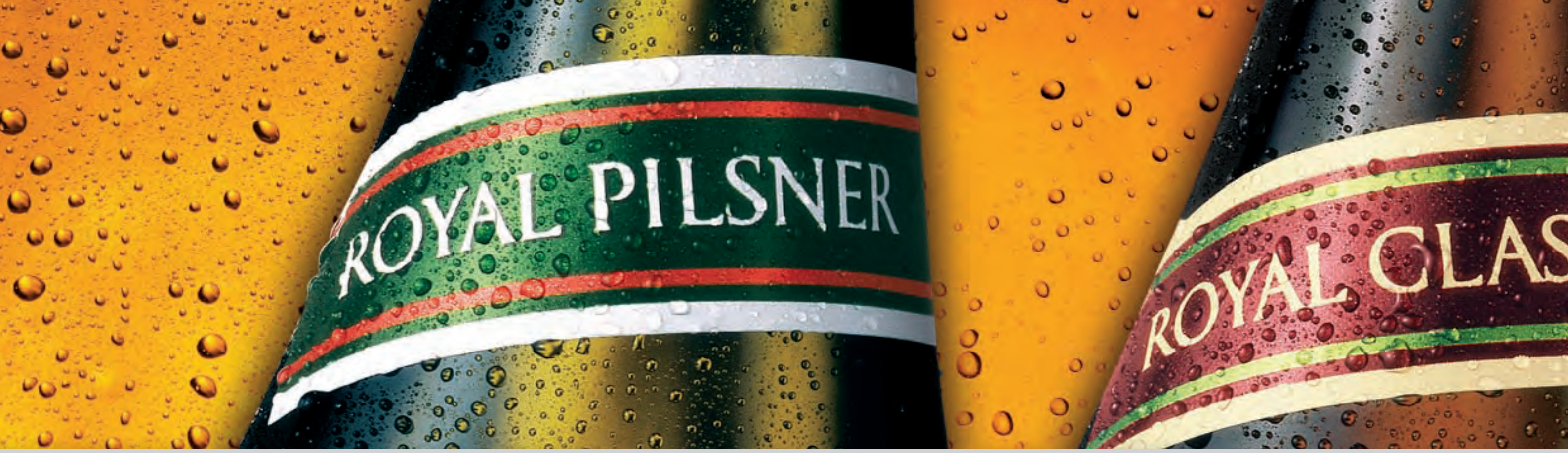

The Danish Brewery Group A/S

THE DANISH BREWERY GROUP A/S

ANNUAL REPORT 2003

The Danish Brewery Group A/S is Scandinavia's second-largest brewery group comprising four Danish and two Lithuanian breweries. The Danish breweries are Albani Bryggerierne, Ceres Bryggerierne, Faxe Bryggeri and Maribo Bryghus. The Lithuanian breweries are Tauras and Kalnapilis. In Norway, The Danish Brewery Group holds 25% of Hansa Borg Bryggerierne, which also produces some of the Group's products under licence. Furthermore, the Group's products are produced under licence in the Caribbean and Africa. The Danish Brewery Group has approx. 1,500 employees world-wide. The Danish Brewery Group exports to approx. 65 countries throughout the world.

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www.bryggerigruppen.dk

CONTENTS

Financial Highlights and Key Ratios of The Danish Brewery Group A/S 2003-1999 (Group)

	2003	2002	2001	2000	1999
Sales (million hectolitres)	**4.1**	4.5	4.4	3.8	3.3
Financial highlights (mDKK)					
Income statement					
Net revenue	**2,633.1**	2,777.6	2,724.1	2,334.4	2,027.9
Operating profit	**282.9**	252.4	196.2	128.2	158.9
Profit before financial income and expenses	**242.9**	265.6	157.6	128.2	158.9
Net financials	**-20.0**	-31.4	-47.0	-0.8	57.4
Profit before tax	**223.0**	234.3	110.6	127.4	216.4
Consolidated profit	**152.7**	157.4	73.5	91.1	166.2
The Danish Brewery Group A/S' share of profit	**152.3**	157.2	70.4	90.5	166.4
Balance sheet					
Total assets	**2,448.1**	2,495.4	2,599.7	2,476.9	1,922.3
Equity	**995.8**	923.5	734.4	706.8	662.2
Net interest-bearing debt	**621.1**	794.8	1.012.0	857.4	482.6
Free cash flow	**265.7**	248.2	178.2	87.2	5.4
Per share					
The Danish Brewery Group A/S' share of earnings per share (DKK)	**23.8**	25.0	11.4	14.6	26.8
Cash flow per share	**56.0**	53.1	47.3	33.7	38.1
Dividend per share	**7.5**	7.5	4.5	4.5	4.5
Year-end price per share	**375.0**	206.9	198.1	202.6	187.6
Employees					
Average number of employees	**1,517**	1,789	1,804	1,731	1,282
Key Figures (mDKK)					
EBIT	**242.9**	265.6	157.6	128.2	158.9
EBITDA	**430.5**	438.7	368.7	333.9	287.7
EBITA	**257.3**	279.4	171.1	141.7	165.7
Key Ratios (%)					
Profit margin	**10.7**	9.1	7.2	5.5	7.8
Return on net assets	**12.7**	10.8	8.4	6.4	9.8
Asset turnover	**1.1**	1.1	1.0	0.9	1.0
Net return on equity	**15.9**	19.0	10.2	13.3	28.4
Return on invested capital	**10.1**	8.8	7.1	5.4	8.6
Equity ratio	**40.7**	37.0	28.3	28.5	34.4
Debt ratio	**62.4**	86.1	137.8	121.3	72.9

Definitions of key figures and ratios:

Net-interest bearing debt	Mortgage debt and debt to credit institutions less cash at bank and in hand, current asset investment and interest-bearing receivables.
Free cash flow	Cash flow from operating activities less net investments in property, plant and equipment and plus dividends from associates.
Earnings per share (DKK)	The Danish Brewery Group A/S' share of the profit for the year/number of shares in circulation.
Cash flow per share (DKK)	Cash flow from operating activities/number of shares in circulation.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EBITA	Earnings before interest, tax and amortisation of goodwill.
Profit margin	Operating profit as a percentage of net revenue.
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 associates.
Asset turnover	Net revenue/total assets at year end.
Net return on equity	Consolidated profit after tax as a percentage of average equity.
Return on invested capital (ROIC)	Operating profit net of tax as a percentage of average invested capital (equity + minority interests + net interest-bearing debt + provisions – fixed asset investments).
Equity ratio	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.

Profit before tax amounting to DKK 223 million

Adjusted for ”Special Items” in both 2003 (the Randers brewery) and 2002 (Robert Cain & Co. Ltd.) this equals an increase of DKK 41.9 million

Operating profit up by 12% to DKK 283 million

Profit margin increase to 10.7% from 9.1% in 2002

Return on invested capital (adjusted for ”Special Items”) amounting to 10.1% against 8.8% in 2002

Free cash flow amounting to DKK 266 million against DKK 248 million in 2002

Expected profit before tax for 2004 of DKK 280-320 million

Proposed unchanged dividend of DKK 7.5 per share (dividend rate 32%)

The Company intends to continue its share buy-back programme

SUPERVISORY BOARD

K. E. Borup, Director (Chairman)

Steen Weirsøe, CEO (Deputy Chairman)

Henrik Brandt, CEO

Ulrik Bülow, CEO

Erik Christensen, Stores Manager*

Flemming Hansen, Specialist Worker*

Niels Chr. Knudsen, Professor,
Doctor of Economics

Søren Lorentzen, Specialist Worker*

Michael Chr. Olsen, Specialist Worker*

Tommy Pedersen, CEO

EXECUTIVE BOARD

Poul Møller, CEO

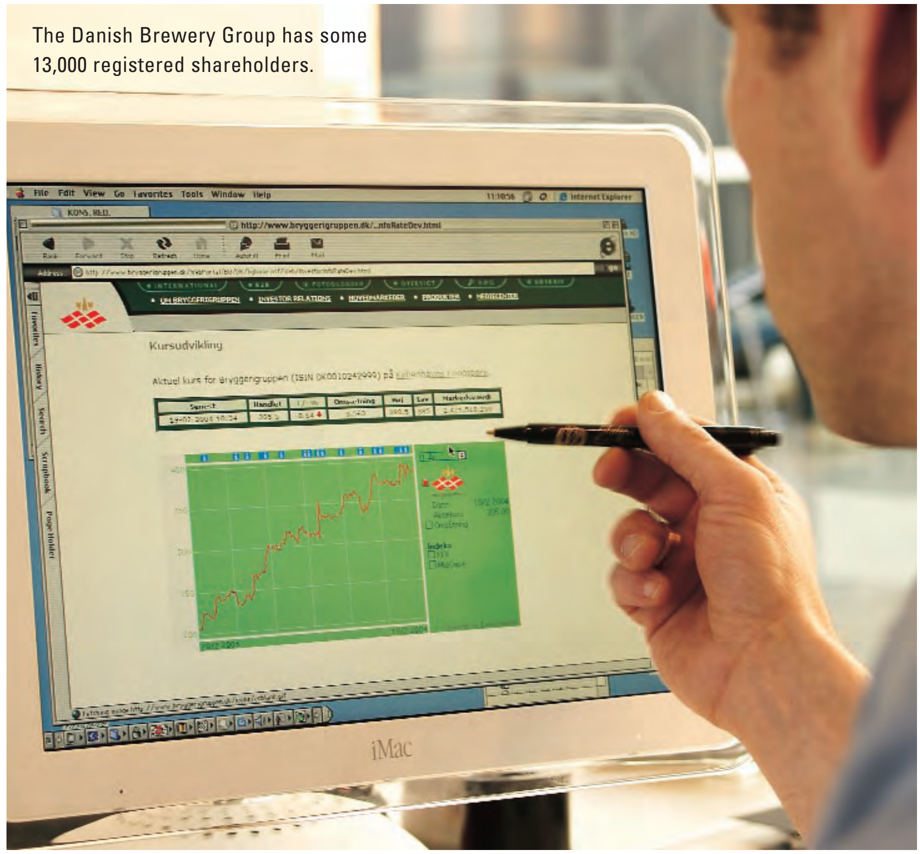
Connie Astrup-Larsen,
International Director
for Eastern and Central Europe

Povl Friis, Technical Director

Leif Rasmussen,
Sales and Marketing Director

Ulrik Sørensen, CFO

*elected by the employees



The Danish Brewery Group has some 13,000 registered shareholders.

Photo: Mads Armgaard

SHAREHOLDER INFORMATION

Shares

The Company's share capital amounts to DKK 65,635,090 distributed on shares of DKK 10 each or multiples hereof. The shares are issued to bearer but may be registered to the holder in the Company's register of shareholders. The registrar is Nordea Bank Danmark A/S, Issuer Services HH, P.O. Box 850, DK-0900 København C.

Each share of DKK 10 carries one vote. Any shareholder registered in the Company's register of shareholders is entitled to vote. However, no shareholder may on his own behalf or by proxy exercise voting powers for a share purchase of more than 10% of the share capital of the Company from time to time.

There are some 13,000 registered shareholders, including 1,023 current or former employees of the Company. At 31 December 2003, the registered shareholders represented a total capital of DKK 52,411,790 million equal to 79.85% of the share capital.

The shares of The Danish Brewery Group were traded at a high of DKK 385.11 and a low of DKK 198.00 during the year.

