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Sales up by 17%

•

Turnover up by 20%

•

Costs of expected disposal of  
Robert Cain & Co. Ltd. of DKK 38.6 million

•

Profit before tax of DKK 139.7 million  
compared to DKK 189.7 million in 2000

•

Cash flow from operating activities up by some 40%

•

Expectations for 2002 between  
DKK 260 and 300 million

## Financial Highlights and Key Ratios for The Danish Brewery Group A/S (the Group)

<b>Financial Highlights (DKK million)</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
Turnover	<b>3,408.1</b>	2,848.9	2,469.5	2,453.2	2,560.7
Operating profit (EBIT)	<b>224.5</b>	190.2	168.4	165.5	147.5
Financial items, net	<b>-46.2</b>	-0.5	57.6	-6.4	-8.0
Profit before tax	<b>139.7</b>	189.7	226.1	159.1	139.5
Consolidated profit	<b>96.8</b>	136.1	175.0	115.5	87.4
The Danish Brewery Group A/S' share of profit	<b>93.7</b>	135.5	175.2	115.5	87.4
Total assets	<b>2,442.2</b>	2,412.1	1,940.2	1,729.4	1,855.8
Consolidated shareholders' equity	<b>690.3</b>	733.1	687.1	587.7	523.2
Total investments	<b>140.2</b>	157.2	246.0	242.1	182.0
Depreciation, amortisation and write-down	<b>202.5</b>	159.9	130.6	120.1	131.6
Average number of employees	<b>1,804</b>	1,731	1,282	1,119	1,142
<b>Key Figures (DKK million)</b>					
EBITDA	<b>388.4</b>	348.5	299.0	285.5	279.1
<b>Key Ratios (%)</b>					
Operating ratio	<b>6.6</b>	6.7	6.8	6.7	5.8
Return on net assets	<b>10.0</b>	9.6	10.2	11.0	10.3
Asset turnover	<b>1.4</b>	1.2	1.3	1.4	1.4
Return on equity before tax	<b>19.6</b>	26.7	35.5	28.6	25.9
Net return on equity	<b>13.6</b>	19.2	27.5	20.8	16.2
Equity ratio	<b>28.3</b>	30.4	35.4	34.0	28.2
Debt ratio	<b>147.4</b>	117.8	71.2	84.4	57.0
Return on invested capital	<b>8.7</b>	8.3	9.0	11.3	9.5
The Danish Brewery Group A/S' share of earnings per share (DKK)	<b>15.2</b>	21.9	28.3	18.7	14.0
Cash flow per share (DKK)	<b>47.3</b>	33.7	38.1	33.3	40.4
Dividend per share	<b>4.5</b>	4.5	4.5	3.5	n/a
Year-end share price	<b>198.1</b>	202.6	187.6	245.0	n/a

### Definitions of Key Figures and Ratios

EBITDA	Earnings before interest, tax, depreciation and amortisation.
Operating ratio	Operating profit as a percentage of turnover.
Return on net assets	Operating profit as a percentage of average operating assets. Operating assets comprise total assets less cash and cash equivalents, other interest-bearing assets (including shares) and investments in associated undertakings.
Asset turnover	Turnover/total assets at year end.
Return on equity before tax	Profit before tax as a percentage of average equity.
Net return on equity	Consolidated profit after tax as a percentage of average equity
Equity ratio	Consolidated equity at year end as a percentage of total assets.
Debt ratio	Net interest-bearing debt at year end as a percentage of year-end equity.
Return on invested capital (ROIC)	Operating profit net of tax as a percentage of average invested capital (equity + net interest-bearing debt + provisions - financial fixed assets).
Earnings per share (DKK)	The Danish Brewery Group A/S' share of profit for the year / number of shares in circulation.
Cash flow per share (DKK)	Cash flow from operating activities / number of shares in circulation.

## Group Structure at 31 December 2001

<b>Subsidiary undertakings</b>	<b>Investment</b>	<b>Currency</b>	<b>Nominal share capital in DKK '000</b>
A/S PSE NR. 2228, Faxe, Denmark	100%	DKK	500
AB Vilniaus Tauras, Lithuania	98%	LTL	7,193
AB Kalnapilis, Lithuania	87%	LTL	25,424
Aktieselskabet Cerekem International LTD., Faxe, Denmark	100%	DKK	1,000
Albani Bryggerierne A/S, Odense, Denmark	92%	DKK	57,700
Maribo Bryghus A/S	100%	DKK	1,806
Albani Sverige AB	100%	SEK	305
Dansk Coladrik A/S	94%	DKK	1,000
Brewery Group Denmark AB, Sweden	100%	SEK	990
Centre Nordique d'Alimentation EURL, France	100%	FRF	1,000
Ceres Produtos Cervejeiros Lda., Portugal	100%	PTE	70,000
Ceres S.p.A., Italy	100%	ITL	400,000
Danish Interbrew LTD. A/S, Faxe, Denmark	100%	DKK	3,000
Drinktech Holding AG, Switzerland	100%	CHF	11,000
Faxe Getränke-Vertrieb GmbH, Germany	100%	DEM	250
Faxe Kondi A/S, Faxe, Denmark	100%	DKK	500
Faxe Polska Sp. z o.o., Poland	100%	PLZ	500
Faxe Vandindvinding I/S, Faxe, Denmark	50%		
Robert Cain & Company Ltd., UK	100%	GBP	6,000
The Danish Brewery Group Inc., USA	100%	USD	100
UAB Bartos Prekyba, Lithuania	100%	LTL	1,753
<b>Associated undertakings</b>			
Banjul Breweries Limited, Gambia	35%	GMD	22,000
Nuuk Imeq A/S, Godthåb, Greenland	24%	DKK	38,000
Peva Poland Sp. z o.o., Poland	25%	PLN	500
Solomon Breweries Limited, Solomon Islands	35%	SBD	21,600
St. Vincent Breweries Ltd., Caribbean	20%	XCD	18,009
Tivoli Friheden A/S, Århus, Denmark	32%	DKK	1,428



# Company Structure

Portugal  
Ceres Produtos  
Cervejeiros Lda.



Germany  
Faxe Getränke-Vertrieb GmbH



France  
Centre Nordique  
d'Alimentation EURL



Italy  
Ceres S.p.A.



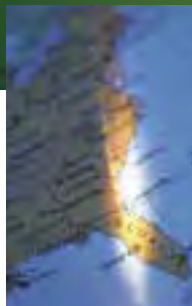
UK  
Robert Cain &  
Company Ltd.



Lithuania  
AB Kalnapilis  
AB Vilniaus Taurus  
UAB Bartos Prekyba



Switzerland  
Drinktech  
Holding AG



USA  
The Danish  
Brewery Group Inc.



Poland  
Faxe Polska Sp. z o.o.



Sweden  
Brewery Group  
Denmark AB



# Introduction by the Managing Director

In spite of declining markets in 2001, The Danish Brewery Group managed to achieve satisfactory results. Sales went up by 17%, totalling 4.4 million hectolitres of beer and soft drinks. Turnover went up by 20%, corresponding to DKK 3.4 billion, and profit before tax amounted to DKK 139.7 million in 2001.

2001 was influenced by the integration between Albani Bryggerierne A/S and The Danish Brewery Group, which fortunately proceeded beyond expectations. Synergies between the breweries have already at this stage strengthened sales developments. Once the effect has gathered momentum during 2002, the investment in Albani Bryggerierne is expected to yield a return in excess of The Danish Brewery Group's cost of capital, thus contributing to increased Shareholder Value.

On 11 September 2001 the World Trade Center fell victim to the most far-reaching form of terrorism known to the world in modern history. A shock wave spread over the Western world, and repercussions were felt by way of a setback of trade in all markets. The uncertain business situation was reflected in major price drops resulting in the reduction of wealth. As a natural consequence, consumption declined almost instantly.

The world-wide crisis also affected the shares of The Danish Brewery Group, which do, however, belong to the category "defensive shares". These shares are characterised as more stable and not as vulnerable to outside influence. Share analysts have therefore maintained their assessments which are essentially positive.

2001 was also the year when The Danish Brewery Group acquired 25% of the capital and votes of the Polish distribution company Peva Poland Sp. z o.o., thus reinforcing the Group's position and consolidation in the Polish market.

The Group's position in the Lithuanian market was further strengthened through the acquisition of Lithuania's third largest brewery, Kalnapilis, which is beyond doubt the most modern brewery in Lithuania. Through the Tauras and Kalnapilis breweries, The Danish Brewery Group today holds some 30% of the Lithuanian beer market. The acquisition is in accordance with The Danish Brewery Group's declared strategy to expand in the Eastern European markets.

Kalnapilis is among the leading beer brands in Lithuania, and the brewery has a nation-wide distribution network. The company's current market share is some 18 percent.

Upon the acquisition of Kalnapilis, in combination with Vilnius Tauras, The Danish Brewery Group achieved a total capacity in Lithuania equal to some 50% of the annual beer consumption of the country.

In the fourth quarter of 2001, The Danish Brewery Group decided to sell its UK brewery Robert Cain & Co. Ltd. The decision should be viewed in the light of the fierce competition in the UK market and the considerable investments which will be required in Robert Cain & Co. Ltd. in future years. The Group's strategy anticipates additional expansion of the activities in the Baltic States and in Eastern Europe - a strategy that does

not involve the British beer market as a key market area.

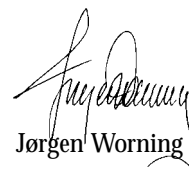
The Danish Brewery Group's strong position in the UK market for malt drinks will, however, continue to be expanded irrespective of the disposal of Robert Cain & Co. Ltd. The positive effect of the disposal of Robert Cain & Co. Ltd. will show its full impact in 2003.

In 2001 the can issue in Denmark was finally resolved in the breweries' favour. The introduction of cans will make the Danish market more dynamic - which is to our advantage. We are committed to winning our share of this market.

The Danish Brewery Group has always emphasised efficient environmental management. One of the results of these efforts was Ceres Bryggerierne winning an environmental award in 2001.

Corporate Governance is of current interest due to the recently published recommendations of the Nørby Committee. I believe that The Danish Brewery Group has already for a number of years lived up to most of these recommendations, and we intend to follow continuously discussions in this area.

The profit before tax for 2002 is expected to range between DKK 260 million and DKK 300 million.



Jørgen Worning



Kesklinna



# DIRECTORS' REPORT FOR THE DANISH BREWERY GROUP FOR 2001

## General

Throughout the financial year 2001, The Danish Brewery Group has comprised the breweries Faxe, Ceres, Thor and Albani including Maribo Bryghus (as of 1 October 2000) in Denmark, Robert Cain in the UK and Vilniaus Tauras in Lithuania. In addition, the Lithuanian brewery AB Kalnapilis has formed part of the Group as of the fourth quarter of 2001.

In early October, The Danish Brewery Group entered into an agreement with Baltic Beverage Holding (BBH) to acquire this company's shares (86.6% of the share capital) of AB Kalnapilis, the third largest brewery in Lithuania (cf. announcement 7/2001 dated 8 October 2001). In connection with this acquisition, The Danish Brewery Group submitted a redemption offer to the remaining shareholders, and when the offer period expired (12 January 2002), The Danish Brewery Group's share of AB Kalnapilis had increased to 96.84% (cf. announcement 02/2001 dated 18 January 2002).

The Danish Brewery Group acquired 25% of the share capital of Peva Poland Sp. z o.o. with effect from 1 April 2001 (cf. announcement 5/2001 dated 6 June 2001). Part of the consideration for the shares was 16,000 of the Group's own shares. Peva Poland is solely engaged in sale and distribution of The Danish Brewery Group's products in Poland.

At the end of 2001 The Danish Brewery Group decided to sell its UK brewery Robert Cain & Co. Ltd. (cf.

announcement 10/2001 dated 28 December 2001). Write-downs, provisions and other expected consequences of this decision have been incorporated in the annual accounts for 2001 at DKK 38.6 million.

