPMG Statsautoriseret
Revisionspartnerselskab
CVR: 25578198

Henrik Kyhnav
State Authorised Public Accountant
KPMG Statsautoriseret
Revisionspartnerselskab
CVR: 25578198

Management's Review

The objects of the company are to offer expert assistance relating to investment and financing, and to carry on portfolio management, capital transactions, money-market operations and investments in securities.

The development in activities and financial position

The company activity is to administrate part of Carlsberg Breweries A/S' loan portfolio and to provide loans to subsidiaries in the Carlsberg Group.

Due to the development in the currency NOK the company has had a unrealized currency gain of DKK 126,890k on their loan to Ringnes Norge A/S.

Profit for the year is a profit of DKK 313,592k.

The Company's equity as of 31 December 2016 amounts to DKK 10,076,148k.

Expectations for the coming year

For the coming year the result will depend on the level of activity and changes in interests and exchange rates. The Company has substantial receivables in the currencies EUR and NOK, the result will depend on fluctuations in these currencies. A positive result is expected for 2017.

Events occurring after the date of balance

No events that have significant influence on the true and fair view of the financial position have occurred since the end of the reporting period.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency valutaion

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency (DKK) at the exchange rate ruling at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rate ruling at the end of the reporting period. The difference between the exchange rate at the end of the reporting period and the exchange rate at the date on which the receivable or payable arose or the exchange rate in the last annual report is recognised in the income statement under financial income or financial expenses.

INCOME STATEMENT

Net turnover

Net turnover comprises management fee for loanhandling.

Administrative expenses

Administrative expenses comprises primarily staff costs, audit fee and management fee for rent, IT, backoffice services etc.

Financial income and expenses

Financial income and expenses include interests, realised and unrealised exchange rate gains and losses as well as charges and allowances under the tax-on-account scheme etc.

Tax on profit/loss for the year

The tax for the year included in the Income statement consist of the current tax for the year and the changes in deferred tax.

Current tax is calculated on the applied tax rate for the current year.

The Company is jointly taxed with Carlsberg A/S. The jointly taxed Danish companies settles the calculated payable tax to Carlsberg A/S. Carlsberg A/S settles the tax with the tax authorities (full distribution method).

BALANCE SHEET

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

Deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation.

Deferred tax is measured in accordance with the tax rules and the tax rates applicable at the balance sheet

date, when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Financial liabilities

Liabilities are measured at net realisable value.

Income statement 1 Jan 2016 - 31 Dec 2016

	Disclosure	2016 kr.	2015 kr.
Revenue		2,402,652	2,118,120
Gross Result		2,402,652	2,118,120
Administrative expenses	1	-2,593,110	-1,958,195
Profit (loss) from ordinary operating activities		-190,458	159,925
Other finance income	2	441,264,336	309,238,072
Other finance expenses	3	-39,278,649	-131,305,722
Profit (loss) from ordinary activities before tax		401,795,229	178,092,275
Tax expense	4	-88,203,635	-42,289,931
Profit (loss)		313,591,594	135,802,344
Proposed distribution of results			
Proposed dividend recognised in equity		313,000,000	75,000,000
Retained earnings		591,594	60,802,344
Gross		313,591,594	135,802,344

Balance sheet 31 December 2016

Assets

	Disclosure	2016	2015
		kr.	kr.
Receivables from group enterprises		9,836,698,409	9,739,590,866
Investments		9,836,698,409	9,739,590,866
Total non-current assets		9,836,698,409	9,739,590,866
Receivables from group enterprises		333,520,122	166,390,806
Other receivables		17,072,099	23,696,585
Receivables		350,592,221	190,087,391
Current assets		350,592,221	190,087,391
Total assets		10,187,290,630	9,929,678,257

Balance sheet 31 December 2016

Liabilities and equity

	Disclosure	2016 kr.	2015 kr.
Contributed capital	5	9,508,000,000	9,508,000,000
Retained earnings		255,148,188	314,565,058
Proposed dividend		313,000,000	75,000,000
Total equity		10,076,148,188	9,897,565,058
Payables to group enterprises		40,345,974	31,800,782
Tax payables		70,283,155	0
Other payables, including tax payables, liabilities other than provisions		513,313	312,417
Short-term liabilities other than provisions, gross		111,142,442	32,113,199
Liabilities other than provisions, gross		111,142,442	32,113,199
Liabilities and equity, gross		10,187,290,630	9,929,678,257

Statement of changes in equity 1 Jan 2016 - 31 Dec 2016

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
	kr.	kr.	kr.	kr.
Equity, beginning balance	9,508,000,000	314,565,058	75,000,000	9,897,565,058
Dividend paid	0	-60,008,464	-75,000,000	-135,008,464
Profit (Loss)	0	591,594	313,000,000	313,591,594
Equity, ending balance	9,508,000,000	255,148,188	313,000,000	10,076,148,188

Disclosures

1. Administrative expenses

During the accounting year, one managing director has been employed at the company. The board of Directors and the Executive Board have not received remuneration.

At 31 December 2016 the Company had 2 full-time employee (2015: 1 employees).

2. Other finance income

	2016	2015
	kr.	kr.
Interest income from group enterprises	300,574,562	309,238,072
Gain on foreign exchange	140,689,774	0
	<u>441,264,336</u>	<u>309,238,072</u>

3. Other finance expenses

	2016	2015
	kr.	kr.
Interest on loans	-2,346	-112
Interest expenses to group enterprises	-1,606,947	-7,451,896
Exchange rate loss	-37,662,528	-123,843,210
Other financial costs	-6,828	-10,504
	<u>-39,278,649</u>	<u>-131,305,722</u>

4. Tax expense

	2016	2015
	kr.	kr.
Current tax	-88,394,950	-22,019,755
Changes in deferred tax	0	-19,831,930
Adjustment for previous years	191,315	-438,246
	<u>-88,203,635</u>	<u>-42,289,931</u>

In 2016 the Company has received a tax refund of DKK 0k (2015: DKK 1,159k). In 2016 the Company also paid tax of DKK 22,020k (2015:DKK 10,737k).

5. Contributed capital

The share capital consists of 9,508,000 shares of DKK 1,000. The share capital was increased with DKK 1.2 bn in 2015 and DKK 8,283,000 in 2013. Otherwise there has been no changes to the share capital in the past 5 years.

6. Disclosure of contingent liabilities

The company is jointly taxed with Carlsberg A/ S. As a fully owned subsidiary companies are liable jointly and severally with the other companies in the joint taxation of Danish corporate taxes and withholding taxes on dividends, interest and royalties in the joint taxation. The total amount is shown in the financial statements of Carlsberg A/ S, the management company of the joint taxation.

7. Disclosure of ownership

Ownership

Shareholders:

Baltika Breweries LLC, Rusland, 63,59%

Carlsberg Breweries A/S, Copenhagen, 36,41%

Group relations

The Company accounts is part of the smallest group Carlsberg Breweries A/S, Copenhagen and the largest group Carlsberg A/S, Copenhagen.