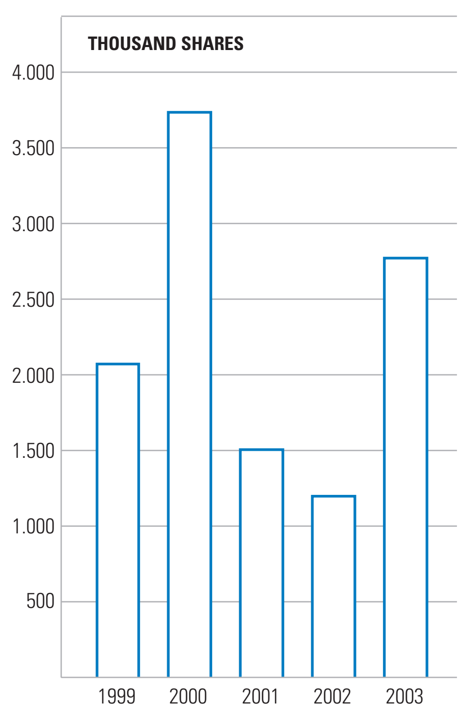
Trading codes

The Copenhagen Stock Exchange - DK0010242999

Reuters - BRYG.CO

Bloomberg – BRYG DC

Revenue



Plus Portal

As a new feature, the Copenhagen Stock Exchange has established a website for the 50 companies of the MidCap+ and SmallCap+ segments. The website is called "Plus-Portal" (www.plus-portal.dk) and was launched in February 2004.

The purpose of the website is to provide investors and the press with a new forum from which they may obtain all significant information on the individual company and the two segments.

The Danish Brewery Group, which is included in MidCap+, is among the 25 enterprises in the segments that have opted to participate more actively with news and investor relations information on the Plus Portal.

The Danish Brewery Group has welcomed the initiative from the Copenhagen Stock Exchange as the Portal provides the Company with a good opportunity of strengthening the dialogue with investors and the press and of increasing knowledge of The Danish Brewery Group.

Mix of shareholders

The following shareholders have, pursuant to section 28a of the Danish Companies Act, reported shareholdings in excess of 5% of the share capital:

Shareholder	Investment %
Danske Bank Holmens Kanal 2-12 DK-1092 Copenhagen	9.80
Lønmodtagernes Dyrtidsfond Vendersgade 28, 1 DK-1363 Copenhagen	8.96
ATP Kongens Vænge 8 DK-3400 Hillerød	7.03
Fidelity Investments 82 Devonshire Street Boston Massachusetts 02109 USA	6.08

The shareholders of The Danish Brewery Group are as follows:

Shareholders	Investment (%)
Danish institutional investors	36.08
Foreign investors	25.93
Individual Danish investors	25.31
Employee shareholders	1.83
Non-registered	10.85
Total	100.00

Financial calendar 2004

Annual General Meeting and meetings of shareholders:

27 April 2004:	Annual General Meeting in Faxe
28 April 2004:	Meeting of shareholders in Århus
4 May 2004:	Meeting of shareholders in Odense

Expected announcements of financial results:

17 March 2004:	Annual Report 2003
27 April 2004:	1st Quarter Report 2004
24 August 2004:	Interim Report 2004
18 November 2004:	3rd Quarter Report 2004

Investor relations activities

In order to ensure, directly or indirectly, liquidity of The Danish Brewery Group share, the Group strives at all times at having close relations to the share market by maintaining a level of information that meets the requirements of investors and analysts.

An Annual General Meeting and two annual meetings of shareholders are held. Furthermore, The Danish Brewery Group holds both analyst and investor meetings in Denmark and abroad in connection with the publication of its Interim Report and Annual Report. Moreover, The Danish Brewery Group participated in Sydbank's events for small investors in Funen and South Jutland on 7 and 10 April, respectively, which attracted many interested investors. The Group also participated in Egns-Invest's event in Copenhagen for Jutland savings bank branches and in the Small and MidCap seminar organised by Danske Equities.

The Brew Magazine, which is the shareholder magazine of The Danish Brewery Group, is issued four times a year and is sent to all registered shareholders and other stakeholders.

As an element in Corporate Governance, we have established a communication policy to extend knowledge of The Danish Brewery Group and strengthen the Group's image through proactive, honest and open communication and dialogue with both internal and external stakeholders. Information should be communicated on a timely basis, and employees should always be informed at the same time as the general public.

The company's openness is limited only by the duty of disclosure imposed by the

Share-related ratios

Per share	2003	2002	2001	2000	1999
The Danish Brewery Group A/S' share of earnings per share (DKK)	**23.8**	25.0	11.4	14.6	26.8
Cash flow per share	**56.0**	53.1	47.3	33.7	38.1
Year-end price per share	**375.0**	206.9	198.1	202.6	187.6
Dividend per share	**7.5**	7.5	4.5	4.5	4.5

Copenhagen Stock Exchange, the consideration for our customers and employees and competitive considerations.

Distribution of profit for the year

The Supervisory Board recommends to the Annual General Meeting the payment of unchanged dividend of DKK 7.5 per share of DKK 10, equal to a dividend rate of some 32%. The proposed dividend totals DKK 49.2 million. The Supervisory Board proposes that the remaining profit of DKK 103 million be allocated to retained earnings.

Furthermore, the Supervisory Board intends to recommend that the Annual General Meeting on 27 April 2004 authorise the Supervisory Board to acquire up to 10% treasury shares, cf. section 48 of the Danish Companies Act, in the period up until the next Annual General Meeting - cf. the section "Dividend and share buy-back programme".

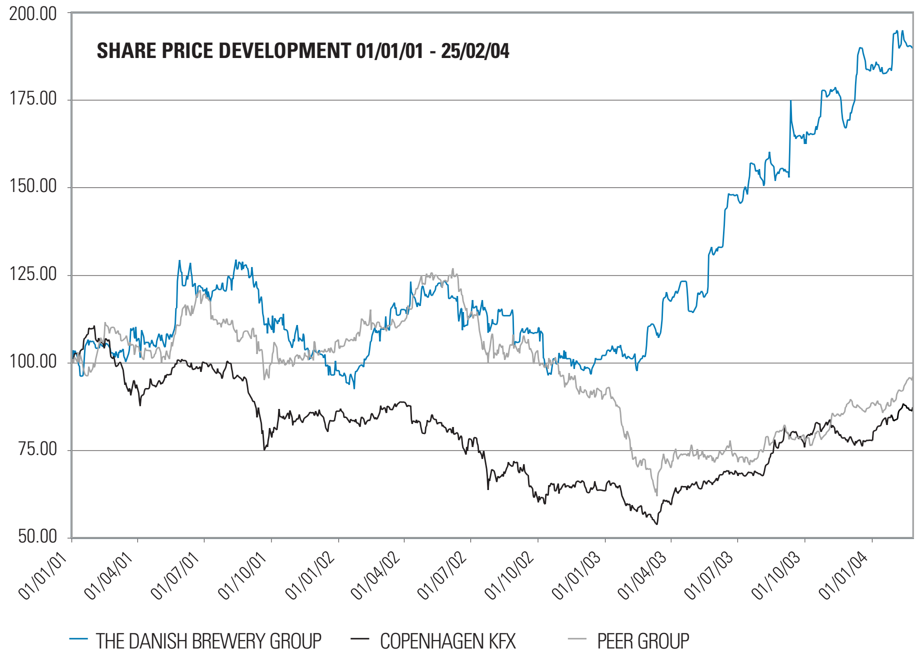
Analysts

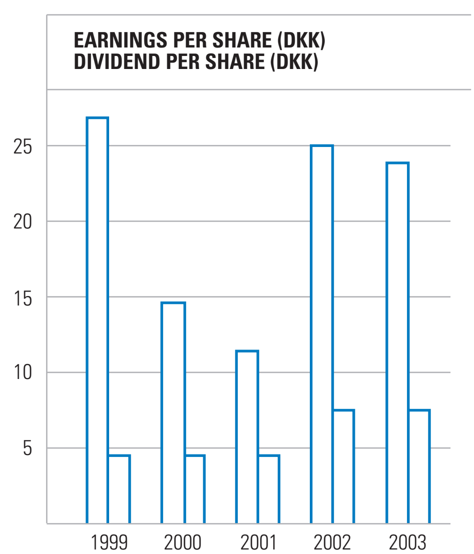
The following institutions monitor the development of The Danish Brewery Group:

Firm of analysts	Analyst
Alfred Berg ABN-Amro	Jesper Breitenstein
Carnegie	Julie Quist
Crédit Suisse First Boston	Andy Bowley
Danske Equities	Peter Kondrup
Enskilda Securities	Hans Gregersen
Gudme Raaschou	Stig Frederiksen
ABG Sundal Collier, Oslo	Torgeir Vaage
WestLB Panmure, London	Stuart Price

Share performance

The Danish Brewery Group share compared to the KFX Index and the Peer Group consisting of Carlsberg, Heineken, Scottish & Newcastle, SABMiller and Interbrew.





FOCUS ON PROFITABILITY AND VALUE CREATION HAS BEEN SUCCESSFUL

Photo: Steen Brogaard

Poul Møller, CEO - we are now giving an extra boost to profitability and value creation.

2003 was a year characterised by interesting challenges and strict focus on achieving profitability and value creation to meet the financial targets which were established in connection with the V8 Strategic Plan of The Danish Brewery Group. And our efforts have been fruitful. In 2003 we achieved a profit before tax of almost DKK 223 million. Adjusted for special items relating to the closure of the Randers brewery and in 2002, this is the best performance ever by The Danish Brewery Group. Profit before tax has increased by some DKK 42 million. Operating profit has increased by 12% to DKK 283 million.

In our financial targets for V8, we promised an increase in return on invested capital (ROIC) and profit margin to more than 10% in 2004 as well as generation of a cash flow of more than DKK 200 million per year.

In 2003 return on invested capital increased to 10.1%, profit margin increased to 10.7% and free cash flow amounts to DKK 266 million. Accordingly, we have succeeded in achieving the V8 targets already in 2003. The results show that our strategy has been – and is – right.

We will propose that our shareholders, who have supported The Danish Brewery Group loyally in 2003, receive unchanged dividend of DKK 7.5 per share. At the same time, the Supervisory Board will propose that the Company's share capital be reduced by treasury shares acquired in the past year, and that the acquisition of treasury shares continue up until the Annual General Meeting in 2005.

Competitiveness strengthened

2003 was a year of many challenges. The closure of Thor Bryggerierne in Randers progressed as planned and, as anticipated, the closure means an earnings increase of DKK 15 million from 2004 onwards. Thor beer sales have been kept at the same level.

In the Danish market, our commitment to Royal as a national brand was successful. Royal is today Denmark's leading strong beer brand holding a market share of more than 20% of the strong beer market (cross-border trading excluded). Now the success is followed up by the launch of Royal Pilsner and Royal Classic in the lager segment, which is Denmark's largest beer segment.

We also launched Heineken in the Danish market with highly satisfactory results. The launch doubled foreign beer sales in Denmark, and today Heineken alone holds half of the foreign beer market. In the summer of 2004, we started brewing Heineken in Denmark. Previously, the beer was transported in tankers from the Netherlands.

2003 was also the year when we seriously intensified our efforts to optimise our resources and business procedures. This has resulted in e.g. improved production planning, a reduction of our product range and enhanced centralisation of purchases. The promised savings from the projects of some DKK 20 million as of 2004 have been achieved. New optimisation projects have already been initiated - to contribute additional annual savings of DKK 15 million as of 2005.