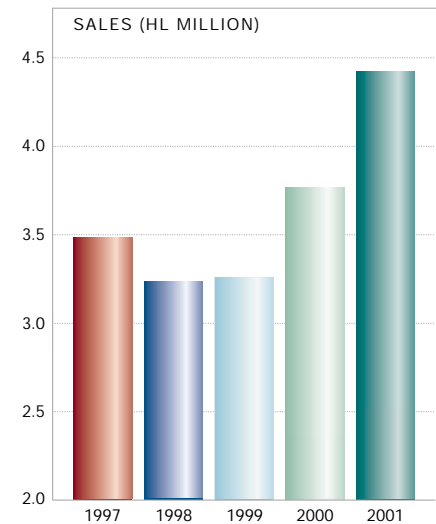
In 2001 The Danish Brewery Group acquired 40,000 of its own shares. Following the acquisition, the Company holds a total of 136,296 of its own shares (equal to 2.2% of the share capital), which are primarily expected to be used in connection with the share option scheme offered to the Company's management team. Own shares are written down against equity on a current basis.

## Results in the fourth quarter of 2001

Developments in the fourth quarter of 2001 are summarised by the following financial highlights:

Million hectolitres	Q4 2001	Q4 2000
Sales:		
Danish market	0.3	0.4
International activities	0.7	0.7
<b>Total</b>	<b>1.0</b>	<b>1.1</b>
<b>DKK million</b>		
Turnover	819	818
Operating profit	51	41
Robert Cain & Co. Ltd.	-39	-
Financial items	-9	11
<b>Profit before tax</b>	<b>3</b>	<b>52</b>

Total sales amounted to 1.0 million hectolitres in the fourth quarter of 2001, equal to a decrease of 9% from the fourth quarter of 2000. In the Danish





market the Group's soft drinks sales decreased by 15% from last year, whereas the decrease in the total market for the quarter is estimated at some 12%. This development was primarily attributable to the Jolly products. Beer sales declined - primarily due to disappointing Christmas sales - by some 7% in the quarter, whereas the decline in the total market for the same period is estimated at some 4%.

In terms of sales, international activities were on a par with last year in the fourth quarter of 2001. However, the consolidation with AB Kalnapilis has resulted in a volume increase in the quarter of some 10%. The Italian market and sales to German consumers show satisfactory trends, whereas the most significant volume decreases in the quarter were recorded in Poland and in Danish/German cross-border trade.

Total turnover for the fourth quarter of 2001 amounted to DKK 819 million, which is on a par with 2000. Turnover per hectolitre sold increased by some 10% from the same quarter of 2000.

Operating profit went up from DKK 40.7 million in the fourth quarter of 2000 to DKK 50.6 million in 2001, equal to an increase of 24%. The development in operating profit was affected by the termination at 30 September 2001 of the commission agreement in force in Italy for the past 8 years. It is estimated that the termination of the commission agreement has affected turnover for the quarter and thus the operating profit by some DKK 8 million. AB Kalnapilis, consolidated as of 1 October 2001, has contributed to the fourth quarter results by an operating profit of some DKK 3 million.

The mentioned decision to dispose of The Danish Brewery Group's stake in Robert Cain & Co. Ltd. has given rise to write-downs, provisions, etc included in the accounts for the fourth quarter at a total amount of DKK 38.6 million.

In the fourth quarter of 2000, the Group's financial items included an income of DKK 17 million from securities relating to the assumption of control of Albani Bryggerierne A/S, whereas developments in 2001 were affected by increasing interest expenses as a result of the acquisition of AB Kalnapilis.

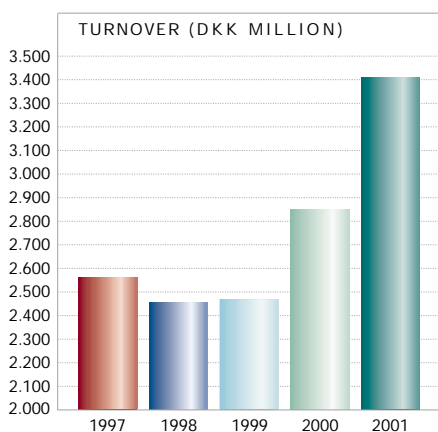
The profit before tax of The Danish Brewery Group amounted to DKK 2.8 million for the fourth quarter of 2001 compared to DKK 52.1 million in 2000. Adjusted for write-downs, etc relating to Robert Cain & Co. Ltd. (DKK 38.6 million) and for financial items of a non-recurring nature in the quarterly accounts for 2000 (DKK 17.0 million), the profit for the fourth quarter of 2001 represents an 18% increase over 2000.

The Group's results for the fourth quarter did not meet the expectations announced, primarily due to an unexpected decline in volume sales in the fourth quarter of 2001.

### Results 2001

Total sales amounted to 4.4 million hectolitres of beer, malt and soft drinks in 2001, which represents an increase of 17% over 2000. Beer and malt drinks sales amounted to 3.4 million hectolitres (an increase of 19% over 2000), whereas soft drinks sales, amounting to 1.0 million hectolitres, went up by 12%.

16 percentage points of the total annual sales increase are due to the



acquisition of Albani Bryggerierne A/S as of the fourth quarter of 2000, whereas 2 percentage points are related to the acquisition of AB Kalnapilis as of the fourth quarter of 2001. Accordingly, organic sales growth amounted to -1 percentage point in 2001.

Turnover went up by 20% in 2001 totalling DKK 3.4 billion. 14 percentage

points of the increase related to the consolidation of Albani Bryggerierne A/S, whereas 1 percentage point originated from the AB Kalnapilis acquisition.

Turnover per hectolitre increased by 1% from 2000.

Developments in sales and turnover from 2000 to 2001 are summarised as follows:

	Danish market		International activities		Group total	
	Growth	Total	Growth	Total	Growth	Total
Sales (thousand hectolitres)	32%	1.748	9%	2.674	17%	4.422
Turnover (DKK million)	38%	1.493	9%	1.915	20%	3.408

In 2001 The Danish Brewery Group achieved a profit before tax of DKK 139.7 million after provision and write-downs, etc relating to Robert Cain & Co. Ltd. (DKK 38.6 million). Adjusted for this amount, the profit before tax amounted to DKK 178.3 million for 2001, including income of a non-recurring nature of DKK 12.5 million net compared to DKK 189.7 million in 2000 (including DKK 17 million relating to gains on securities). Albani Bryggerierne A/S contributed DKK 21.9 million net to the profit before tax after deducting the financing costs of the acquisition.

As previously mentioned, due to disappointing sales in the last months of the year, the results realised for 2001 were below expectations expressed in the announcement of annual results from 2000. They were, however, in accordance with our announcement 10/2001 dated 28 December 2001.

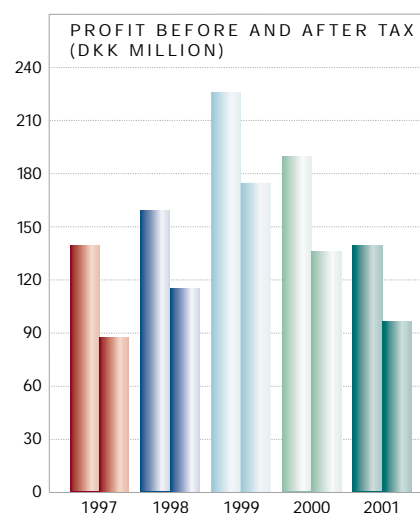
The gross profit for the year amounted to 39.5% of turnover compared to 39% in 2000. Production costs decreased by

some 4% per hectolitre sold in 2001, which was, however, partly offset by an increase in beer and mineral water duties of some 13% per hectolitre sold. The increase in excise duties related primarily to the Danish market, partly due to a 65% increase of duties on soft drinks as at 1 January 2001, and partly due to the increasing share accounted for by sales and turnover to the Danish market resulting from the acquisition of the controlling interest in Albani Bryggerierne A/S.

Operating profit went up by 18% from 2000 amounting to DKK 224 million. The operating ratio amounted to 6.6% compared to 6.7% in 2000.

Increased marketing costs and the full-year effect of the consolidation with Albani and Kalnapilis were the primary reasons for a 24% increase in sales and distribution costs in 2001. The increased marketing costs are primarily related to the Danish market.

Administrative expenses increased in 2001 by some DKK 15 million (13%), which is also due to the full-year effect of

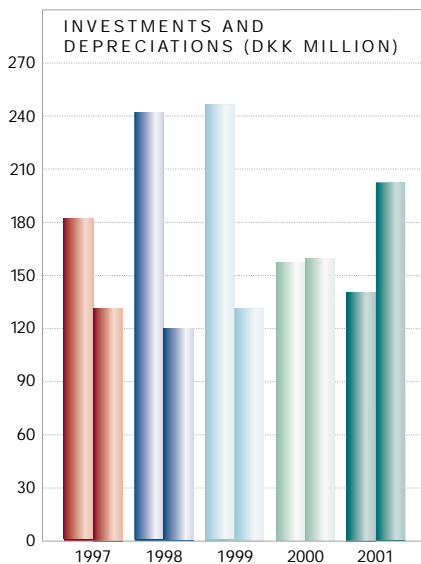


the consolidation with Albani, which resulted in an increase of some DKK 26 million, whereas administrative rationalisation has resulted in savings compared to 2000.

In addition to the usual items, other operating income also included an income from the sale of trademark rights (Jolly) to the Faroe Islands in 2001.

Income from investments in associated undertakings was negatively affected by the disposal of interests in the company Ceris in the Cape Verde Islands. Furthermore, the Group's share of the profit of Nuuk Imeq A/S was lower than in 2000.

Net financial expenses increased as a result of the investments in Albani Bryggerierne A/S (4th quarter 2000) and in AB Kalnapilis (4th quarter 2001). As compared to 2000, developments also reflected the non-recurring income from securities (total DKK 17 million) realised in 2000.



### Taxation

The Group's tax rate for 2001 amounted to 30% compared to an expected rate of 33%. The lower tax rate reflects, among other factors, tax-free income realised by Albani Bryggerierne e.g. in connection with the sale of property.

### Danish market

2001 has been characterised by a major effort to integrate the sales and marketing organisations of Albani and The Danish Brewery Group. The effort has been completed in all material respects by the end of the year, and the expected synergies from combination have been realised during the year.

The dramatic 65% increase in Danish

duties on soft drinks caused a decline in the total market for soft drinks of almost 10%. Due to this change of market conditions, the Group has not been able to realise the expected turnover and earnings from soft drinks.

The Group's total beer sales in the Danish market increased by 76% (excluding Albani and Maribo brands, 4%) totalling 0.8 million hectolitres. The decrease in the total market for beer is estimated at some 3% in 2001, and The Danish Brewery Group has therefore won market shares during the year. The wins are primarily related to the Classic products from Faxe and Albani and to the Royal series, whereas the declining trend of low-alcohol and non-alcoholic beer continued.

Excluding Albani and Maribo brands, Danish sales of soft drinks sales went up by some 2% in a total market estimated to have declined by almost 10% due to the duty increase effected at 1 January 2001, and the resulting increase in illegal imports and the considerable increase in cross-border purchases of soft drinks. The key brands gaining market shares were Faxe Kondi, Pepsi Cola and the Nikoline series.

Including Albani and Maribo brands, the sales of soft drinks of The Danish Brewery Group went up by 7%, and the total soft drinks volumes of the Group amounted to some 0.9 million hectolitres in 2001.

The total Danish beer and soft drinks sales of the Group went up by 32% in 2001 (including Albani and Maribo brands), whereas turnover increased by 38%.

### International activities

In 2001 international sales – including

Kalnapilis brands in the fourth quarter – totalled 2.7 million hectolitres, which is an increase of 9% over 2000. Excluding Kalnapilis, the increase amounts to 7%.

Total turnover from international activities amounts to DKK 2 billion equal to 56% of the Group's total turnover. International turnover has increased by 9% over 2000 including 2 percentage points accounted for by Kalnapilis turnover.