Focus on international strategy

Looking at our overall strategy for the international markets, we introduced the concepts "Premier League" and "First Division" in 2003. "Premier League" is used to indicate our key focus markets, which are the following six markets: the Nordic countries, the Baltic countries, Germany, Italy, Africa and the Caribbean.

The purpose of our strategy is to enhance our market penetration thus increasing our possibilities of exploiting market potentials. In 2003 this resulted in, among other things, our acquisition of 51% of the shares of the distribution company Impec Holding. We made this acquisition to increase earnings, extend our distribution network, increase focus on the products of The Danish Brewery Group and because we wished to set up in the Caribbean. In that connection, we established our own sales office on the island of Guadeloupe. The same applies to Africa where we will open a sales office in Ghana in 2004.

The Danish Brewery Group's position in Italy was further strengthened in 2003. We offer the best distribution of beer to the HoReCa segment, which is the largest segment in Italy. In 2003 we launched Ceres Top in the Italian market. We achieved a distribution rate of 30%, which is highly satisfactory. Our product launches are being followed up by creative and innovation marketing campaigns which are very successful. In 2004 Ceres Top was launched in a 1-litre can.

In Lithuania we launched a number of initiatives in 2003 by way of establishing a new sales organisation as well as efficiency enhancing and cost reductions to turn the declining market trend. Our initiatives resulted in distinct performance improvement in the second half of 2003 compared to the same period of 2002.

We expect to be able to sustain the positive development and increase The Danish Brewery Group's earnings in Lithuania significantly. We are convinced that the Lithuanian market has unexploited potential for quality beer, and we will therefore in 2004 relaunch the Kalnapilis brand in our most comprehensive marketing effort ever in Lithuania. The objective is to achieve that consumers regard Kalnapilis as the best beer and the most modern brand.

In Germany the new deposit legislation had strong influence on our revenue in the German market - disregarding cross-border trading. The deposit legislation has favoured recyclable bottles and we only sell canned beer in Germany. However, we are now ready to launch a new high-quality plastic bottle in the German market - a bottle that, apart from keeping the beer fresher - has been developed to allow for German supermarkets themselves destroying the bottles along wither the rest of their plastic waste. We are also on the verge of launching a returnable glass bottle (66 cl) to the German market.

We continuously keep our eye on the markets that generate the best results. As a result, we have withdrawn from 10 countries during 2003, leaving us with a presence in 65 markets. We stay only in markets in which we in the long term have the possibility for reasonable earnings - and this strategy will be continued in 2004. By way of example, we monitor closely developments in our First Division markets, which are Canada, Poland, France and the UK. If the markets meet our financial requirements and expectations – then they will move up into the Premier League at the end of 2004.

With a view to further strengthening our management resources and increasing focus on and penetration in our key areas, we added Connie Astrup-Larsen as a new member to the Supervisory Board. She is International Director of Eastern and Central Europe.

Extra boost to profitability and value creation

The corporate sector in general as well as the brewery industry face a large number of challenges in future years. To counter the ever-intensifying competition in the market, The Danish Brewery Group launched the second half of its V8 Strategic Plan – which we have decided to call "V8 Next" - in 2004.

Under V8 Next, we have launched eight new and promising initiatives to strengthen our market position, nationally as well as internationally. The new, strong initiatives will therefore ensure continued value creation and positive development in the Group as well as achievement of the financial targets for 2004. The financial targets are a return on invested capital and a profit margin in the range between 10.5 and 11% in 2004 as well as cash flow in excess of DKK 200 million in 2004. We expect a profit before tax of DKK 280-320 million for 2004.

In this way, we are further increasing our efforts to make The Danish Brewery Group an even better business partner, an even better workplace - and an even better investment.

Poul Møller
CEO

V8 NEXT

1. The Royal brand to be further reinforced
2. Cooperation with Heineken to be extended
3. Relaunch of Kalnapilis in Lithuania
4. More marketing power
5. Increased focus on innovation and product development
6. Increased focus on staff development
7. Resource optimisation
8. Increased commitment to key markets

CORPORATE GOVERNANCE

The Supervisory Board of The Danish Brewery Group regularly performs reviews of the Company's rules, policies and practice in relation to the Corporate Governance recommendations of the so-called Nørby Committee. In the opinion of the Supervisory Board, The Danish Brewery Group is, in all material respects, in compliance with the recommendations of the Committee.

Shareholder relations

The Danish Brewery Group is continuously developing and updating its website for shareholder information on the Internet to ensure that shareholders and other stakeholders have access from time to time to updated information and can easily contact the Group's Shareholder Secretariat.

According to the Articles of Association of the Company, general meetings shall be convened at not less than one week's and not more than four weeks' notice. However, the Supervisory Board aims at convening general meetings of the Group at not less than three weeks' notice. It aims at formulating the notice convening the meeting and the agenda so as to give shareholders an adequate presentation of the business to be transacted at the general meeting. Proxies are limited to a specific general meeting and are formulated in such a way as to allow absent shareholders to give specific proxies for individual items of the agenda.

The Articles of Association of The Danish Brewery Group contain a restriction on voting according to which one single shareholder or a group of shareholders cannot vote for more than 10% of the total number of votes. The Group does not consider this provision protection against a potential serious investor taking over control of the Company if this is in the interest of the shareholders, but it is assumed that the provision will, if required, prevent takeover of actual control on the basis of a minority and in this situation instead promote a total bid for a controlling interest in the Company.

The Supervisory Board will aim at safeguarding all shareholder interests and will not at its own initiative seek to counter a serious take-over attempt which could be in the interest of the shareholders by making decisions which prevent the shareholders from considering a potential takeover attempt.

Stakeholders

The key stakeholders of The Danish Brewery Group - in addition to its shareholders - are employees, consumers, customers, suppliers, the local community and society at large. Stakeholder relations are given high priority by The Danish Brewery Group and considerable resources are spent on keeping up and further developing these relations.

The overall visions, strategies and objectives are described in detail in this Annual Report on page 30.

Transparency

The Danish Brewery Group believes that transparency and openness are crucial to shareholders' and other stakeholders' assessment of the Company and its prospects.

The Danish Brewery Group therefore wants to continuously develop its relations to shareholders and stakeholders through strengthening of communication with these groups. The Company's stock exchange announcements are issued in Danish and English and are also published on the Company's website. Meetings are held in Denmark and abroad, partly in connection with the Group's Interim and Annual Reports, and partly, as required, with the Company's investors, financial analysts and representatives of the press. The presentations made at these meetings are published on the web simultaneously with the presentation. As of 2004, the Group will also participate in two annual webcasts.

Since 1 January 2000, the Group has published quarterly reports. Currently, a phased implementation of International Financial Reporting Standards (IFRS) is taking place in order for these standards to be fully implemented as of 1 January 2005.

The Danish breweries of The Danish Brewery Group publish annual environmental reports and green accounts describing their impact on the external environment and health & safety aspects.

Communication policy

The Danish Brewery Group will extend knowledge of the Group and strengthen the Group's image through proactive, honest and open communication and dialogue with both internal and external stakeholders. Information should be communicated on a timely basis and employees should always be informed at the same time as the general public.

Photo: Bjarne Stæhr

The Group's openness is limited only by the duty of disclosure imposed by the Copenhagen Stock Exchange, the consideration for our customers and employees and competitive considerations.

Tasks and responsibilities of the Supervisory Board

The Supervisory Board handles overall strategic management, financial and managerial supervision of the Company as well as continuous evaluation of the work performed by the Executive Board.

The Supervisory Board performs its work in accordance with the Rules of Procedure of the Company governing the Supervisory and Executive Boards. These Rules of Procedure are reviewed and updated regularly by the full Supervisory Board.

Composition of the Supervisory Board

When composing the Supervisory Board, we emphasise that the members have the competences required to solve the task. Candidates for the Supervisory Board are recommended for election by the general meeting supported by motivation in writing, based on the criteria laid down by the Supervisory Board which include knowledge of general management and of international issues and business operations, of sale and marketing of brands, of financing and of production and logistics issues.

At present, the Supervisory Board consists of six members elected by the general meeting and four members elected by the employees. When joining the Supervisory Board, the members elected by the employees are offered relevant training in serving on a board.

The Supervisory Board members meet for five annual ordinary board meetings, including one two-day seminar primarily aimed at the Company's strategic situation and prospects. In addition, the Supervisory Board members meet when required. In 2003 the Supervisory Board held five meetings. The Danish Brewery Group does not have standing board committees only ad-hoc committees.

The members of the Supervisory Board of The Danish Brewery Group are governed by an age limit of 65. A member of the Supervisory Board who changes his principal occupation during his term of office shall in principle be prepared to offer to resign if the rest of the Supervisory Board considers this advisable.

Evaluation of the work of the Supervisory Board is made on a regular basis. The Executive Board and the cooperation between the Supervisory Board and the Executive Board are evaluated on an annual basis.

Remuneration of Supervisory Board and Executive Board

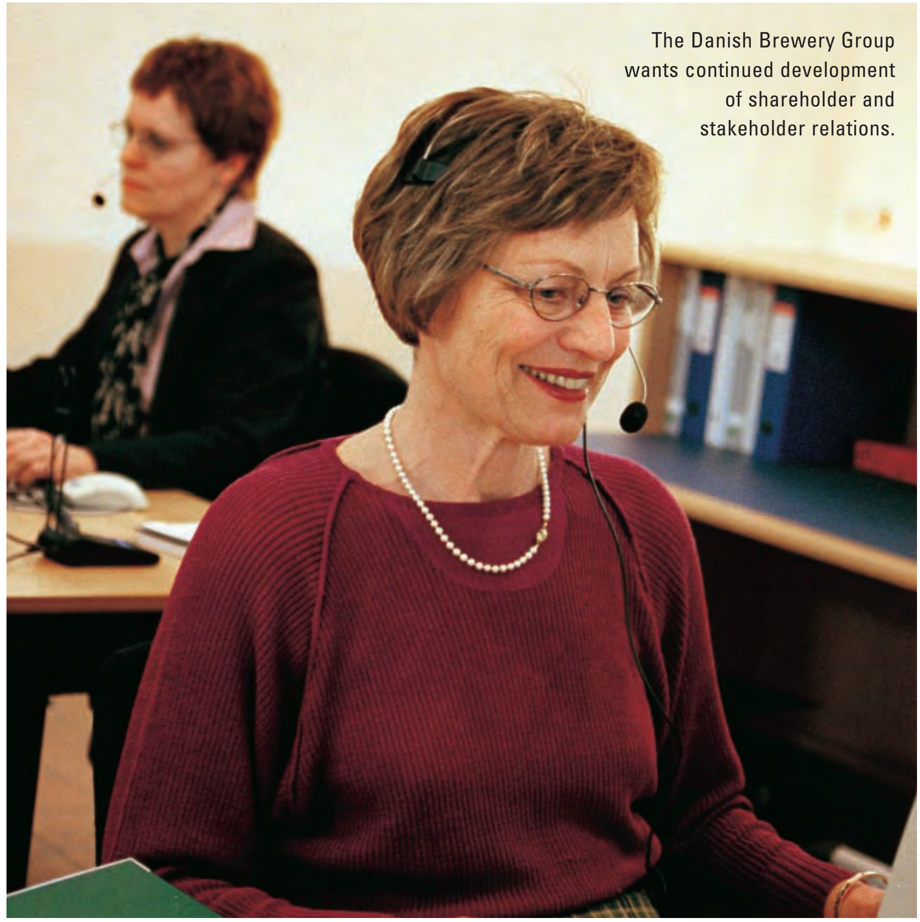
The members of the Supervisory Board are remunerated by a fixed annual amount for their continuing work on the Board. In connection with particularly comprehensive ad-hoc committee work, the Supervisory Board may, based on the scope of the work, determine a special remuneration. It is the aim that the remuneration of the Supervisory Board should match the level of comparable companies. The Supervisory Board does not participate in incentive programmes, such as share option programmes, bonus pay, etc.