### Northern Europe

The Northern European region showed satisfactory development in volume sales, which increased by 19% from 2000. Albani Bryggerierne has considerable exports to Sweden, which explains the volume increase in this market. Albani's supplies are to a wide extent made as tank deliveries bottled or canned locally, which is the reason for turnover increasing less, in relative terms, than sales. The Swedish beer market is characterised by fierce competition due to, among other things, cross-border trading with Denmark.

Developments in Greenland, the other key market in the region, were satisfactory, whereas sales and turnover in the Faroe Islands were affected by one-time sale of Jolly products in connection with a sale of licence rights to this market to a local bottler.

Sales in the region amounted to 5% of total international sales.

### Western Europe

The Group's total beer sales in Western Europe amounted to 1.7 million hectolitres in 2000, which represents an increase of 5% over 2000.

Developments in Italy were still satisfactory with total sales growth of 9% in

this key market in 2001. The growth is primarily related to the main product Ceres Strong Ale and Ceres Royal.

Turnover increased equally by 10% over 2000. The increase in total Italian beer consumption is estimated at some 3% in 2001. Earnings in Italy went up from 2000 and are still at a satisfactory level.

In Germany total beer sales continued to decline and 2001 consumption is estimated at 1-2% below last year's level. The first signs of an emerging concentration of the German brewery industry were noted in 2001; however, due to continued considerable excess capacity, price competition remains fierce.

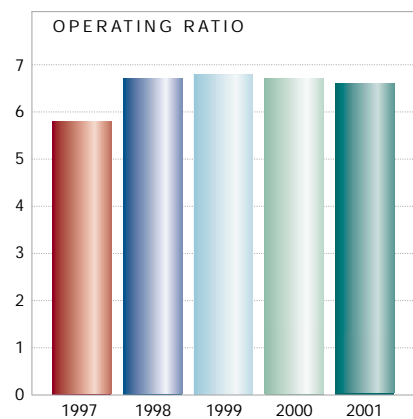
Sales in Germany went up by 7% in 2001 (excluding Albani and Maribo). Considering the keen competition, the financial results were satisfactory in 2001 and better than in 2000. Faxe's market share went up and Faxe remains the leading import beer brand in Germany.

The Group's beer sales in the UK declined by 6% in 2001, which is once again due to a decrease in private brand sales to the retail sector – and a highly competitive market. The financial results of Robert Cain & Co. Ltd. are not satisfactory and a disposal of the brewery has been decided upon.

In total, sales by The Danish Brewery Group in the Western European market amounted to 63% of the volume of international activities compared to 66% in 2000.

### Eastern Europe

Sales in Eastern Europe went up by 36% in 2001 from 2000. 20 percentage points of the increase relates to the acquisition of Kalnapilis included in group





Market area	Actual 2001		Growth over 2000	
	Turnover DKK million	Sales khl	Turnover in per cent	Sales in per cent
<b>Northern Europe</b>				
Sweden	22.2	66.8	26	40
Greenland/the Faroes/Iceland	13.6	60.5	13	32
Other markets, Northern Europe	1.0	1.9	-74	-21
<b>Total Northern Europe</b>	<b>36.8</b>	<b>129.2</b>	<b>10</b>	<b>19</b>
<b>Western Europe</b>				
Italy	603.9	400.8	10	9
Germany	414.3	921.9	8	7
UK	326.2	304.9	-5	-6
France	25.7	33.1	-2	-2
Other markets, Western Europe	5.2	11.1	30	16
<b>Total Western Europe</b>	<b>1,375.3</b>	<b>1,671.8</b>	<b>5</b>	<b>5</b>
<b>Eastern Europe</b>				
Lithuania	168.9	378.3	32	44
Poland	91.6	137.1	35	20
Other markets, Eastern Europe	2.5	5.9	47	0
<b>Total Eastern Europe</b>	<b>262.9</b>	<b>521.3</b>	<b>33</b>	<b>36</b>
<b>Other markets</b>				
Tax-Free	54.3	103.4	-3	-4
Caribbean	11.7	16.6	-6	-5
Middle East	10.6	22.3	-7	-4
USA/Canada	8.6	15.5	25	24
Africa	3.3	4.6	38	18
Other markets	1.6	3.6	-12	16
<b>Total other markets</b>	<b>90.1</b>	<b>166.0</b>	<b>-1</b>	<b>-1</b>
<b>Malt</b>				
Caribbean	63.6	98.4	1	-3
UK	43.5	40.9	18	17
Africa	12.9	20.1	63	51
USA/Canada	12.8	11.0	30	21
Other markets, malt	16.6	16.1	6	-19
<b>Total malt</b>	<b>149.5</b>	<b>186.5</b>	<b>12</b>	<b>4</b>
<b>TOTAL</b>	<b>1,914.6</b>	<b>2,674.8</b>	<b>9</b>	<b>9</b>

sales as of the fourth quarter of 2001.

In Lithuania Taurus product sales showed growth of 15%, which means that the brewery won market shares also in 2001. Imported Faxe products also developed satisfactorily in 2001, and this brand still accounts for more than 50% of total beer imports to the country.

The integration between the activities of Taurus and Kalnapilis has been launched and is proceeding as planned.

Sales developments in Poland were satisfactory as sales increased by 20% from 2000. Also in 2001 Faxe remained the leading import brand in Poland.

Sales in the Eastern European region amounted to 19% of total international activities in 2001 compared to 16% in 2000.

### Beer exports to the rest of the world

Beer sales to the rest of the world decreased by 1% from 2000, primarily due to a 4% decrease in tax-free volumes, whereas the other markets remained at the 2000 level, more or less.

The Danish Brewery Group's total beer sales to the rest of the world amounted to 6% of international activities compared to 7% in 2000.

### Malt drinks

Own-produced malt drinks are primarily sold in Western Europe – the largest single market being the UK – and in the Caribbean and the USA. Sales of own-produced products showed an increase of 6% in 2001. Albani's malt drinks sales for the first nine months of the year accounted for 8 percentage points of the increase. Developments in the UK and the USA/Canada were satisfactory, whereas minor declines were recorded in the

other European markets and stagnation in the Caribbean. Products produced under licences are sold in the Caribbean and in Africa. Developments in Africa were satisfactory.

Total malt drinks sales increased by 4% over 2000. Sales of malt drinks amounted to 7% of the total volume of international activities in 2001, which is at the 2000 level.

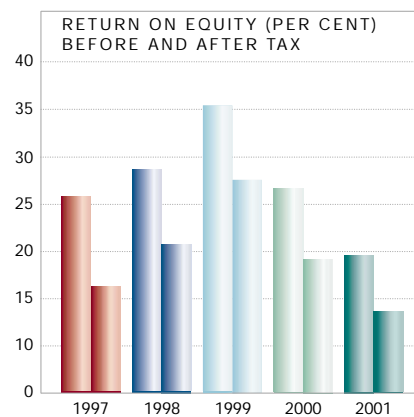
Some 160,000 hectolitres of the Vita-malt brand were produced under a licence in Nigeria in 2001 compared to 140,000 hectolitres in 2000. These quantities are not included in the Group's current sales statistics. If the favourable economic development in Nigeria continues and licence payments from the country normalise, these quantities will in future be included in the Group's sales statistics.

### Balance sheet

The Danish Brewery Group's share of shareholders' equity, totalling DKK 698 million at the end of 2000, amounted to DKK 630 million at the end of 2001 after addition of retained profit for the year and write-down of goodwill arising upon share acquisitions of net DKK 128 million in all material respects related to the acquisition of AB Kalnapilis.

Furthermore, the amount is net of proposed dividend, write-down of some 40,000 own shares, revaluation of own shares used for acquisition purposes (Peva Poland Sp. z o.o.) and currency adjustments relating to subsidiaries.

The balance sheet total of the Group, which stands at DKK 2.4 billion, is at the same level as at the end of 2000, and the Group's working capital investment also remains at the end-2000 level, more or less.





*Early in the year the Polish president Aleksander Kwasniewski and the Russian president Vladimir Putin met unofficially in Dom Vikingów (the House of the Vikings) in Poznan, Poland. The restaurants complex only serve products from The Danish Brewery Group. From the left is Mr. Putin; president Kwasniewski; the owner of the buildings, Mr. Bielewicz; Mr. Carsten Pedersen, CEO of Peva Poland.*

### Cash flow statement

The Danish Brewery Group's cash flow from operating activities amounted to DKK 291 million in 2001 compared to DKK 209 million in 2000. A satisfactory development in the Group's working capital investment has contributed to the increase in cash flow.

A net amount of DKK 127 million was spent on the acquisition of tangible fixed assets in the period, whereas DKK 284 million was spent on business acquisitions, etc.

Free cash flow amounted to a negative DKK 106 million compared to a negative DKK 273 million in 2000 as free cash flows for both years were affected by the acquisitions made, which in 2001 led to a net increase in interest-bearing debt of some DKK 140 million.

The Group's stand-by cash reserves amount to DKK 0.9 billion, including available, unutilised credit facilities.

### Investments

In 2001 The Danish Brewery Group made total investments of DKK 140 million (2000: DKK 157 million).

Capacity increase has only been made at the Taurus brewery in Lithuania, whereas the remaining investments (some DKK 120 million) primarily represent usual replacement investments.

### Environmental and safety issues

Three of The Danish Brewery Group's Danish breweries, Faxe, Ceres and Thor, obtained environmental certification under DS/EN ISO 14001:1996 in January 1999 and have published an environmental report annually in accordance with the EU regulation EEC no 1836/93

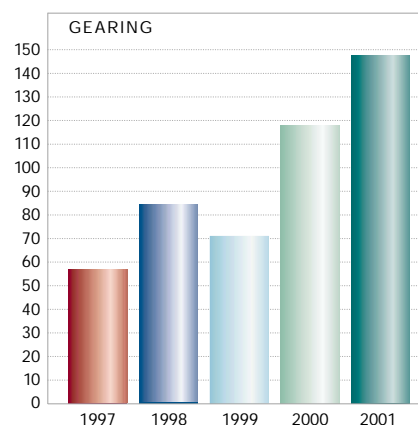
of 29 June 1993 on industrial companies' voluntary participation in a joint Eco-Management and Audit Scheme (EMAS).

In 1998 a number of targets were established for electricity, heat and waste water for the period up until 2002. The environmental efforts of the breweries in the three-year period are considered very satisfactory as there has been continuous focus on improvements. New targets have been established for the next three-year period in order to sustain the positive development.

In summary, improvements have been achieved over the three-year period by way of improved management and control of key processes and facilities, investments in cleaner technology as well as electricity-, heat- and water-conserving measures, minimisation of wastage, increased employee involvement and increased environmental awareness among all employees as well as green purchases.

In the waste area, focus has been on minimising waste and on improved waste sorting at breweries. This has resulted in constant improvement of the percentage share of waste for recycling over the three-year period for all breweries. This has been achieved because brewery employees have continuously come up with new ideas for improved sorting and recycling of waste products and have exercised high environmental awareness in general.

The three-year target for health and safety of The Danish Brewery Group aimed at a reduction of the accident frequency and absence due to accidents. It is positive that a declining trend has generally been recorded in both areas.

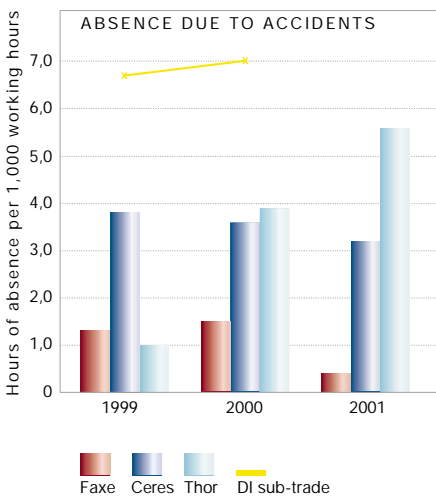






*Ceres' succes of many years in Italy has been followed up by the launching of Ceres Top.*

The management of The Danish Brewery Group has decided that the target should be maintained and that additional improvement targets should be established based on the place of work assessments at the breweries.