For 2003, fixed remuneration of DKK 1,863,000 has been expensed in respect of the Supervisory Board. Other than that, no special remuneration has been paid.

Share option programmes have been established for the Executive Board and selected executives comprising the 2003 and 2004 financial years. Additionally, a bonus pay programme has been established for the management team (including the Executive Board) of The Danish Brewery Group, the sales organisations and selected employees.

Risk management

The Supervisory Board continuously assesses the various risks with which an internationally operating enterprise like The Danish Brewery Group is faced.



The Danish Brewery Group wants continued development of shareholder and stakeholder relations.

Photo: Bjarne Stæhr

The key risks are summarised by the following main areas:

- Financial risks (currency, interest rates, liquidity)
- Exposure hazard and third-party risks
- Credit risks (financial institutions and commercial receivables)
- Market risks (distribution of earnings)
- Environmental risks

Financial, credit and market risks are assessed in connection with the Group's strategy and budgeting procedures. Exposure hazard and third-party risks (insurance cover) are reviewed on an annual basis according to the Rules of Procedure for the Supervisory Board, whereas environmental risks are considered in connection with the Company's environmental reports. Furthermore, the Supervisory Board monitors the special risks that may result from the Company's involvement in the production and sale of alcoholic beverages.

Specifically for financial risks, reference is made to page 15 of Management's Review, and specifically for environmental risks, reference is made to page 29.

In 2001, the Management of The Danish Brewery Group decided that over the next three years the breweries should focus on and direct efforts at achieving environmental improvements in the following target areas:

- Reduction of electricity
- Reduction of heat
- Reduction of waste water
- Reduction of COD (expresses waste water content of organic matters)
- Reduction of accidents

The areas are important because they involve large consumption, large wastage, great impact or are subject to statutory requirements.

ENVIRONMENTAL ISSUES

Direct environmental impact

The environmental impact of the breweries is characterised by the use of large volumes of packaging and vegetable raw materials in production, substantial energy and water consumption and the use of lye (NaOH) for the cleaning of processing plants. All breweries discharge waste water containing organic matter which is transformed and cleaned at municipal waste water treatment plants without problems.

The breweries have very efficient waste separation at source, which means that more than 90 per cent of solid waste is recycled or sold as by-products The large fractions that are sorted and recycled are glass, aluminium, iron, cardboard/paper and plastic. By-products are primarily mash and yeast cream. Mash is husk from malting barley that is strained off after the brewing process.

Finally, there is the special issue that the breweries are situated in urban areas. Noise is therefore a significant environmental issue. In relation to health & safety issues of the breweries, accidents have been given priority as a target area that receives focus in the environmental management system of The Danish Brewery Group combined with place of work assessments.

Indirect environmental impact

Indirect environmental impacts are issues that the organisation does not fully control which arise throughout the product life cycle from “cradle to grave”. Based on generally accepted life cycle assessments of beer and soft drinks packaging and containers, the most significant indirect environmental impacts are related to the selection of packaging and container materials, the weight of non-returnable containers and the use of non-returnable containers in export markets. Additionally, environmental impacts with sub-suppliers and distribution of goods are significant. The Danish Brewery Group works with these indirect environmental impacts through its environmental management system.

Environmental management of The Danish Brewery Group

Three of The Danish Brewery Group’s Danish breweries, Faxe, Ceres and Albani, obtained environmental certification under DS/EN ISO 14001:1996 in January 1999 and March 2003, respectively. The breweries publish an environmental report annually in accordance with the EU regulation EEC no. 761/2001 of 19 March 2001 on industrial companies’ voluntary participation in a joint Eco-Management and Audit Scheme (EMAS).

In 2001 it was decided to focus on and direct efforts at environmental improvements in the target areas: electricity, heat and waste water. The Group is pleased to present also in 2003 new, good results and successes relating to efficiency enhancing, investments in cleaner technology, electricity, heat and water conserving measures, minimisation of wastage, enhanced environmental awareness and green purchases. All of these initiatives contribute towards maintaining an

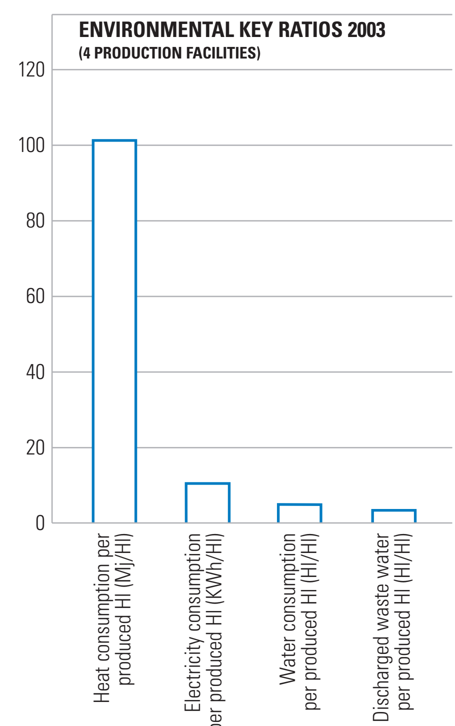
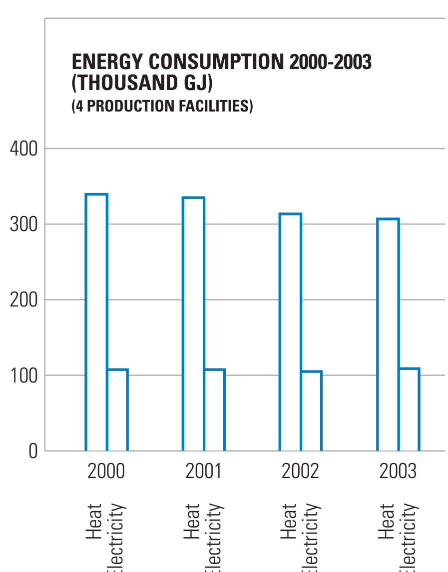
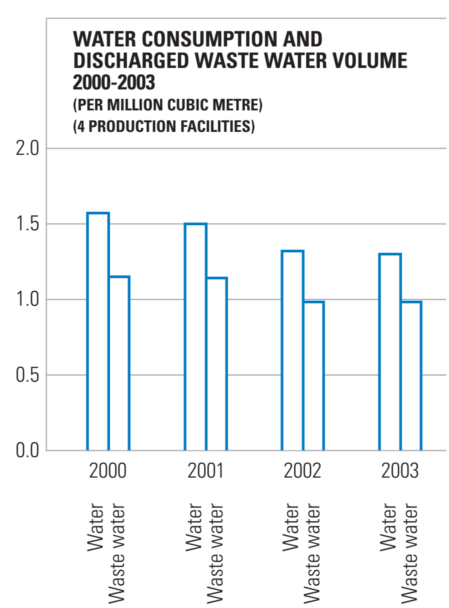


Photo: Jens Bygholm

The Danish Brewery Group has a very efficient waste separation system - more than 90% of the waste is deposited for recycling or sold as a by-product.

acceptable cost level.
Maribo Bryghus has for a number of years registered its environmental consumption and has 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 brewery.
The Group's Lithuanian breweries Tauras and Kalnapilis have also directed focus at employee safety issues and minimisation of brewery resource consumption. The breweries work with environmental management through daily measurements and monitoring. Efficiency enhancing measures, optimisation of resource, water, electricity and gas consumption and reduction of discharges to the environment are introduced continuously.
To The Danish Brewery Group, efficient environmental management is a competitive parameter because through our environmental work we exploit our resources more efficiently. At the same time, environmental management contributes towards ensuring that we minimise all significant risks in the environmental area. Our challenge for the future will be to continue doing our utmost to be at the leading edge of developments.
The environmental report of the Danish Brewery Group for 2003 will be issued in April 2004. The environmental report and the green accounts of Maribo Bryghus provide additional information on the breweries' efforts to reduce environmental impacts and to create a safe working environment for their employees. You may obtain copies of the environmental report and the green accounts by contacting The Danish Brewery Group. You may also read the report and accounts at our website.





MANAGEMENT'S REVIEW OF THE DANISH BREWERY GROUP 2003

GENERAL

The primary activity of The Danish Brewery Group is to market, sell, distribute and produce quality beverages focusing on branded products primarily within beer, malt and soft drinks. The Group's products are sold in some 65 markets with special focus on the Nordic countries, the Baltic countries, Italy and Germany as well as the malt drinks markets in Africa and the Caribbean. The Danish Brewery Group comprises the Albani, Ceres, Faxe and Maribo breweries in Denmark as well as Kalnapilis and Vilniaus Tauras in Lithuania.

The efforts relating to V8 – the Group's strategic plan (cf. Announcement BG 03/2003 of 25 February 2003) – progressed as planned in 2003. In Denmark Heineken was launched and Royal was relaunched as a new strong national beer. These and other initiatives were supported by intensive marketing campaigns. Also the projects aimed at optimisation of resource application within the Group show the expected progress and results. The wish for increased focus on key markets and internationalisation was reinforced through the appointment of Connie Astrup-Larsen as International Director of Eastern and Central Europe (cf. Announcement BG 15/2003 of 21 July 2003).

Photo: Mads Armgaard

The commitment to Royal as a national brand has been successful.

As an element in its strategic plan, the Group decided in Q1 2003 to close the brewery in Randers as of the end of Q3 2003. The Group actively markets the Thor brand, which is now brewed in Aarhus, with continued strong focus on the Thor market area, whereas soft drinks production has been transferred to Faxe Bryggeri (cf. Announcement BG 01/2003 of 11 February 2003 and BG 05/2003 of

19 March 2003). The closing down was carried out as planned and was completed with the expected financial results. Alternative possibilities for disposal of the property will be evaluated.

To additionally strengthen the Group's position in the malt drinks markets in the Caribbean, in Q4 2003 the Danish Brewery Group acquired 51% of the share capital of Impec Holding SAS, which has for a number of years distributed the Group's products in Guadeloupe and in French Guyana (cf. Announcement BG 20/2003 of 27 October 2003). Furthermore, as of 1 February 2004 Impec Holding SAS took over distribution in Martinique. Impec Holding SAS will be included in the consolidated financial statements of The Danish Brewery Group as of Q4 2003.

In December 2003 The Danish Brewery Group entered into an agreement to acquire the remaining 75% of the share capital of the Polish distribution company Peva Poland Sp. z o.o. The Group now controls this company 100% (cf. Announcement BG 23/2003 of 22 December 2003).

In the period up until the Annual General Meeting in 2004, the Supervisory Board intends (cf. Announcement BG 06/2003 of 19 March 2003) to spend part of the Group's free cash flow on acquiring treasury shares with a view to additionally increasing earnings per share. DKK 50-100 million was expected to be spent on acquiring these shares. Since the Annual General Meeting in April 2003 and until 19 February 2004, a total of 152,350 shares have been acquired at a total market price of approx. DKK 54 million. The total number of treasury shares held by The Danish Brewery Group now amounts to 248,705 shares equal to 3.8% of the total capital. Some 62,000 of the shares are expected to be used for the purpose of the existing share option schemes offered to the Company's management team including the granting of share options relating to the 2003 financial year.

ACCOUNTING POLICIES

All listed companies in the EU are required as of the 2005 financial year to apply the international accounting standards (IFRS/IAS) as a basis of preparing their financial statements. As an element in its preparation for this transition, The Danish Brewery Group has decided to change its accounting treatment of returnable plastic crates, bottles and kegs as of 1 January 2003 (cf. Announcement BG 04/2004 of 12 February 2004).

Previously, The Danish Brewery Group measured returnable plastic crates, bottles and kegs held in inventory at deposit price at the time of acquisition, measuring the amount in excess of deposit price of newly purchased plastic crates and kegs at cost less depreciation and impairment losses. The obligation to repurchase returnable packaging in circulation for which a deposit has been paid was previously stated off balance sheet under "Additional Information".

As of the financial statements for 2003, the following general accounting policy will apply:

- Returnable packaging will continue to be treated as a fixed asset
- Newly purchased returnable packaging will be recognised at cost and depreciated over 6-10 years
- The obligation to repurchase returnable packaging in circulation for which a deposit has been paid will be recognised in provisions

The net effect of the policy change amounts to DKK 104 million, which has been deducted from equity at the beginning of 2003.

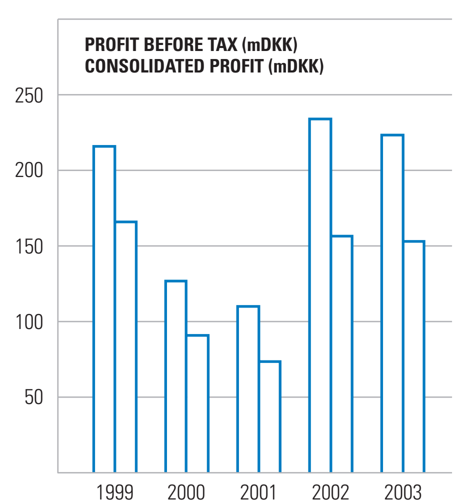
The results for 2003 are not materially affected by the change. The effect of the changes to the accounting policies from 1999 to 2003 on the profit and on equity is shown on pages 59-60.

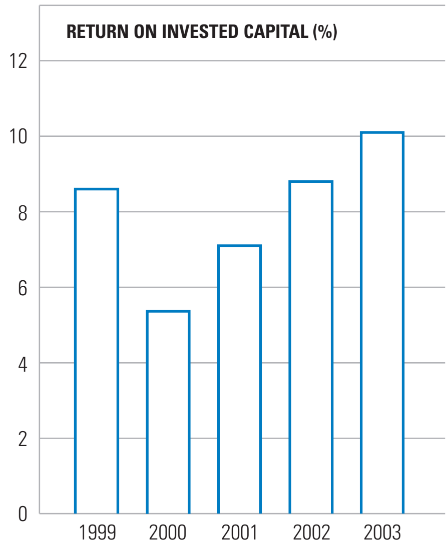
The Danish Brewery Group has focus on optimising resources and procedures.

Photo: Jens Bygholm

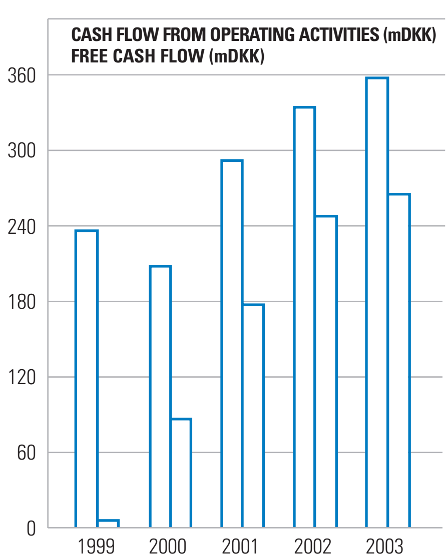
RESULTS 2003

Adjusted for the accounting implications of the closure of the Group's brewery in Randers, which had a negative net profit effect of DKK 40 million, The Danish Brewery Group achieved a profit before tax of DKK 263 million for 2003, which is the best result ever in the Group's history. The profit before tax of DKK 223 million is in accordance with the expectations expressed in the Annual Report for 2002 (cf. Announcement BG 06/2003 of 19 March 2003), i.e. a profit before tax in the range from DKK 210 to 235 million. The results for 2003 were achieved in spite of difficult conditions in several markets. The deposit scheme introduced for dispo-





sable containers in Germany, sales conditions in Lithuania and Poland and the disposal of the brewery activities in the UK in mid 2002 resulted in an approximate 5% decrease in annual revenue compared to 2002. The profit margin, which was at 9.1% in 2002, increased to 10.7% in 2003. This is primarily due to the effects of the V8 Strategic Plan, partly by way of improved product and market mix, partly as a result of the resource optimisation projects realised as well as there has been a positive development in other operating income. Similarly, return on invested capital (ROIC) increased from 8.8% in 2002 to 10.1% in 2003 adjusted for the closure of the Randers brewery. Free cash flow for the year amounted to DKK 266 million.



The results achieved in 2003 are a major step towards the realisation of the targets established in the V8 Plan:

- A return on invested capital (ROIC) of at least 10% in 2004.
- A profit margin of at least 10% in 2004.
- Free cash flow (cash flow from operating activities less net investments in property, plant and equipment and plus dividends from associates) to be maintained above DKK 200 million per year.

Total group sales in 2003 aggregated 4.1 million hectolitres of beer, malt and soft drinks, which is a 10% decline from 2002. Some 2 percentage points of the decline are due to the disposal of the brewery activities of Robert Cain & Co. Ltd. in mid 2002. Beer and malt drinks sales aggregated 3.1 million hectolitres, which is an 11% decline from 2002, whereas soft drinks remained unchanged from 2002 at 1 million hectolitres.

Net revenue amounting to DKK 2.6 billion decreased by 5% from 2002, of which deposit problems in Germany and the disposal of the Robert Cain activities each accounts for 2 percentage points.

Developments in sales and revenue from 2002 to 2003 are as follows:

	Western Europe (including misc. revenue)		Eastern Europe		Other markets		Group total	
	Total	Growth	Total	Growth	Total	Growth	Total	Growth
Sales (thousand hectolitres)	3,193	-8%	640	-24%	235	+10%	**4,068**	**-10%**
Net revenue (mDKK)	2,238	-4%	237	-23%	158	+24%	**2,633**	**-5%**

Gross profit for the year represented 52.3% of net revenue compared to 51% in 2002. The gross profit increase is primarily a result of the focus in the V8 action plan on improved market and product mix and the resource optimisation projects realised.

Operating profit went up by 12% from 2002, amounting to DKK 283 million. The increase is primarily due to a reduction of the Group's overheads. Profit margin reached 10.7% compared to 9.1% in 2002. Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to DKK 431 million in 2003, which is a 2% decline from 2002. Adjusting for "Special Items" in both years, EBITDA showed an 11% increase over 2002.

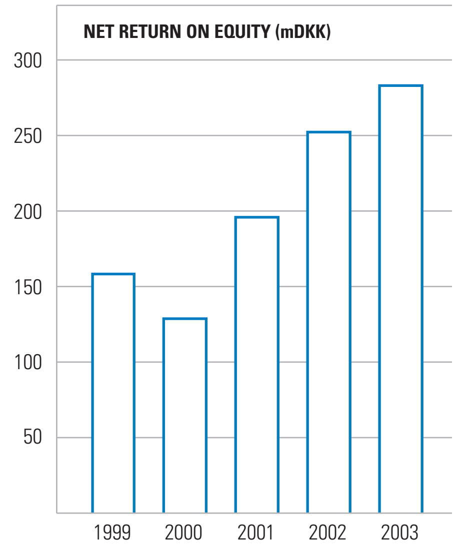
Income from investments in associates amounted to DKK 9.1 million in 2003, which is DKK 11.5 million below the 2002 figure. The development is primarily attributable to Hansa Borg Bryggerierne ASA, of which The Danish Brewery Group holds 25% through Hansa Borg Skandinavisk Holding A/S. In 2002 Hansa Borg was not included in the Group's financial statements for Q1. As Q1 results are typically negative, this had a negative effect of some DKK 5 million on the Group in 2003 compared to 2002. Moreover, earnings of Hansa Borg Bryggerierne ASA in the autumn of 2003 were not satisfactory due to intensified price competition in the Norwegian market.

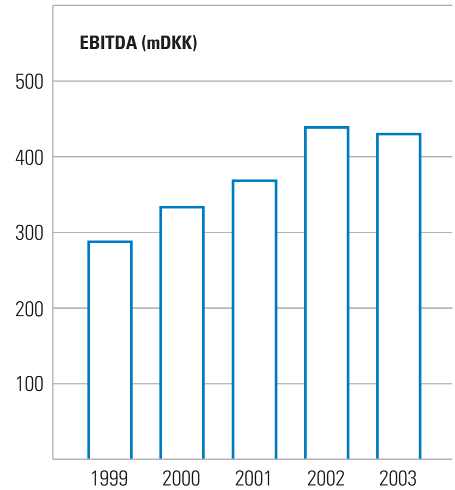
The Group's net financial expenses decreased in 2003 due to the cash flow generated in the year and continuously falling interest rate levels.

The Group's effective tax rate for 2003 was, as expected, approx. 32%.

The Group's profit before tax amounted to DKK 223 million, an increase of 19% over 2002 adjusting for "Special Items".

Profit after tax (consolidated profit) amounted to DKK 152.7 million, which is a DKK 5 million decline from 2002. The decline is solely caused by "Special Items", i.e. the closure of the Randers brewery.





Developments in individual markets

The Group's activities for 2003 break down as follows on geographical markets:

	Western Europe	Eastern Europe	Other markets	Unallocated	Group
Sales (million hectolitres)	3.2	0.7	0.2	-	**4.1**
Net revenue (mDKK)	2,238	237	158	-	**2,633**
Operating profit/(loss) (mDKK)	309	-19	8	-15	**283**
Profit margin (%)	13.8	-8.0	5.1	-	**10.7**
Fixed assets (mDKK)	1,127	221	77	254	**1,679**
Liabilities (mDKK)	643	40	31	727	**1,441**

Western Europe

	2003	2002	% change
Sales (million hectolitres)	**3.2**	3,5	-8
Net revenue (mDKK)	**2,238**	2,341	-4
Operating profit (mDKK)	**309**	291	+6
Profit margin (%)	**13.8**	12.5	+10

Photo: Stig Stasig

The launch of Heineken doubled foreign beer sales in Denmark - Heineken alone holds half of the market.

Net revenue in Western Europe decreased by a total of 5%. 2 percentage points of the decline related to the disposal of the Robert Cain & Co. Ltd. activities at the end of H1 2002, whereas the revenue decline in Germany due to the deposit problems relating to disposable containers accounted for 2 percentage points.

For Denmark an approximate 2% decline in the total beer market (in volume terms) from 2002 to 2003 is estimated, whereas total beer sales of The Danish Brewery Group went up by some 3% from 2002. This means that the Group won market shares on beer in Denmark in 2003, equal to an approximate 1 percentage point increase, primarily due to the sales of Royal Export and Heineken.

The closure of the Group's brewery in Randers progressed as planned, and the market share of the Thor brand was successfully defended.