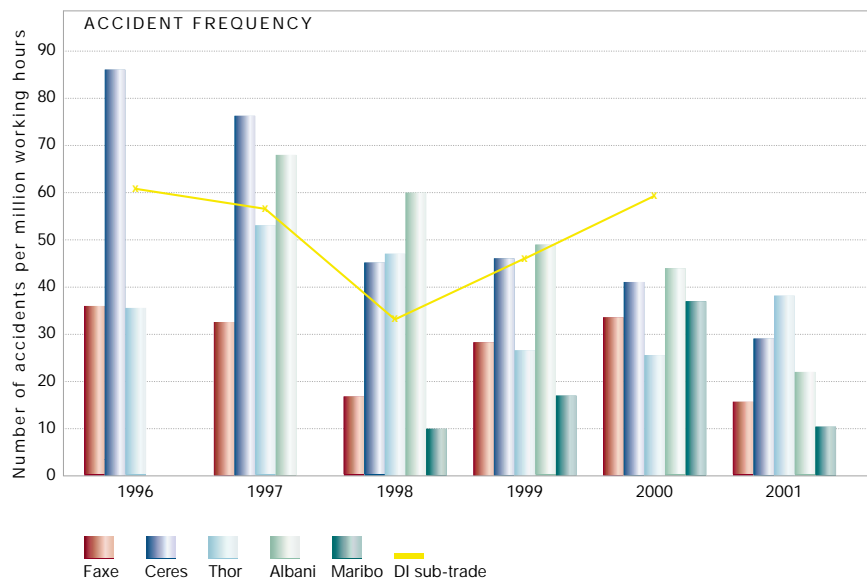


By means of environmental management, the breweries have reduced their key environmental impacts in proportion to volume production. One of the results is that Ceres was ranked no 7 of breweries with the lowest energy consumption in a world-wide benchmarking of breweries. The study comprised 86 selected breweries. Ceres' results have also won the Aarhus Municipality Environmental Award for ambitious and comprehensive

efforts to improve the environment.

In 2001 the European Parliament adopted new EMAS rules - EMAS 2. The new regulation has stricter requirements for companies to include their indirect environmental impacts. The Danish Brewery Group has worked for a number of years to reduce indirect impacts, and Ceres, Thor and Faxe were the first Danish companies to be registered under the new EU regulation, EC no 761/2001 of 19 March 2001 on organisations' voluntary participation in a joint Eco-Management and Audit Scheme (EMAS).

The Danish Brewery Group considers efficient environmental management a competitive parameter because environmental work promotes improved utilisation of resources, which contributes towards maintaining an acceptable cost level. The challenge for the future will be to remain among the environmental management leaders in the industry and thus maintain the leading edge achieved. At the same time Albani Bryggerierne A/S is expected to achieve environmental certification under ISO 14001 in 2002 and to be included in the next environmental report of The Danish Brewery Group.





*Her Majesty Queen Margrethe and His Royal Highness Prince Henri of Denmark attended the reopening of The Danish House in Paris together with among others the French Minister of Education, Jack Lang; the artist Jean-Michel Jarre; and the director of Bang & Olufsen, Elisabeth Sandager. The guests could enjoy The Danish Brewery Group's products, which can always be found on the list of beverages in The Danish House, situated on the Avenue des Champs-Élysées.*

Albani Bryggerierne and Maribo Bryghus have for a number of years registered their key environmental resource consumption and have directed targeted efforts by way of environmental targets and environmental action plans at improving the utilisation rate of the resources spent and at reducing emissions and discharges to the surrounding environment. The information has been published in the green accounts of the breweries.

The Group's Lithuanian breweries Taurus and Kalnapilis as well as Robert Cain in the UK have also directed focus at employee safety issues and minimisation of brewery resource consumption. The three breweries perform continuous control and optimisation of resource, water, electricity and gas consumption and monitor emissions and discharges to the environment.

The environmental report of The Danish Brewery Group for 2001 and the green accounts of Albani Bryggerierne and Maribo Bryghus will be issued in June 2002. The environmental report and the green accounts provide additional information on the breweries' efforts to reduce environmental impacts and to create a safe working environment for their employees. Copies of the environmental report and the green accounts may be obtained by contacting The Danish Brewery Group. The report and accounts are also accessible at our website.

### Information technology

Implementation of the Group's SAP R/3 IT platform at Albani was realised satisfactorily at the beginning of the year, whereas Maribo Bryghus has started using the same platform as of 1 January 2002.

Furthermore, the system base was upgraded to a newer SAP version during the year.

Roll-out of the system to the European sales subsidiaries will be initiated in 2002.

### Share options

Since 1998 The Danish Brewery Group has had a share option scheme for approx. 40 executives (including executives of Albani Bryggerierne and Maribo Bryghus).

By the end of 2001 participants in the share option scheme had acquired the following share options:

#### 1st scheme:

42,375 options at a price of 300.

Exercisable between

August 2001 and March 2003.

#### 2nd scheme: March 2000.

31,138 options at a price of 221.

Exercisable between

March 2003 and November 2004.

#### 3rd scheme: March 2001.

31,415 options at a price of 219.

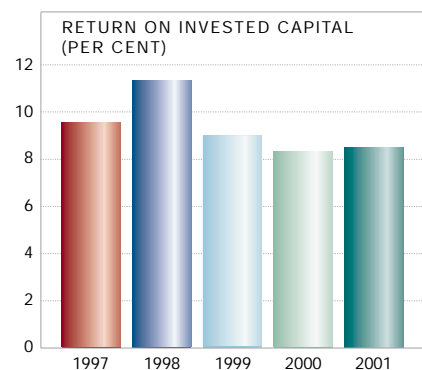
Exercisable between

March 2004 and November 2005.

For 2001 the target of annual growth of at least 10% in the profit before tax was not realised, and therefore no share options will be granted to the management team based on the 2001 results.

The Board of Directors has decided to extend the existing share option scheme to include the financial year 2002, for which a profit before tax of at least DKK 270 million will cause options to be granted.

The Company's portfolio of own shares at 31 December 2001 (136,296 shares) is primarily expected to be utilised for the purpose of the option schemes. The





portfolio will be increased in order for the option commitments of The Danish Brewery Group A/S to be covered by the portfolio of own shares at all times.

### Financial exposure

Through its exports and purchases of raw and bottling materials, The Danish Brewery Group is exposed to currency risks as some 60% of sales are invoiced in foreign currencies, primarily EUR, PLN and USD, whereas some 30% of purchases are denominated in SEK and relate to purchase of packaging, etc. In accordance with its currency policy, the Company seeks to hedge current and budgeted net transaction risks within a period of between 6 and 18 months.

Furthermore, the value of the Company's share interests in foreign subsidiaries also constitutes a currency exposure. In the case of subsidiaries with considerable net assets, this transaction risk is hedged by matching loans in the foreign currency in question.

Computed as the volatility of the Company's annual interest payments due to interest rate changes, the interest rate exposure amounts to some +/- DKK 4.7 million in the event of a 1% interest rate change.

In addition to affecting the Company's costs of funding, interest rate changes affect the required return on total assets; accordingly, interest rate exposure will affect the Company's market capitalisation through changed valuation of assets and liabilities. The Danish Brewery Group prepares regular analyses of the relationship between the maturity period of the assets and the financing structure to reduce the interest rate exposure.

### Commission in Italy

The commission agreement relating to Ceres product sales in Italy made with Tulip International A/S in 1993 ceased at 30 September 2001. The commission has in recent years' stable currency situation been at the level of DKK 40 million to DKK 50 million. On a full-year basis, the termination of the commission payment will affect the Group's earnings positively at an amount equal to the commission.

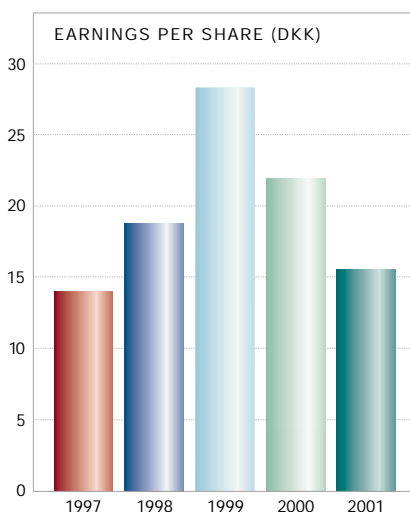
For the first nine months of 2001 the commission amounted to DKK 41 million.

### Albani Bryggerierne A/S

As of the fourth quarter of 2000, The Danish Brewery Group acquired 90.8% of the share capital of Albani Bryggerierne A/S, which has therefore been included in the consolidated accounts for all of 2001.

In 2001 the Albani Group realised a profit before tax of DKK 25 million compared to a loss of DKK 4.7 million in 2000. Maribo Bryghus A/S accounts for DKK 8.0 million of the profit. The profit is affected by non-recurring income totalling DKK 22.5 million from the sale of properties and brand rights as well as adjustment of provisions.

In accordance with the plans made upon the acquisition of the controlling interest, very comprehensive cooperation has been established between The Danish Brewery Group and Albani Bryggerierne. The two Danish sales and distribution organisations were integrated in 2001, and the two product ranges were combined and adjusted. The Group's total production of malt drinks has been transferred to Albani Bryggerierne in



Odense, and purchasing activities have been coordinated. Administrative functions have been combined and a shared IT platform has been established.

It is estimated that the synergies for 2001 anticipated at the time of acquisition have been realised.

### **AB Kalnapilis**

In the autumn of 2001 The Danish Brewery Group acquired a controlling interest in AB Kalnapilis, and following a redemption offer to the remaining shareholders, The Danish Brewery Group now holds some 97% of the share capital. AB Kalnapilis has been included in the consolidated accounts as of the fourth quarter of 2001, and the company's profit before tax for this period amounted to DKK 2.8 million. With estimated financing costs of the acquisition to The Danish Brewery Group of some DKK 2 million, the acquisition has substantially not affected the results of The Danish Brewery Group for 2001.

For operating purposes, AB Kalnapilis and AB Vilniaus Taurus (of which The Danish Brewery Group holds 98%) will be operated as one entity. Sales and distribution systems were combined as of 1 March 2002, and a shared IT platform has been established. Administrative functions will be combined during 2002. The initiatives launched have supported expectations of synergies between the two breweries.

For 2002 unchanged sales of some 400,000 hectolitres are expected for AB Kalnapilis as well as a turnover of some DKK 150 million. Setting off estimated financing costs in relation to the acquisition of the shares, AB Kalnapilis is expected to

increase the profit before tax of The Danish Brewery Group by some DKK 5 million.

### **Robert Cain & Co. Ltd.**

At the end of 2001 a decision was made to seek to dispose of Robert Cain & Co. Ltd., the Group's UK brewery. The decision should be viewed in the light of the fierce competition in the UK market - not least within private labels of which Robert Cain & Co. Ltd. has considerable volumes - as well as the considerable investments which will be required in future years. Furthermore, the decision is an element in increased focus on the markets in Eastern Europe and in the Baltic States.

The UK market is an important malt drinks market to The Danish Brewery Group, and sales of malt drinks in the UK will be continued and expanded irrespective of the disposal of Robert Cain & Co. Ltd.

On a full-year basis, a disposal of Robert Cain & Co. Ltd. is expected to have a positive effect on the Group's earnings in the region of some DKK 20 million, whereas the Group's annual turnover will be reduced by some DKK 300 million.

### **The future**

Expectations in terms of results for The Danish Brewery Group for 2002 are affected by a number of factors:

- The termination at 1 October 2001 of the commission payments to Tulip International A/S relating to Ceres product sales in Italy.
- Continued integration between the activities of Albani Bryggerierne A/S and The Danish Brewery Group A/S.



Photo: ELM/Per Heegaard

*In 2001 Faxe Brewery signed a four years sponsorship with the top profiles in Danish golf, including Thomas Bjørn.*

- The acquisition of AB Kalnapilis as of the fourth quarter of 2001 and the combination of its activities with the Group's other Lithuanian brewery AB Vilniaus Tauras.
- The decision to dispose of the Group's interests in its UK brewery Robert Cain & Co. Ltd.