Also in 2003, the Danish soft drinks market was heavily influenced by the considerable illegal import of branded products, which affected both sales and pricing in the segment. It is estimated that the soft drinks market (in volume terms) declined by some 5% in 2003. The Danish Brewery Group's soft drinks sales were 0.9 million hectolitres in 2003 showing a decline matching that of the total market.

Western Europe	Actual 2003		Growth over 2002	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue %	Sales %
Denmark	1,128	1,677	+1	-1
Italy	653	471	+2	+5
Germany	293	762	-18	-16
The UK	62	66	-43	-59
Tax Free	38	79	-31	-28
France	25	36	-5	-9
Other markets	39	102	-7	-18
Total Western Europe	2,238	3,193	-4	-8

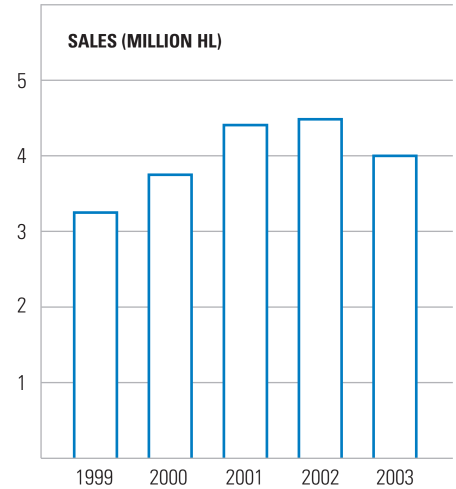
In Italy developments were also in 2003 satisfactory with a 5% total sales increase. The Group's primary product "Strong Ale" saw a sales increase of some 7%, whereas "Ceres Top" increased by 90% in 2003. An approximate 7% increase in total beer consumption in Italy is estimated as a result of the very hot summer. Due to its high alcohol content, "Strong Ale" is not affected by weather conditions to the same extent as the lager types. In real terms, both "Strong Ale" and the Ceres brand therefore won market shares in 2003.

In Germany the year was strongly influenced by the deposit introduced on disposable beverage containers at 1 January 2003. The lack of a functioning return system for disposable containers resulted in a considerable decline in sales of these containers. This significantly affected sales of Faxe Premium, which is the leading import beer in Germany and is only sold in cans. An approximate 50% decline in total German canned beer sales is estimated for 2003, and total German beer consumption reduced by some 3% - a decline that would probably have been larger had the summer of 2003 not been so favourable.

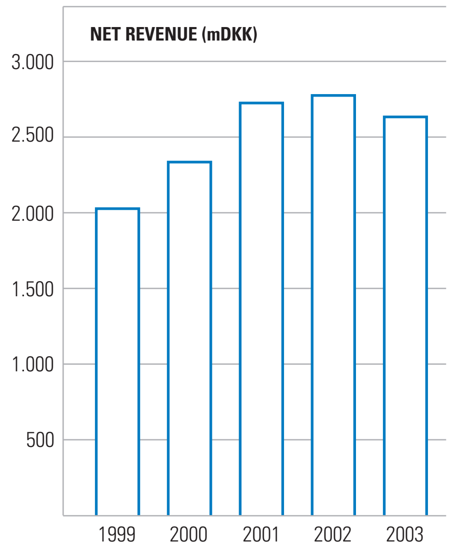
Fundamentally the same factors caused the decline in the Tax Free segment as sales onboard the ferries to and from Germany also suffered from the deposit issue.

In the UK the primary activity of The Danish Brewery Group is malt drinks sales through its subsidiary Supermalt UK Ltd. This activity developed satisfactorily as malt drinks sales increased by 14% over 2002. It is estimated that The Danish Brewery Group holds a share of 80-85% of malt drinks in the UK market. The decline in revenue and sales compared to 2002 is due to the disposal of the activities of Robert Cain & Co. Ltd mid 2002.

Other markets achieved total revenue at the 2002 level, but attributable to a decline in Sweden and increases in the Faroe Islands and Iceland.



The Danish Brewery Group's position in Italy was further reinforced in 2003.



Eastern Europe

	2003	2002	% change
Sales (million hectolitres)	**0.7**	0.8	-24
Net revenue (mDKK)	**237**	308	-23
Operating profit (mDKK)	**-19**	-14	-27
Profit margin (%)	**-8.0**	-4.9	-63

Sales and net revenue decreased in 2003 by 24% and 23%, respectively, which is due to decreasing exports from Denmark to Poland and a decline in Lithuania for discount and export products.

Operating profit decreased in 2003 primarily due to continuously unsatisfactory development in Poland. The situation in Poland caused The Danish Brewery Group to acquire the remaining shares of the Group's Polish distributor Peva Poland Sp. z o.o. in early 2004.

Eastern Europe	Actual 2003		Growth over 2002	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue %	Sales %
Lithuania	**208**	**571**	-19	-22
Poland	**21**	**50**	-53	-50
Other markets	**8**	**19**	+23	+16
Total Eastern Europe	**237**	**640**	-23	-24

In 2003 the merger between the Kalnapilis and Tauras breweries in Lithuania was completed. 2003 was characterised by The Danish Brewery Group losing considerable contract production to an export customer and a decline for discount products. The Tauras brand continued to develop positively whereas the Kalnapilis brand did not achieve the expected progress. In spite of the revenue decline, operating profit in Lithuania showed an increase of DKK 3 million at unchanged accounting policies, which is primarily due to streamlining and cost reductions. However, the changed accounting policy for returnable packaging affected results negatively by DKK 3 million. Due to the initiatives launched, developments in Lithuania in H2 2003 resulted in considerable improved results compared to the same period of 2002.

In Lithuania total beer consumption decreased by some 8% in 2003 following the steep increase in 2002. Adjusted for export sales, Kalnapilis/Tauras sales declined by some 15%, the decrease for discount products accounting for 10 percentage points of the decline. Overall, it is estimated that the market shares of the Kalnapilis and Tauras brands were maintained in 2003.

In Poland developments in 2003 did not meet expectations as sales and revenue continued to decrease. The competitive situation is still intensified following considerable restriction of the possibilities of advertising for alcoholic beverages, which is the main reason for the disappointing developments. The results of Polish operations were further impaired in 2003, and, as previously mentioned, The Danish Brewery Group has acquired the remaining shares of the Group's Polish distributor with a view to strengthening the Faxe brand in the market and ensuring streamlining of business procedures in Poland.

Other markets

	2003	2002	% change
Sales (million hectolitres)	**0.2**	0.2	+9
Net revenue (mDKK)	**158**	128	+23
Operating profit (mDKK)	**8**	13	-38
Profit margin (%)	**5.1**	10.2	-50

Other markets	**Actual 2003**		**Growth over 2002**	
	Net revenue (mDKK)	**Sales (thousand hectolitres)**	**Net revenue %**	**Sales %**
The Caribbean	**100**	**115**	+31	-6
USA/Canada	**25**	**40**	+2	+16
Africa	**15**	**37**	-8	+8
The Middle East	**17**	**40**	+78	+96
Other markets	**1**	**3**	-12	-17
Total other markets	**158**	**235**	+24	+9

Developments in Other markets in 2003 were influenced by two significant factors. Partly the falling USD rate continued having a negative effect on sales and earnings, partly Impec Holding SAS was included in the consolidated financial statements as of Q4 2003, which increased revenue and profit before tax. The margin on the distribution activities of Impec Holding SAS is lower than the average for the Group's revenue in the segment, and, therefore, contributes towards reducing the profit margin.

In the Caribbean the consolidation of Impec Holding SAS as of Q4 2003 implied a revenue increase of 27%. However, sales in the region decreased by 6% primarily due to the decline in American tourism caused by the weak USD and general uncertainty relating to the conflict in the Middle East. In spite of the positive net profit effect of the acquisition of the 51% shareholding, earnings decreased in the region due to the continuously falling USD rate.

In the USA and Canada increasing sales were primarily driven by positive developments in Canada, whereas the falling USD rate explained the stagnating revenue. In Africa, malt sales were also in 2003 affected by a shift from export products to products produced on licence, which led to a net revenue decrease.

In the Middle East developments were satisfactory in spite of the influence from the USD rate.

Balance sheet and cash flow statement

Group equity at the end of 2003 amounted to DKK 996 million after a change of the accounting policy for returnable packaging, which reduced equity by DKK 104 million at the beginning of 2003.

The solvency ratio equals 41% compared to 37% at the end of 2002.

The balance sheet total amounts to DKK 2,448 million, which is DKK 47 million lower than at the end of 2002. This is primarily explained by a low investment level in 2003.

Investments in property, plant and equipment amounted to DKK 113 million in 2003 compared to DKK 110 million in 2002.

Free cash flow before acquisitions amounted to DKK 266 million in 2003 compared to DKK 248 million in 2002.

The Group's cash resources amounted to DKK 0.9 billion including available, unutilised credit facilities.

Vitamalt is the number 3 malt drinks brand in the world.

Product development

Both beer and soft drinks markets have become more dynamic in recent years. Consumer demand for a wider range and innovation is increasing, both in terms of products and packaging/container types. Therefore, The Danish Brewery Group has increased focus on product development. This is reflected in its V8 Strategic Plan and the succeeding V8 Next.

In consequence of the increased efforts in the area in 2003, The Danish Brewery Group introduced several new products such as F.R.O.C – a malt-based beverage in the RTD category (RTD = Ready To Drink), new varieties in the Cola segment (Pepsi X and Pepsi Blue), the launch of Ceres Top in Italy in 66-centilitre glass bottles as well as a relaunch of Albani's Rød Classic.

At the same time, the Group continues its introduction of 2-4 new beer products annually at about 100 selected pubs and cafes in Denmark, where consumers will be offered the opportunity of influencing the Group's future range and product development.

Intellectual capital

Employees are the key asset of The Danish Brewery Group, and it is therefore essential that all group companies should be able to retain and develop existing employees and attract new ones.

The employees of The Danish Brewery Group possess significant knowledge of the various markets and customer categories serviced by the Group and of supply and logistics issues concerning beer,

Quality control at one of the
The Danish Brewery Group's laboratories.

Photo: Jens Bygholm

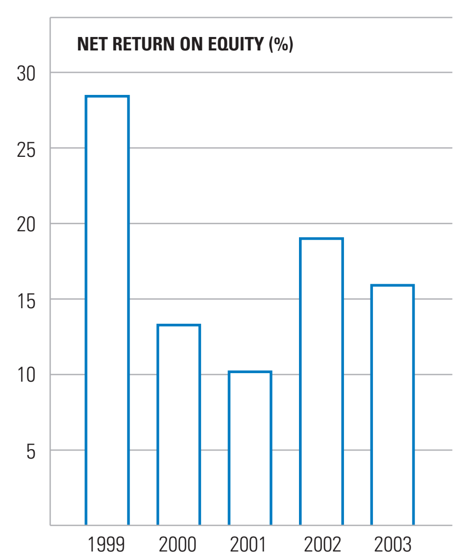
malt and soft drinks. This knowledge secures our competitive position and forms the basis of achieving the Group's strategies and objectives.
In 2003 a health and welfare survey was conducted among all employees, and a competence analysis has been initiated for all managers of The Danish Brewery Group to form the basis of individual development plans.

Information technology

In Denmark, the UK, Italy and France the Group's IT platform is SAP R/3, whereas Lithuania uses the Scala system. The other subsidiaries in Germany, Poland, the USA and the Caribbean use local IT solutions.
In 2003 a considerable part of the IT resources were spent to ensure system support of the initiatives launched in connection with the V8 strategy.

Share options

The Danish Brewery Group's share option programmes started in 1998 involving some 40 executives. The first option grant under this programme expired in 2003 without the options being exercised as the market price was below the exercise price. From the programme option rights relating to the second and third option scheme remain unexercised.
The Supervisory Board has decided to change the existing share option scheme with effect from the 2003 financial year. In future, fewer employees will be covered by the option scheme (15-20 executives), which should be viewed in the con-



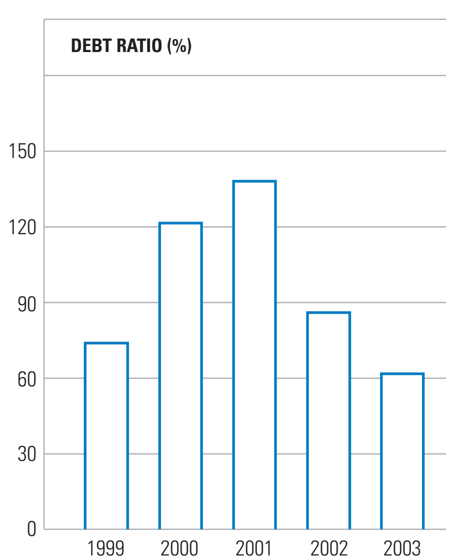
text of, among other things, the total management team being offered the possibility of participating in the established bonus pay system as of 2003. Under the share option scheme applying to 2003 and 2004, the participants may annually be granted options corresponding to a market value from DKK 0.3 million for members of the management team to DKK 1 million for members of the Executive Board. Half of the options will be granted without any performance conditions, whereas the other half will be granted depending, in part or in full, on the realisation of the profit before tax, which for 2003 means DKK 250-275 million (before expenses, provisions and write-downs relating to the decision to close the Group's brewery in Randers). The options will be priced on the basis of the average market price over the 10 trading days following the publication of the Annual Report of the Company.

With the profit before tax of DKK 223 million in 2003 (after expenses, write-downs and provisions relating to the closure of the brewery in Randers of DKK 40 million), the variable part of the option scheme (50% of the grant) will represent some 26% of the total options granted. With an unconditional option grant (see above) of 50%, the total option grant for the year represents 76% of the maximum grant.

On a total basis, the following share options remain unexercised:

Granted	Total number unexercised	Number held by Executive Board	Exercise price	Exercise period
March 2000	4,620	2,265	221	3/2003 - 11/2004
March 2001	29,115	6,855	219	3/2004 - 11/2005
June 2002	14,564	14,564	240-315	6/2005 - 5/2009
Re. 2003	14,000	7,900	*)	3/2006 - 4/2008

*) The options will be priced on the basis of average market price over the 10 trading days following the publication of the Annual Report of the Company.



The Company's option commitments under the option schemes are expected to be covered by the portfolio of treasury shares.

The market value of the unexercised options is estimated at DKK 8.6 million (in accordance with the Black-Scholes formula).

RISK FACTORS

Financial exposure

Through its exports and purchases of raw and bottling materials, The Danish Brewery Group is exposed to exchange risks as some 60% of sales are invoiced in foreign currencies, primarily EUR, GBP and USD, whereas some 30% of purchases are denominated in SEK and relate to purchase of packaging and containers, etc. In accordance with its exchange 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 Group's share interests in foreign subsidiaries also constitutes an exchange risk. In the case of subsidiaries with considerable net assets, this translation 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 risk amounts to some +/- DKK 1.0 million in the event of a 1 percentage point 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 - through changed valuation of assets and liabilities - will affect the Company's market capitalisation. 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.

Other risks

As a producer of alcoholic products, The Danish Brewery Group is sensitive to changes in the public alcohol policy - including indirect-tax policies in the Group's respective markets. For example, a change of the Danish indirect-tax policy as compared to that of neighbouring countries could lead to a change of cross-border trading patterns. This applies primarily to Germany, Norway and Sweden.
Legislative changes with respect to permitted types of containers and returning of containers could also result in significant changes to consumption patterns. In Germany (including cross-border trading) large parts of the Group's products are sold in cans, whereas sales in Italy are primarily related to products in non-returnable glass bottles.
For quite a number of years, The Danish Brewery Group has recorded significant revenue in the Italian market. In 2003 this market represented 25% of total group sales. Significant changes to consumption patterns or the competitive situation in Italy could therefore influence The Danish Brewery Group.
The Company's risks in general insurance areas (buildings, movables and trading losses) are covered partly through insurance and partly by own risks. The total risks are assessed by the Supervisory Board on an annual basis and external specialists review the breweries for relevant risks on a regular basis.

Events subsequent to year end

As an element in the implementation of The Danish Brewery Group's V8 Strategic Plan, the Group strengthened its position in the African malt drinks market in late January 2004 through acquisition of the remaining 50% of shares of the company Vitamalt (West Africa) Ltd. (cf. Announcement BG 02/2004 of 3 January 2004). The Danish Brewery Group now owns the total capital of the Company which holds the title to the "Vitamalt" brand in Nigeria. After the transaction, The Danish Brewery Group controls the brand on a global scale. The acquisition is expected to have a moderate positive effect on the Group's profit before tax in 2004.
With effect from 12 February 2004 it was decided to reduce the Danish deposit for returnable beverage containers. The deposit reduction was a consequence of the 80% reduction of packaging taxes in Denmark introduced on 1 February 2004.

The deposit reduction involved the following changes:

- 25 + 33 centilitre bottles (glass)
  from DKK 1.50 to DKK 1.00
- 50 centilitre bottles (plastic)
  from DKK 2.50 to DKK 1.50
- 150 centilitre bottles (plastic)
  from DKK 4.25 to DKK 3.00

To the extent that containers for which a deposit had been paid were held by consumers at the cut-off date, this may result in a book gain to the owner (i.e. the brewery) on the containers in question. It is therefore anticipated that the deposit reduction will have a positive effect on the profit before tax of The Danish Brewery Group in 2004.
Other than the above, no events have occurred after 31 December 2002 that are expected to have a material effect on the Group's financial position or expectations for the future.

The strategic platform of The Danish Brewery Group

The updating of The Danish Brewery Group's strategic platform (V8) established in 2002 comprises the years 2002-2004.
The following overall financial targets were defined for the period based on creation of value to the Company's shareholders:

- An increase of return on invested capital (ROIC) from 8.8% in 2002 to at least 10% in 2004.
- Profit margin to increase from 9.1% in 2002 to more than 10% in 2004.
- Free cash flow (cash flow from operating activities less net investments in property, plant and equipment and plus dividends from associates) to be at least DKK 200 million/year.

The results achieved in 2003:

- Return on invested capital (ROIC) of 10.1%,
- Profit margin of 10.7%,
- Free cash flow of DKK 266 million,

are all above the targets set for 2004, and it is therefore anticipated that the key figures and ratios targeted in connection with V8 in early 2003 will be exceeded.

The original V8 Strategic Plan was followed in early 2004 by an updated plan for 2004 – V8 Next – with the following main elements (cf. Announcement BG 03/2004 of 3 February 2004):

- The Royal brand will be extended to comprise two types of lager (Royal Pilsner and Royal Classic). In the long term, Royal Pilsner and Royal Classic are expected to win at least 10% of the market for lager in Denmark.
- Due to increasing Heineken sales in Denmark, The Danish Brewery Group will also take over the brewing of Heineken in 2004.
- The Lithuanian premium brand Kalnapilis will be relaunched. The brand will have an entirely new image, a new taste and a modern design. On a total basis, this is the largest marketing investment made by the Group in Lithuania.
- Marketing efforts will be strengthened in key markets and product development/new launches will be intensified. Launches in 2004 include a new taste variety of Faxe Kondi, a new variety of Vitamalt, new varieties and a new design of the Nikoline series; furthermore, "Mirinda", Pepsi's international orange and lemon brand, will be introduced.
- Resource optimisation through e.g. continued streamlining of product range, improvement of production planning and additional centralisation of purchasing processes. Furthermore, optimisation of the Danish supply process will be initiated in continuation of the implementation of the new storage structure. These initiatives are expected to entail a total annual optimisation potential of some DKK 15 million from 2005.
- Continued focus on key markets – the Nordic countries, the Baltic countries, Italy, Germany and malt drinks in Africa and the Caribbean.


The Danish Brewery Group is intensifying its development of products and new launches.

Photo: Leo Burnett

A relaunch of the Kalnapilis brand is to increase The Danish Brewery Group's earnings significantly in Lithuania.

The future

Based on the results achieved in 2003, an additional number of factors will contribute towards creating the assumptions of and expectations for results for 2004.

These are:

- Closure of the Randers brewery
- The effect of the resource optimisation initiatives carried out in 2003
- The acquisitions in the Caribbean, Poland and West Africa
- The effect of the V8 Next Strategic and Action Plan, including
  - launching of Royal Pilsner and Royal Classic in Denmark,
  - brewing of Heineken in Denmark,
  - relaunch of Kalnapilis in Lithuania,
  - launch of Faxe Kondi 2 in Denmark,
  - resource and process optimisation.

The closure of the Randers brewery – which in 2003 had a negative effect of DKK 40 million on the profit before tax – is expected to affect operating profit positively by some DKK 15 million in 2004. The full-year effect of the resource optimisation initiatives taken in 2003 - storage effectiveness, streamlining of product range and centralisation of purchasing - is estimated at DKK 20 million. Taking into account the savings achieved in 2003, the additional effect for 2004 is estimated to be an increase of some DKK 12 million in profit before tax.

The acquisition of the shares of Impec Holding SAS (the Caribbean), Vitamalt (West Africa) Ltd. and Peva Poland Sp. z o.o. will in 2004 - in addition to strengthening strategic development opportunities - affect revenue and profit before tax positively.

There has been made an agreement with Coop in Denmark for the production of beer brands, which is expected to increase net revenue by some 2% over 2003.

In the summer of 2004 The Danish Brewery Group is expected to start brewing Heineken in Denmark, which will increase earnings potential for the product.

New product launches in Denmark, such as Royal Pilsner, Royal Classic and Faxe Kondi 2, will mean increased market shares and increased sales and earnings. The same applies to the relaunch of Kalnapilis in Lithuania.