The annual commission payment to Tulip International A/S on Ceres product sales in Italy has amounted to DKK 40-50 million in recent years. On a full-year basis, a positive effect of a similar amount is expected. The effect for 2002 is therefore expected to be an increase by some DKK 40 million from 2001, when the commission payment ceased at 1 October.

The continued integration between the activities of Albani Bryggerierne and The Danish Brewery Group, and the full-year effect of the measures introduced in 2000 and 2001 are expected to continue contributing positively to the Group's earnings in 2002. In total, the alliance is expected to affect the Group's operating profit by DKK app. 30 million in 2002.

The acquisition of AB Kalnapilis as of the fourth quarter of 2001 and the expected synergies from the alliance between AB Kalnapilis and AB Vilniaus Tauras are estimated to result in an increase of the Group's profit before tax – and after costs of financing the acquisition – by some DKK 5 million.

The full-year effect of the decision to dispose of the Group's interests in Robert Cain & Co. Ltd. on the Group's earnings before tax is estimated at DKK 20 million.

It is anticipated that conditions in the Danish market will be affected by reintroduction of non-returnable packaging.

The alternative packaging types are expected to be introduced to the market in mid-2002, by which time it should be possible to have the equipment required to handle such packaging installed. The reintroduction of non-returnable packing in Denmark is expected to contribute a great deal of dynamics to the market, particularly in the beer segment, which The Danish Brewery Group, formerly an important supplier of canned beer products also in the Danish market, welcomes.

The total market for beer and soft drinks in Denmark is expected to stabilise at around the 2001 level in 2002. The Danish Brewery Group still expects to be able to increase its market shares on both beer and soft drinks, and therefore Danish sales are expected to be slightly above the 2001 level.

In 2002 international activities – excluding AB Kalnapilis – are expected to increase by 5-10%. The positive developments in Italy are expected to be reinforced through the introduction of a new Ceres product "Ceres Top" in February, which is in a lower alcohol-percentage segment than "Ceres Strong Ale". Also Poland is expected to maintain growth at existing levels. Furthermore, sales to Germany are expected to be increased in 2002.

On an annual basis, the consolidation with AB Kalnapilis is expected to increase the international sales of The Danish Brewery Group by some 10%.

A disposal of Robert Cain & Co. Ltd. is estimated to reduce international sales by some 10% from 2001.

Depending on the timing of the disposal of Robert Cain & Co. Ltd., total international sales are expected to



increase by 10-15% in 2002.

Total group sales in the Danish market and internationally are estimated at some 4.7 million hectolitres.

Based on the accounting policies applied to date, The Danish Brewery Group is expected to show a total profit before tax for 2002 of DKK 260-300 million. The expected profit before tax includes the previously mentioned termination of the Tulip commission at some DKK 40 million, increased synergies from the Albani alliance of some DKK 30 million and a profit effect in Lithuania of the AB Kalnapilis acquisition of some DKK 5 million.

The tax rate for 2002 is expected to equal some 32%. Planned investments for the Group for 2002 are estimated at DKK 165 million.

#### **Management issues**

Jørgen Worning, the Managing Director of The Danish Brewery Group, will retire on 31 May 2002. Poul Møller will replace Mr Worning as Managing Director on 1 June 2002.

It is agreed that Jørgen Worning during a period after his retirement will assist Poul Møller in taking over the management.

#### **Corporate governance**

The management of The Danish Brewery Group keeps up-to-date on national and international developments and discussions of Corporate Management, an issue that has recently been brought into focus by the Corporate Governance recommendations issued by the Nørby Committee in December.

The Danish Brewery Group believes

that it has already for a number of years acted in accordance with most of the Nørby Committee recommendations. The management will continue to work with the Corporate Governance issue in future years with a view to further alignment of the procedures and policies of The Danish Brewery Group with the recommendations of the Committee.

#### **Future accounting policies**

In Denmark a new Financial Statements Act has been introduced with effect from 1 January 2002.

The new Danish Financial Statements Act will involve a number of changes to the existing accounting policies of the Group. The most significant change will be capitalisation and amortisation of goodwill on consolidation in the profit and loss account.

The interim report for the first quarter of 2002 will be prepared on the basis of the new accounting policies and will describe the effect of the changes on the expected financial results for 2002.

#### **Resolutions by the Board of Directors and recommendations for the general meeting**

The Board of Directors recommends to the annual general meeting the payment of dividend of DKK 4.50 per share of DKK 10 as in 2000. The proposed dividend totals DKK 27.7 million. The Board of Directors proposes that the remaining profit of DKK 66.0 million be allocated to reserves.

#### **General meeting**

The general meeting will be held on Tuesday, 28 May 2002 in Aarhus.



# SIGNIFICANT ACCOUNTING POLICIES

The annual accounts comprise the profit and loss accounts and balance sheets, including notes, of The Danish Brewery Group A/S and the Group.

The annual accounts have been prepared in accordance with the Danish Company Accounts Act and with current Danish accounting standards 1-15. The accounting policies applied are consistent with last year.

The comparative figures, financial highlights and key ratios for 1997 have been prepared on the basis of the pro forma accounts of the companies merged at 1 January 1998, i.e. Jyske Bryg Holding A/S, the former Brewery Group Denmark A/S, Faxe Bryg Holding A/S and Rolink A/S included in the prospectus of April 1998.

## **Basis of Consolidation**

The consolidated accounts comprise the accounts of The Danish Brewery Group A/S (the Parent Company) and the undertakings in which the Parent Company directly or indirectly holds more than 50 per cent of the voting rights or otherwise exercises a controlling interest (subsidiary undertakings).

The consolidated accounts are prepared on the basis of the annual accounts of the Parent Company and its subsidiary undertakings by combining items of an identical nature. Intercompany sales, unrealised intercompany profits, intercompany shareholdings and balances are eliminated.

Newly established or acquired subsidiary undertakings are included in the con-

solidated accounts from the time of acquisition. Any difference between acquisition cost and the companies' net book value at the time of acquisition, following an adjustment of the individual assets and liabilities to fair value, is charged directly to equity.

## **Translation of Foreign Currencies**

The profit and loss accounts of foreign subsidiary and associated undertakings are translated into Danish kroner at average exchange rates for the year, whereas the balance sheet is translated using the rates of exchange ruling at the balance sheet date. The adjustment of foreign subsidiary and associated undertakings' shareholders' equity at the beginning of the year to year-end rates is charged to equity. Where the shareholders' equity of foreign subsidiary undertakings has been covered against exchange risks by forward contracts, exchange rate gains and losses are also charged to equity.

Transactions in foreign currencies are translated into Danish kroner at the exchange rates ruling at the date of transaction. Debtors and creditors denominated in foreign currencies (open transactions) are translated into Danish kroner at the official exchange rates ruling at the balance sheet date. Where related or matching forward contracts have been entered into, translation is based on the rates of exchange specified in such contracts. Gains and losses on such translation are included in the profit and loss account.

Unrealised gains or losses on forward

contracts concluded to cover against exchange risks on future sales or purchases are deferred until the sale or purchase in question is realised.

## **Turnover**

Revenue from the sale of goods is included in the profit and loss account when invoiced. Turnover includes excise duties on beer and mineral water.

## **Research and Development Costs**

Research and development costs are expensed as incurred.

## **Income from Investments in Subsidiary and Associated Undertakings**

Shares of the profits before tax of subsidiary and associated undertakings adjusted for unrealised intercompany profits are included in the Parent Company profit and loss account. Shares of the tax computed in subsidiary and associated undertakings are expensed under "Tax on the profit for the year".

## **Corporation Tax and Deferred Tax**

The Parent Company is jointly taxed with wholly-owned Danish subsidiary undertakings and with certain foreign subsidiary undertakings. Current and deferred corporation tax computed for the jointly taxed undertakings is provided for in the accounts of the Parent Company, which pays the total corporation tax due on taxable income for the year for all the companies. The jointly taxed companies are subject to the on-account taxation scheme.

Tax charged to the profit and loss account includes both the estimated tax charge on the taxable income for the year and any changes in deferred tax stated under the liability method. The amount of the change in deferred tax attributable to the taxation rate change (DKK 10.6 million) is stated as an increase in shareholders' equity.

The corporation tax included in the balance sheet represents the actual tax payable on the taxable income for the year less tax payments on account.

Provisions for deferred tax represent the tax value calculated on temporary differences between the book value and the tax value of the assets and liabilities at the balance sheet date.

**Tangible Fixed Assets**

Land and buildings are stated at acquisition cost less accumulated depreciation and write-down.

Other fixed assets are stated at acquisition cost less depreciation and write-down.

The item "Other installations, operating equipment and fixtures" includes current stocks of returnable bottles, plastic crates and kegs stated at deposit price at the time of acquisition. The amount in excess of deposit price of newly purchased plastic crates and kegs is stated at acquisition cost less depreciation and write-down. The obligation to repurchase returnable packaging in circulation for which a deposit has been paid is stated under "Additional information".

Operating equipment, other than serving equipment, acquired for less than DKK 25,000 and the amount in excess of deposit price of newly purchased

returnable bottles are fully expensed in the year of acquisition.

**Depreciation is provided under the straight-line method over the service lives of the assets, which are:**

	Years
Buildings (excluding installations) .....	50
Installations .....	25
Capitalised financing costs, under the straight-line method over the term to maturity of the loans, max. ....	20
Technical installations and machinery, other installations, operating equipment and fixtures.....	5-8
Computer software.....	3
Leasehold improvements, under the straight-line method over the term of the lease, max.....	10
Amount in excess of deposit price of newly purchased plastic crates .....	10
Amount in excess of deposit price of newly purchased kegs.....	5

**Financial Fixed Assets**

Investments in subsidiary undertakings and associated undertakings are stated under the equity method. The Group's share of such undertakings' profits before tax adjusted proportionately for unrealised intercompany profits is included in "Income from investments in subsidiary and associated undertakings" in the profit and loss account, whereas the related tax amount is included in "Tax on the profit for the year".

The non-distributed portion of such shares of profits is allocated to reserve for net revaluation under the equity method.

Goodwill, including goodwill on consolidation, is expensed against equity.

In the balance sheet, investments are

stated at the proportionate share of the book value of such undertakings less unrealised intercompany profits.

Undertakings showing a negative net equity are stated at DKK 0. The proportionate share corresponding to the negative value is set off against any outstanding accounts or included in provisions.

Other amounts due are stated at cost or an estimated lower value at the balance sheet date.

**Stocks**

Stocks are stated at the lower of acquisition or production cost calculated under the FIFO method and the net realisable value of individual product groups.

The acquisition cost of raw materials, consumables and purchased finished goods comprises invoiced prices plus costs directly attributable to the acquisition.

The cost of work in progress and finished goods comprises the cost of materials and labour plus production overheads.

**Debtors**

Debtors are stated on the basis of individual assessments.

**Own shares**

Own shares are expensed against equity upon acquisition. Consideration received upon the disposal of own shares and dividends received are also taken directly to equity.

**Securities**

Listed securities are stated at the lower of cost and market value, or at another lower estimated value.

Unlisted securities are stated at book value.

Realised gains and unrealised losses are included in financial items in the profit and loss account. Unrealised gains are included in revaluation reserve under equity.

### **Pensions**

Pension obligations comprise non-funded schemes. The estimated present value of the obligation is provided for in the balance sheet. Changes for the year to the provisions made are included in the profit and loss account.

### **Liabilities**

Liabilities are stated at nominal value.

### **Statement of Cash Flows**

The consolidated statement of cash flows is presented under the indirect method based on the profit for the year. The statement shows cash flows for the year, the net movement in cash and cash equivalents for the year and the cash and cash equivalents held by the Group at the beginning and end of the year.

Cash flow from operating activities comprises profit for the year adjusted for non-cash operating items, change in working capital, financial income, financial expenses, and corporation taxes paid.

Cash flow from investing activities comprises the acquisition and sale of tangible and financial fixed assets and dividends paid by associated undertakings. Acquisition prices are stated inclusive of acquisition costs and sales prices after deduction of transaction costs.

Cash flow from financing activities comprises the proceeds from and the

repayment of principal on mortgage loans and other long-term debt, movements in current maturities of long-term loans, change in short-term bank loans, and dividends paid to the owners of the Parent Company.

Cash and cash equivalents correspond to the marketable securities and cash and bank balances included in the balance sheet.



# DIRECTORS' AND MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Board of Directors and the Management have today presented the Annual Report of The Danish Brewery Group A/S for 2001.

The Annual Report was prepared in accordance with the Danish Company Accounts Act, Danish accounting standards and the general requirements made by the Copenhagen Stock Exchange on the financial reporting of listed companies. We consider the accounting policies applied appropriate, and in our opinion the Annual Report gives a true and fair view of the assets, liabilities, financial position, and results of operations of the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Faxe, 19 March 2002

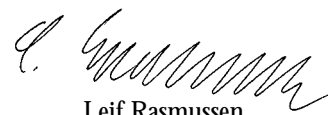
## Management



Jørgen Worning  
Managing Director



Povl Friis  
Technical Director

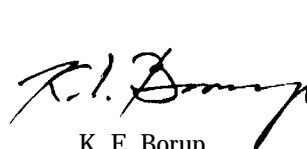


Leif Rasmussen  
Sales and Marketing Director




Ulrik Sørensen  
Finance Director

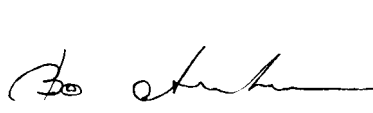
## Board of Directors




K. E. Borup  
Chairman



Steen Weirsøe  
Deputy Chairman



Bo Andersen



Holger Bagger-Sørensen



Henrik Brandt



Ulrik Bülow



Niels Chr. Knudsen



Kim Kristensen



Tommy Pedersen



Bent Ølgod

# AUDITORS' REPORT

We have audited the consolidated accounts and the annual accounts of The Danish Brewery Group A/S for 2001 as presented by the Board of Directors and the Management.

## **Basis of opinion**

We have planned and performed our audit in accordance with Danish auditing standards and provisions to obtain reasonable assurance that the accounts are free of material errors or

omissions. Our audit included, based on an assessment of materiality and risk, an examination of the basis and evidence supporting the amounts and other disclosures in the accounts. Furthermore, we have assessed the accounting policies applied and estimates made by the Board of Directors and the Management as well as evaluated the overall adequacy of the presentation in the accounts.

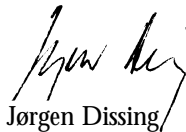
Our audit did not give rise to any qualifications.

## **Opinion**

In our opinion, the consolidated accounts and the annual accounts have been prepared in accordance with Danish accounting legislation and give a true and fair view of the assets and liabilities, the financial position and the result for the year of the Group and the Parent Company.

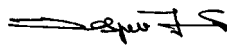
Faxe, 19 March 2002

PricewaterhouseCoopers



Jørgen Dissing


State Authorised Public Accountants



Jesper Lund

Ernst & Young

Statsautoriseret Revisionsaktieselskab



Bent Grønbæk

State Authorised Public Accountant

## Profit and Loss Account for 2001 (DKK '000)

The Danish Brewery Group A/S		Note	The Group		
2000	2001		2001	2000	
1,980,638	2,484,333	1	Turnover	3,408,062	2,848,929
-967,423	-1,256,922	2	Production costs	-1,378,498	-1,221,990
-174,142	-300,109		Beer and mineral water excises	-683,951	-514,494
<b>839,073</b>	<b>927,302</b>		<b>Gross profit</b>	<b>1,345,613</b>	<b>1,112,445</b>
-568,934	-679,210	2	Sales and distribution costs	-1,005,835	-813,817
-95,769	-90,977	2	Administrative expenses	-130,696	-116,071
640	781		Other operating income	15,372	8,564
-279	0		Other operating expenses	0	-876
<b>174,731</b>	<b>157,896</b>		<b>Operating profit</b>	<b>224,454</b>	<b>190,245</b>
0	0		Costs re. termination of brewery activities in the UK	-38,589	0
<b>174,731</b>	<b>157,896</b>		<b>Profit before financial items</b>	<b>185,865</b>	<b>190,245</b>
38,275	28,175		Income from investments in subsidiary and associated undertakings	10,505	16,594
0	0		Income from sale of securities	0	8,000
4,156	4,259	3	Other financial income	5,671	8,220
9,000	0		Reversal of write-down of securities	0	9,000
-37,298	-54,603	4	Financial expenses	-62,352	-42,395
<b>188,864</b>	<b>135,727</b>		<b>Profit before tax</b>	<b>139,689</b>	<b>189,664</b>
-53,390	-42,045	5	Tax on the profit for the year	-42,880	-53,587
<b>135,474</b>	<b>93,682</b>		<b>Consolidated profit</b>	<b>96,809</b>	<b>136,077</b>
0	0		Minority interests' share of profit	-3,127	-603
<b>135,474</b>	<b>93,682</b>		<b>Profit for the year</b>	<b>93,682</b>	<b>135,474</b>
			<b>Proposed distribution for the year:</b>		
	27,654		Dividend for the year		
	66,028		Retained profit		
	<b>93,682</b>		<b>Total distribution</b>		

## Assets at 31 December 2001 (DKK '000)

The Danish Brewery Group A/S		Note	The Group	
2000	2001		2001	2000
<b>FIXED ASSETS</b>				
462,618	<b>454,450</b>		<b>721,738</b>	678,472
320,679	<b>287,344</b>		<b>436,531</b>	476,510
253,816	<b>269,460</b>		<b>409,415</b>	320,433
112	<b>288</b>		<b>288</b>	112
13,559	<b>10,983</b>		<b>22,904</b>	22,684
<b>1,050,784</b>	<b>1,022,525</b>		<b>1,590,876</b>	<b>1,498,211</b>
492,515	<b>689,239</b>		<b>0</b>	0
10,014	<b>4,883</b>		<b>80,427</b>	89,614
4,418	<b>7,118</b>		<b>7,371</b>	12,863
<b>506,947</b>	<b>701,240</b>		<b>87,798</b>	<b>102,477</b>
<b>1,557,731</b>	<b>1,723,765</b>	<b>6</b>	<b>1,678,674</b>	<b>1,600,688</b>
<b>CURRENT ASSETS</b>				
50,390	<b>48,462</b>		<b>64,777</b>	70,209
11,498	<b>13,139</b>		<b>18,973</b>	20,951
66,803	<b>77,783</b>	<b>7</b>	<b>142,359</b>	101,741
<b>128,691</b>	<b>139,384</b>		<b>226,109</b>	<b>192,901</b>
108,517	<b>118,717</b>		<b>347,119</b>	386,525
119,693	<b>95,061</b>		<b>0</b>	0
0	<b>0</b>		<b>995</b>	1,895
30,296	<b>46,956</b>		<b>70,002</b>	94,794
12,350	<b>15,779</b>		<b>24,125</b>	23,611
<b>270,856</b>	<b>276,513</b>		<b>442,241</b>	<b>506,825</b>
<b>1,348</b>	<b>1,360</b>		<b>3,081</b>	<b>3,598</b>
<b>10,139</b>	<b>28,213</b>		<b>92,087</b>	<b>108,120</b>
<b>411,034</b>	<b>445,470</b>		<b>763,518</b>	<b>811,444</b>
<b>1,968,765</b>	<b>2,169,235</b>		<b>2,442,192</b>	<b>2,412,132</b>

## Liabilities and Shareholders' Equity at 31 December 2001 (DKK'000)

The Danish Brewery Group A/S		Note	The Group	
2000	2001		2001	2000
<b>SHAREHOLDERS' EQUITY</b>				
62,815	<b>62,815</b>		<b>62,815</b>	62,815
47,886	<b>47,886</b>		<b>47,886</b>	47,886
587,277	<b>519,334</b>		<b>519,334</b>	587,277
<b>697,978</b>	<b>630,035</b>	<b>9</b>	<b>630,035</b>	<b>697,978</b>
<b>0</b>	<b>0</b>		<b>60,268</b>	<b>35,103</b>
<b>697,978</b>	<b>630,035</b>		<b>690,303</b>	<b>733,081</b>
<b>PROVISIONS</b>				
1,692	<b>1,640</b>		<b>3,291</b>	3,082
208,700	<b>212,400</b>	<b>10</b>	<b>217,012</b>	219,678
8,280	<b>600</b>		<b>16,112</b>	37,031
<b>218,672</b>	<b>214,640</b>		<b>236,415</b>	<b>259,791</b>
<b>LIABILITIES</b>				
432,370	<b>400,666</b>	<b>11</b>	<b>468,340</b>	510,580
235,902	<b>413,000</b>		<b>430,916</b>	235,902
6	<b>251</b>		<b>251</b>	6
<b>668,278</b>	<b>813,917</b>		<b>899,507</b>	<b>746,488</b>
30,691	<b>31,705</b>	<b>11</b>	<b>41,455</b>	40,514
102,796	<b>70,598</b>		<b>168,809</b>	184,870
110,996	<b>90,810</b>		<b>173,186</b>	162,627
13,122	<b>193,015</b>		<b>0</b>	0
0	<b>0</b>		<b>9,582</b>	3,380
39,769	<b>36,407</b>		<b>86,952</b>	108,535
58,701	<b>60,454</b>		<b>108,329</b>	145,084
27,762	<b>27,654</b>		<b>27,654</b>	27,762
<b>383,837</b>	<b>510,643</b>		<b>615,967</b>	<b>672,772</b>
<b>1,052,115</b>	<b>1,324,560</b>		<b>1,515,474</b>	<b>1,419,260</b>
<b>1,968,765</b>	<b>2,169,235</b>		<b>2,442,192</b>	<b>2,412,132</b>
		<b>13</b>		
		<b>14</b>		
		<b>15</b>		
		<b>16</b>		



## Consolidated Statement of Cash Flows (DKK '000)

Note	2001	2000
Profit for the year	93,682	135,474
Minority interests' share of profit	3,127	603
<b>12</b> Adjustments	<b>310,051</b>	<b>214,121</b>
Change in working capital:		
+/- change in debtors	96,605	31,119
+/- change in stocks	-20,021	26,718
+/- change in creditors and other liabilities	-89,504	-107,843
<b>Cash flow from operating activities before financial items</b>	<b>393,940</b>	<b>300,192</b>
Financial income	5,671	6,787
Financial expenses	-62,352	-41,459
<b>Cash flow from ordinary activities</b>	<b>337,259</b>	<b>265,520</b>
Corporation tax paid	-46,070	-56,628
<b>Cash flow from operating activities</b>	<b>291,189</b>	<b>208,892</b>
Sale of financial fixed assets	2,479	0
Acquisition of financial fixed assets	-2,902	-6,497
Sale of tangible fixed assets	23,468	27,234
Acquisition of tangible fixed assets	-150,298	-157,171
<b>12</b> Acquisition of subsidiary undertakings	<b>-284,499</b>	<b>-391,062</b>
Dividends from associated undertakings	13,823	8,203
Sale of securities	517	37,748
<b>Cash flow from investing activities</b>	<b>-397,412</b>	<b>-481,545</b>
Proceeds from long-term loans	173,956	237,805
Repayment of long-term loans	-33,057	-22,158
Dividends paid	-27,582	-27,876
Acquisition of own shares	-8,221	-8,542
Change in short-term bank loans and overdrafts	-15,120	55,318
<b>Cash flow from financing activities</b>	<b>89,976</b>	<b>234,547</b>
<b>Change in cash and cash equivalents</b>	<b>-16,247</b>	<b>-38,106</b>
Cash and cash equivalents at beginning of year	108,120	146,314
Currency adjustment	214	-88
<b>Cash and cash equivalents at year end</b>	<b>92,087</b>	<b>108,120</b>

## Notes to Profit and Loss Account (DKK '000)

**Note 1** Geographical distribution of group turnover:

	2001		2000	
	DKK '000	% share	DKK '000	% share
Domestic market	1,493,416	43.8	1,085,650	38.1
Export markets	1,914,646	56.2	1,763,279	61.9
<b>Total</b>	<b>3,408,062</b>	<b>100.0</b>	<b>2,848,929</b>	<b>100.0</b>

**Note 2** The total wages, salaries, staff expenses, etc. paid by The Danish Brewery Group A/S and the Group amount to, respectively, some DKK 316,632,000 and some DKK 477,319,000. The expenses are included in production, sales and distribution costs and administrative expenses and may be specified as follows:

	The Danish Brewery Group A/S		The Group	
	2001	2000	2001	2000
Wages and salaries	272,615	267,062	423,026	359,505
Remuneration of the Management of the Parent Company	8,019	7,571	8,019	7,571
Remuneration of Board of Directors	1,440	1,340	1,440	1,340
Contribution to pension schemes	18,097	14,836	21,733	16,157
Other social security costs	3,225	2,882	4,645	5,924
Other staff expenses	13,236	11,164	18,456	12,138
<b>Total</b>	<b>316,632</b>	<b>304,855</b>	<b>477,319</b>	<b>402,635</b>
Average number of employees	899	943	1,804	1,731

For incentive purposes, the following share option schemes have been established for the Management and members of the Group's management group:

Under the 1998 share option scheme 42,375 share options were issued. 7,500 of these options were issued to the Management of The Danish Brewery Group A/S. The share options may be exercised in the period from August 2001 to March 2003 at a price of 300. At 31 December 2001 none of the above options had been exercised.

Under the 2000 share option scheme 31,138 share options were issued. 9,060 of these options were issued to the Management of The Danish Brewery Group A/S. The share options may be exercised in the period from April 2003 to December 2004 at a price of 221.

Also under the 2000 share option scheme some 31,415 share options were issued.

Some 9,140 of these options were issued to the Management of The Danish Brewery Group A/S.

These share options may be exercised in the period from April 2004 to December 2005 at a price of 219.

Irrespective of the above exercise periods, the option grantee must be employed by or retired from a position with the Group in order to exercise the options granted.

## Notes to Profit and Loss Account (DKK '000)

**Note 2 contd.** Total depreciation of tangible fixed assets for The Danish Brewery Group A/S and the Group amounts to, respectively, some DKK 129,225,000 and some DKK 202,498,000. Depreciation is included in the following items in the profit and loss account:

	The Danish Brewery Group A/S		The Group	
	2001	2000	2001	2000
Production costs	94,900	100,281	129,699	120,477
Sales and distribution costs	25,457	22,504	39,805	31,340
Administrative expenses	8,868	7,064	10,073	8,095
Costs re. termination of brewery activities in the UK	0	0	22,921	
<b>Total</b>	<b>129,225</b>	<b>129,849</b>	<b>202,498</b>	<b>159,912</b>

**Note 3** Other financial income:  
In 2001, financial income includes some DKK 1,672,000 relating to subsidiary undertakings compared to some DKK 889,000 in 2000.

**Note 4** Financial expenses:  
In 2001, financial expenses include some DKK 5,276,000 relating to subsidiary undertakings compared to some DKK 1,105,000 in 2000.

**Note 5** Tax on the profit for the year amounts to some DKK 42,880 comprising:

	2001	2000
Tax on the taxable income for the year	25,597	37,886
Adjustment, previous year	0	2,925
Provision for deferred tax in Parent Company	3,700	10,602
Adjustment of deferred tax computation from 32% to 30%	0	-13,913
Corporation tax, etc. in subsidiary and associated undertakings	13,583	16,087
<b>Total</b>	<b>42,880</b>	<b>53,587</b>

The Parent Company has paid taxes amounting to some DKK 37,241,000 during the year. The taxes paid by the other group companies amount to some DKK 8,829,000. At 31 December 2001, deferred taxes total some DKK 217.0 million, including DKK 212.4 million for the Parent Company.

The difference between the realised tax percentage of 30% and the estimated tax percentage of 33% is attributable to non-taxable income (2%) and a change in subsidiary results (1%).

## Notes to Assets (DKK '000)

### Note 6 Tangible fixed assets

The Danish Brewery Group A/S	Land and buildings	Technical instal. and machinery	Other instal., operating equip. and fixtures	Leasehold improvements	Tangible fixed assets under construction	Total
Cost at 1 January 2001	639,638	860,098	511,184	4,979	13,559	2,029,458
Additions during the year	6,230	33,859	58,508	242	9,165	108,004
Disposals during the year	-4,312	-16,471	-15,893			-36,676
Transferred to/from other items	4,645	5,583	1,513		-11,741	0
<b>Cost at 31 December 2001</b>	<b>646,201</b>	<b>883,069</b>	<b>555,312</b>	<b>5,221</b>	<b>10,983</b>	<b>2,100,786</b>
Depreciation and write-down at 1 January 2001	177,020	539,419	257,368	4,867	0	978,674
Depreciation for the year	15,957	71,952	41,250	66		129,225
Depreciation and write-down eliminated on assets sold and discontinued	-1,226	-15,646	-12,766			-29,638
<b>Depreciation and write-down at 31 December 2001</b>	<b>191,751</b>	<b>595,725</b>	<b>285,852</b>	<b>4,933</b>	<b>0</b>	<b>1,078,261</b>
<b>Book value at 31 December 2001</b>	<b>454,450</b>	<b>287,344</b>	<b>269,460</b>	<b>288</b>	<b>10,983</b>	<b>1,022,525</b>

According to the latest official assessment for property tax purposes at 1 January 2001, the value of the properties aggregated DKK 358.3 million (cash property value). Capitalised mortgaging costs amounting to DKK 23.0 million are included in land and buildings (2000: DKK 23.2 million).

Land and buildings at a book value of DKK 430.1/620.0 million have been provided as security for mortgage loans of DKK 432.2/509.8 million. (Parent Company/Group).

## Notes to Assets (DKK '000)

### Note 6 Tangible fixed assets contd.

The Group	Land and buildings	Technical instal. and machinery	Other instal, operating equip. and fixtures	Leasehold improve- ments	Tangible fixed assets under construction	Total
Cost at 1 January 2001	1,006,147	1,342,497	625,774	4,979	22,684	3,002,081
Currency translation adjustment	1,975	2,740	837		334	5,886
Adjustment of cost re. previous years	1,150	12,586	405			14,141
Additions upon acquisitions	58,727	16,858	169,099		3,110	247,794
Additions during the year	16,493	40,542	57,125	242	35,896	150,298
Disposals during the year	-25,855	-68,756	-29,963			-124,574
Transferred to/from other items	8,451	25,988	4,681		-39,120	0
<b>Cost at 31 December 2001</b>	<b>1,067,088</b>	<b>1,372,455</b>	<b>827,958</b>	<b>5,221</b>	<b>22,904</b>	<b>3,295,626</b>
Depreciation and write-down at 1 January 2001	327,675	865,987	305,341	4,867	0	1,503,870
Currency translation adjustment	170	1,275	446			1,891
Adjustment of cost re. previous years	-1,747	15,509	379			14,141
Additions upon acquisitions	8,209	1,712	80,584			90,505
Depreciation for the year	27,623	118,877	55,932	66		202,498
Depreciation and write-down eliminated on assets sold and discontinued	-16,580	-67,436	-24,139			-108,155
<b>Depreciation and write-down at 31 December 2001</b>	<b>345,350</b>	<b>935,924</b>	<b>418,543</b>	<b>4,933</b>	<b>0</b>	<b>1,704,750</b>
<b>Book value at 31 December 2001</b>	<b>721,738</b>	<b>436,531</b>	<b>409,415</b>	<b>288</b>	<b>22,904</b>	<b>1,590,876</b>



## Notes to Assets (DKK '000)

### Note 6 Financial fixed assets contd.

<b>The Danish Brewery Group A/S</b>	<b>Investments in subsidiary undertakings</b>	<b>Investments in associated undertakings</b>	<b>Other amounts due</b>	<b>Total</b>
Cost at 1 January 2001	694,181	11,653	4,418	710,252
Currency translation adjustment	18,334			18,334
Additions during the year	290,167	3,916	2,985	297,068
Disposals during the year		-5,157	-285	-5,442
<b>Cost at 31 December 2001</b>	<b>1,002,682</b>	<b>10,412</b>	<b>7,118</b>	<b>1,020,212</b>
Revaluation at 1 January 2001	40,450	366	0	40,816
Currency translation adjustment	-32			-32
Dividends	-1,134			-1,134
Revaluation for the year	12,020			12,020
Disposals during the year		-366		-366
Transferred to/from other items	1,486			1,486
<b>Revaluation at 31 December 2001</b>	<b>52,790</b>	<b>0</b>	<b>0</b>	<b>52,790</b>
Write-down at 1 January 2001	242,116	2,005	0	244,121
Currency translation adjustment	14,828			14,828
Goodwill	124,491	3,935		128,426
Dividends	15,361			15,361
Adjustment re. negative equity in subsidiary undertakings	-27,262			-27,262
Write-down for the year	-6,039	2,633		-3,406
Disposals during the year		-3,044		-3,044
Transferred to/from other items	2,738			2,738
<b>Write-down at 31 December 2001</b>	<b>366,233</b>	<b>5,529</b>	<b>0</b>	<b>371,762</b>
<b>Book value at 31 December 2001</b>	<b>689,239</b>	<b>4,883</b>	<b>7,118</b>	<b>701,240</b>

## Notes to Assets (DKK '000)

### Note 6 Financial fixed assets contd.

<b>The Group</b>	<b>Investments in subsidiary undertakings</b>	<b>Investments in associated undertakings</b>	<b>Other amounts due</b>	<b>Total</b>
Cost at 1 January 2001	0	64,289	24,511	88,800
Currency translation adjustment		1,040	-45	995
Additions during the year		3,915	2,985	6,900
Disposals during the year		-5,157	-285	-5,442
Transferred to/from other items			-7,920	-7,920
<b>Cost at 31 December 2001</b>	<b>0</b>	<b>64,087</b>	<b>19,246</b>	<b>83,333</b>
Revaluation at 1 January 2001	0	27,330	0	27,330
Dividends		-8,946		-8,946
Revaluation for the year		9,523		9,523
Disposals during the year		-366		-366
Transferred to/from other items		-1,815		-1,815
<b>Revaluation at 31 December 2001</b>	<b>0</b>	<b>25,726</b>	<b>0</b>	<b>25,726</b>
Write-down at 1 January 2001	0	2,005	11,648	13,653
Currency translation adjustment		1,663	-43	1,620
Goodwill		3,935		3,935
Dividends		4,877		4,877
Write-down for the year		1,765	270	2,035
Disposals during the year		-3,044		-3,044
Transferred to/from other items		-1,815		-1,815
<b>Write-down at 31 December 2001</b>	<b>0</b>	<b>9,386</b>	<b>11,875</b>	<b>21,261</b>
<b>Book value at 31 December 2001</b>	<b>0</b>	<b>80,427</b>	<b>7,371</b>	<b>87,798</b>

**Note 7** Stocks of finished goods are, as in 2000, stated at acquisition cost with the addition of indirect production costs. Indirect production costs amount to DKK 24.3/30.7 million in 2001 compared to DKK 21.9/30.6 million in 2000 (Parent Company/Group).

## Notes to Liabilities and Shareholders' Equity (DKK '000)

### Note 8 Own shares

	The Danish Brewery Group A/S		The Group	
	2001	2000	2001	2000
Balance at 1 January 2001	0	0	0	0
Additions	8,221	8,542	8,221	8,542
Disposals	-3,443	0	-3,443	0
Transferred to equity	-4,778	-8,542	-4,778	-8,542
<b>Balance at 31 December 2001</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Number</b>	<b>Nom. value</b>	<b>% of equity</b>	
Holding at 1 January 2001	112,296	1,123	1.8	
Additions	40,000	400	0.6	
Disposals	-16,000	-160	-0.2	
<b>Holding at 31 December 2001</b>	<b>136,296</b>	<b>1,363</b>	<b>2.2</b>	

### Note 9 Change in shareholders' equity during the year:

#### The Danish Brewery Group A/S

	Share capital	Share premium account	Profit and loss account	Total shareholders' equity
Balance at 1 January 2001	62,815	47,886	587,277	697,978
Acquisition of goodwill on consolidation			-128,426	-128,426
Revaluation of own shares used for acquisition purposes			3,443	3,443
Acquisition of own shares			-8,221	-8,221
Dividends own shares			180	180
Allocated from profit for the year			66,028	66,028
Currency translation adjustment re. subsidiary undertakings			-947	-947
<b>Balance at 31 December 2001</b>	<b>62,815</b>	<b>47,886</b>	<b>519,334</b>	<b>630,035</b>

The share capital of DKK 62,815,310 is divided into shares of DKK 10.

#### The Group

Balance at 1 January 2001	62,815	47,886	587,277	697,978
Acquisition of goodwill on consolidation			-128,426	-128,426
Revaluation of own shares used for acquisition purposes			3,443	3,443
Acquisition of own shares			-8,221	-8,221
Dividends own shares			180	180
Allocated from profit for the year			66,028	66,028
Currency translation adjustment re. subsidiary undertakings			-947	-947
<b>Balance at 31 December 2001</b>	<b>62,815</b>	<b>47,886</b>	<b>519,334</b>	<b>630,035</b>

## Notes to Liabilities and Shareholders' Equity (DKK '000)

<b>Note 10</b>	<b>Deferred tax</b>	<b>The Danish Brewery Group A/S</b>		<b>The Group</b>	
		<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	Deferred tax at 1 January 2001	208,700	212,011	219,678	214,755
	Deferred tax for the year	3,700	10,602	-2,666	18,836
	Adjustment due to changed rate	0	-13,913	0	-13,913
	<b>Deferred tax at 31 December</b>	<b>212,400</b>	<b>208,700</b>	<b>217,012</b>	<b>219,678</b>
	<b>Deferred tax relates to:</b>				
	Intangible fixed assets	-5,548	-6,594	-4,732	-5,657
	Tangible fixed assets	200,749	203,147	208,750	212,945
	Financial fixed assets	3,237	3,441	3,237	3,441
	Current assets	15,691	13,076	15,562	19,882
	Provisions	-492	-508	-2,686	-508
	Liabilities	-1,237	-3,862	-3,119	-10,425
		<b>212,400</b>	<b>208,700</b>	<b>217,012</b>	<b>219,678</b>

One group company has an unutilised tax loss of some DKK 12 million at 31 December 2001. The corresponding tax asset has not been capitalised as the loss is not expected to be utilised.

**Note 11** The market value of the mortgage debt at 31 December 2001 amounts to DKK 437/514 million. The portion of the mortgage debt falling due in the year 2007 or later amounts to DKK 256/268 million (Parent Company/Group).

## Other notes (DKK '000)

<b>Note 12</b>	<b>Adjustment of cash flows:</b>	<b>2001</b>	<b>2000</b>
	Financial income	-5,671	-25,220
	Financial expenses	62,352	42,395
	Depreciation and write-down of other amounts due	202,498	160,448
	Tax on the profit for the year	42,880	53,587
	Income from investments in associated undertakings	-7,758	-16,594
	Net profit from sale of tangible fixed assets	-7,050	-12,962
	Net profit from sale of financial fixed assets	0	8,000
	Adjustment of provisions	22,800	4,467
	<b>Total</b>	<b>310,051</b>	<b>214,121</b>

### **Acquisitions:**

Assets acquired:

Fixed assets	-157,289	-429,235
Current assets	-52,155	-196,784

Liabilities acquired:

Provisions	4,484	18,239
Long-term liabilities	8,257	56,564
Current liabilities	10,476	175,219
Minority interests	24,638	34,164
Goodwill on consolidation	-131,237	-84,650

<b>Acquisition price</b>	<b>-292,826</b>	<b>-426,483</b>
including cash and cash equivalents of	8,327	21,232
including holding of own shares of	0	14,189
<b>Cash acquisition price</b>	<b>-284,499</b>	<b>-391,062</b>



## Other notes (DKK '000)

### Note 13

	The Danish Brewery Group A/S	
	2001	2000
Fee for the audit of the annual accounts:		
PricewaterhouseCoopers	625	600
Ernst & Young	625	600
Fee for non-audit services:		
PricewaterhouseCoopers	823	499
Ernst & Young	1,347	557

### Note 14 Contingent liabilities and additional information (DKK million)

Guarantees	The Danish Brewery Group A/S		The Group	
	2001	2000	2001	2000
Guarantees relating to subsidiary undertakings	25.3	7.2		
Other guarantees	24.2	21.0	24.2	21.0
<b>Total</b>	<b>49.5</b>	<b>28.2</b>	<b>24.2</b>	<b>21.0</b>
<b>Lease commitments (present value)</b>	<b>5.4</b>	<b>9.2</b>	<b>9.8</b>	<b>9.4</b>
<b>Repurchase obligations relating to packaging in circulation</b>	<b>71.1</b>	<b>82.1</b>	<b>139.6</b>	<b>153.4</b>

The jointly taxed Danish group companies are jointly and severally liable for tax on the income subject to joint taxation.

## Other notes (DKK '000)

### Note 15 Currency and interest rate exposure and use of derivative financial instruments

	Currency exposure			
	Amounts owed	Liabilities	Hedged by forward contract/loan	Net position
CAD	325		325	0
EURO	9,795	-375	9,420	0
GBP	2,504	-139	1,778	587
LTL	1,628		1,628	0
NOK		-2	0	-2
PLN	13,647		13,647	0
SEK	1,581	-13,784	-12,203	0
USD	1,652	-167	1,485	0
ZAR	937		937	0

All positions have terms of maturity of less than one year.

	Period	Contractual value		Deferred recognition in profit and loss account of gains (+)/losses (-) expected to be realised after the balance sheet date	
		2001	2000	2001	2000
Forward exchange contracts	0-1 year	664,158	692,106	-9,803	-2,546

	Time of repricing/maturity			Fixed-interest part	Effective yield %
	0-1 year	1-5 years	>5 years		
Banks and mortgage banks	36,595	354,810	549,306	626,171	5.3
Banks, short-term	168,809	0	0	10,142	4.8
	<b>205,404</b>	<b>354,810</b>	<b>549,306</b>	<b>636,313</b>	

The effective yields have been calculated based on the interest rate level as at 31 December 2001. The earlier of time of repricing and time of repayment has been used.

### Note 16 Related parties

Related parties comprise the Board of Directors and the Management as well as group undertakings, cf. Group Structure. Transactions with related parties are carried out on an arm's length basis.



## Financial calendar for 2002

28 May 2002	Ordinary general meeting in Århus
30 May 2002	Shareholders' meeting in Faxe

### **Expected announcements of financial results:**

28 May 2002	Interim report, first quarter 2002
27 August 2002	Interim report and accounts (semi-annual) 2002
26 November 2002	Interim report, third quarter 2002

## Announcements to the Copenhagen stock exchange in 2001

06 March 2001	01/2001	The Danish Brewery Group's Financial Calendar for 2001
21 March 2001	02/2001	Year-end report 2000
30 March 2001	03/2001	The Danish Brewery Group A/S acquires own shares
31 May 2001	03/2001	The Danish Brewery Group's Interim Report for 1st Quarter 2001
31 May 2001	04/2001	Ordinary general meeting of The Danish Brewery Group A/S
06 June 2001	05/2001	The Danish Brewery Group expands its distribution platform in Poland.
29 August 2001	06/2001	Announcement of Financial Results for the First Six Months of 2001
08 October 2001	07/2001	The Danish Brewery Group acquires Lithuanian brewery AB Kalnapilis
19 October 2001	08/2001	The Danish Brewery Group's acquisition of Lithuanian brewery AB approved by Lithuanian competition authorities
28 November 2001	09/2001	The Danish Brewery Group's Interim Report for 3rd Quarter 2001
28 December 2001	10/2001	The Danish Brewery Group decides to dispose of brewery in the UK and records disappointing Christmas sales



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*Albani*

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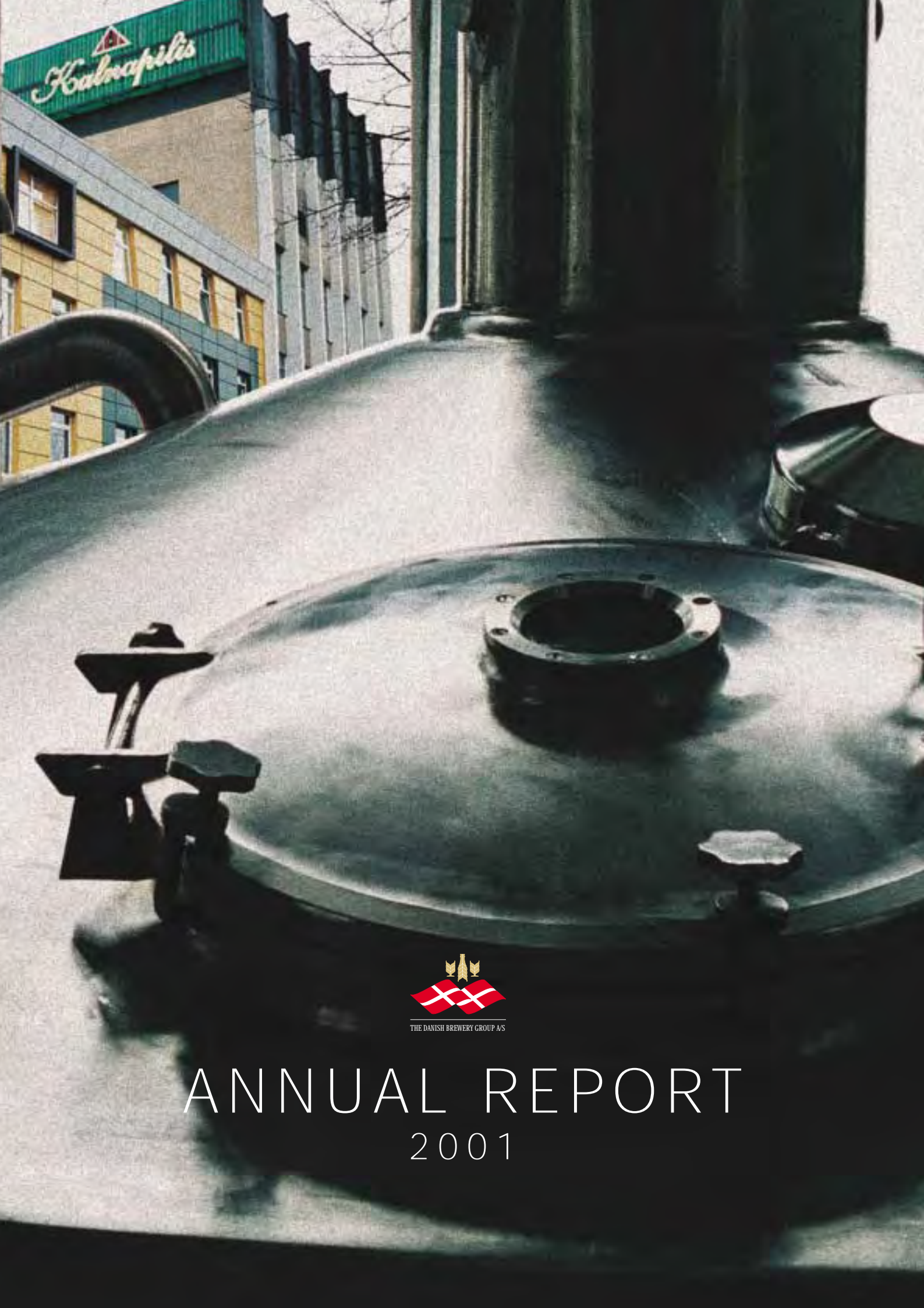
  
*Kalnapilis*

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**TAURAS**

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THE DANISH BREWERY GROUP A/S

# ANNUAL REPORT

2001