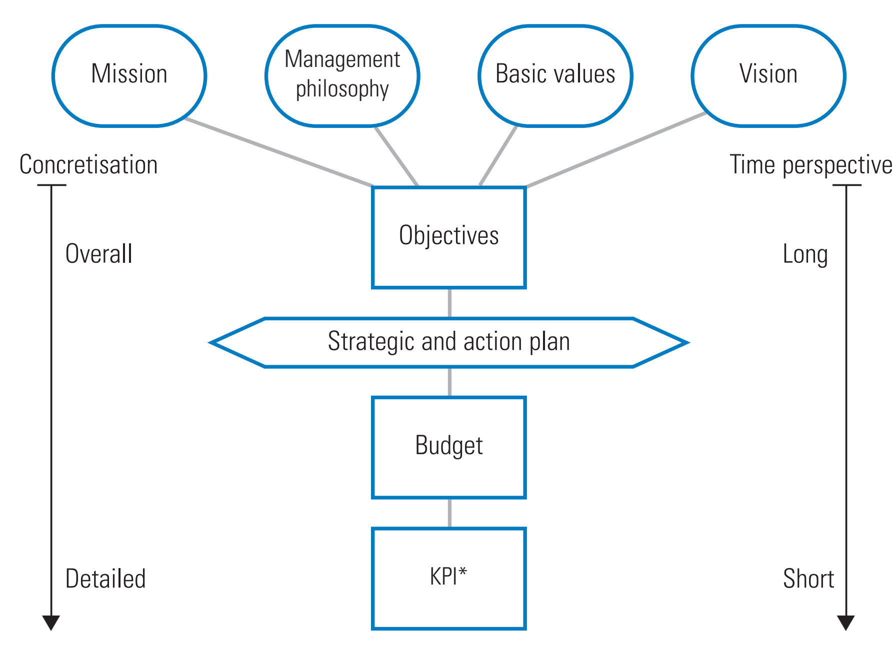
The implementation of the V8 Next Strategic and Action Plan will support the above-mentioned expectations for 2004. This will be effected through cost reductions by means of the resource and process optimisation activities and through strengthening of marketing efforts in the key markets of The Danish Brewery Group. Similarly, the continued work of developing the Group's employees, which is also an important element of V8 Next, will reinforce the basis of realising the action plans made. It is anticipated that the initiatives launched will as of 2005 have a positive net profit effect of DKK 15 million before tax on an annual basis.

It is planned that investments in property, plant and equipment will amount to approx. DKK 150 million in 2004.

On an overall basis, the Group's net revenue for 2004 is expected to show an increase of some 5-10% from 2004, whereas the profit margin for 2004 is expected to remain at the 2003 level, i.e. some 10.5-11%. Return on invested capital has been targeted at 10.5% as a minimum. Free cash flow (before any acquisitions) is also in 2004 expected to amount to at least DKK 200 million. Profit before tax is expected to be in the range from DKK 280 to 320 million.

The tax rate of the Group is expected to be 31% in 2004.

Management model of The Danish Brewery Group



*Key Performance Indicators

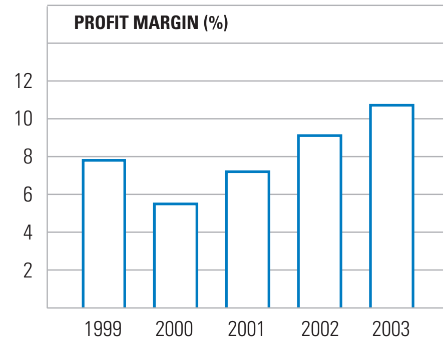
Dividend policy and share buy-back programme

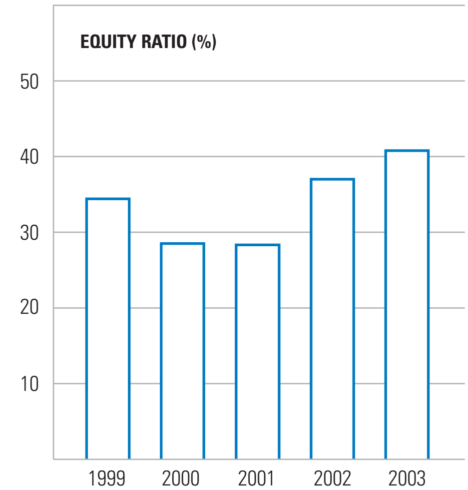
The Supervisory Board intends to continue to propose payment of an annual dividend to shareholders in the range from 25% to 40% of the net profit for the year. However, dividends will always be proposed taking into consideration the strategic plans and financial cash position of the Company.

In March 2003, the Supervisory Board announced that it was the Company's intention "to use part of the free cash flow to acquire treasury shares with a view to increasing earnings per share. The shares acquired will be applied towards reducing the Company's share capital. It is expected that, within the next year, DKK 50-100 million may be spent to acquire treasury shares, which at the current price level corresponds to 3-7% of the share capital."

In the period to the end of February 2004, 2.3% of the Company's share capital has been acquired at an incurred cost of DKK 54 million. The shares were acquired over a long period and at increasing prices in accordance with market developments.

The Supervisory Board still believes that it may be attractive to the Company and its long-range shareholders that the Company invests in treasury shares, and it therefore intends to continue acquiring shares within the framework of the authorisation by the Annual General Meeting and the means available - as long as this is considered the right thing for the Company. Based on this, the Supervisory Board intends to propose at the Annual General Meeting on 27 April 2004 that the Company's share capital be reduced by the amount of the shares held by the Company at the time of convening the Annual General Meeting - excepting the shares used to cover share option programmes.





The Supervisory Board also intends to request a new authorisation from the Annual General Meeting to acquire treasury shares up to 10% of the share capital, in accordance with the statutory provisions in that respect, with a view to either further reduction of the share capital or application of the shares in connection with business acquisitions, etc.

Statements about the future

The statements about the future made in this Annual Report reflect Management's expectations in respect of future events and financial results, as well as of economic trends in key markets and developments in international money, foreign exchange and interest rate markets.

Statements about the future will inherently involve uncertainty, as they may be affected by global economic conditions, market-driven price reductions, market acceptance of new products, unforeseen termination of working relationships and changes to regulatory aspects (taxes, environment, packaging). The actual results may therefore deviate materially from the expectations stated. The circumstances relating to the German deposit on disposable containers involve particular uncertainty with respect to consumption patterns and developments in the German market. Furthermore, it is at this time difficult to assess the effect of the reduction of the packaging taxes in Denmark and the resulting reduction of the deposit on returnable packaging, which may also affect cross-border trading between Denmark and Germany.

The Danish Brewery Group is a party to a limited number of legal actions, including a legal action concerning pension obligations to former and current employees of Albani Bryggerierne. These legal actions are not expected to have

Photo: Mads Armgaard

material negative impact on the financial position of The Danish Brewery Group.

Resolutions by the Supervisory Board and recommendations for the Annual General Meeting

The Supervisory Board recommends to the Annual General Meeting the payment of unchanged dividend of DKK 7.5 per share of DKK 10, equal to a dividend rate of some 32. The proposed dividend totals DKK 49.2 million. The Supervisory Board proposes that the remaining profit of DKK 103 million be allocated to retained earnings.

Furthermore, the Supervisory Board intends to propose that the Annual General Meeting authorise the Supervisory Board to acquire up to 10% treasury shares, cf. section 48 of the Danish Companies Act, for the period up until the next Annual General Meeting, see the section “Dividend Policy and Share Buy-back Programme”.

Annual General Meeting

The Annual General Meeting of The Danish Brewery Group will be held on 27 April 2004 at 17:00 hours in Faxe, Denmark.

Translation of the Annual Report

The Annual Report is available in Danish and English. In case of discrepancy, the Danish version shall prevail.

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have today presented the Annual Report of The Danish Brewery Group A/S for 2003.
The Annual Report was prepared in accordance with the Danish Financial Statements Act, Danish Accounting Standards and the general financial reporting requirements of the Copenhagen Stock Exchange governing listed companies. We consider the accounting policies applied appropriate. In our opinion, the Annual Report gives a true and fair view of the financial position and the results of operations and cash flows of the Group and the Parent Company.
We recommend that the Annual Report be adopted at the Annual General Meeting.

Faxe, 17 March 2004

EXECUTIVE BOARD

Poul Møller, CEO

Connie Astrup-Larsen,
International Director
for Eastern and Central Europe

Povl Friis, Technical Director

Leif Rasmussen, Sales and Marketing Director

Ulrik Sørensen, CFO

SUPERVISORY BOARD

K. E. Borup, Chairman

Steen Weirsøe, Deputy Chairman

Henrik Brandt

Ulrik Bülow

Erik Christensen

Flemming Hansen

Niels Chr. Knudsen

Søren Lorentzen

Michael Chr. Olsen

Tommy Pedersen

AUDITORS' REPORT

To the Shareholders of The Danish Brewery Group A/S

We have audited the Annual Report of The Danish Brewery Group A/S for the financial year 2003, pages 4-66.
The Annual Report is the responsibility of Company Management. Our responsibility is to express an opinion on the Annual Report, pages 4-66, based on our audit.

Basis of Opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies applied and significant estimates made by Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.
Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2003 of the Group and the Parent Company as well as of the results of the Group and Parent Company operations and of the consolidated cash flows for the financial year 1 January - 31 December 2003 in accordance with the Danish Financial Statements Act and the financial reporting requirements of the Copenhagen Stock Exchange.

Faxe, 17 March 2004

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab
Jens Røder
Jesper Lund
State Authorised Public Accountants

Ernst & Young
Statsautoriseret Revisionsaktieselskab
Bent Grønbæk
Eskild N. Jacobsen
State Authorised Public Accountants

Significant Accounting Policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class D, Danish accounting standards and the general requirements made by the Copenhagen Stock Exchange in respect of the financial reporting of listed companies.
The description of significant accounting policies has been partly revised for clarification purposes.

Changes to accounting policies

As an element in preparations for changing the accounting policies of The Danish Brewery Group A/S to achieve compliance with International Financial Reporting Standards, IFRS, as of the 2005 financial year, The Danish Brewery Group has decided to change its accounting policy for recognising returnable packaging as well as the repurchase obligation relating to packaging in circulation as of 1 January 2003. This is one of the most significant changes to the accounting policies previously applied in relation to the implementation of the International Financial Reporting Standards.
Previously, The Danish Brewery Group A/S measured returnable plastic crates, bottles and kegs held in inventory at deposit price at the time of acquisition. However, the amount in excess of deposit price of newly purchased plastic crates and kegs was measured at cost less depreciation and write-down. The amount in excess of deposit price of newly purchased bottles was recognised in the income statement. The obligation to repurchase returnable packaging in circulation for which a deposit has been paid was stated under "Additional Information".
As of 2003, plastic crates, bottles and kegs held in inventory as well as those in circulation will be measured at cost less accumulated depreciation and write-down, and the repurchase obligation relating to packaging in circulation will be recognised in provisions.
The effect of the changes on the profit and on equity is shown in the summary pages 59-60. Comparative figures and financial highlights have been restated to reflect the changed accounting policies.

Recognition and measurement

The Annual Report has been prepared under the historical cost method with the exceptions ensuing from these accounting policies.
The functional currency of the Group is DKK. Therefore, DKK has been used as the measurement currency for the purpose of preparing the Annual Report. Furthermore, the Annual Report is presented in DKK. Consequently, other currencies than DKK are regarded as foreign currencies.

Consolidated financial statements

The consolidated financial statements comprise The Danish Brewery Group A/S (the Parent Company) and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes.
Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.
The consolidated financial statements are prepared on the basis of the Group's annual reporting for the Parent Company and subsidiaries by combining accounting items of a uniform nature. Elimination is made of intercompany income and expenses, unrealised intercompany profits, balances and shareholdings. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.
On acquisition of new enterprises the purchase method is applied, under which the identifiable assets and liabilities of newly acquired enterprises are measured at fair value at the time of acquisition. Provision is made for the costs of restructuring of the acquired enterprise upon the acquisition, where such costs have been decided upon and announced.
Any positive difference (goodwill) between cost of acquisition and fair value of the identifiable assets and liabilities acquired, including restructuring provisions, is recognised in intangible assets and is amortised systematically in the income statement based on an individual assessment of its useful life, but, as a general rule, not exceeding 20 years.
Should the fair value of assets and liabilities acquired subsequently turn out to deviate from the values calculated at the time of acquisition, the related goodwill is adjusted until the end of the financial year following the year of acquisition.
Gains or losses on disposal of subsidiaries and associates are calculated as the difference between the sales sum and the carrying amount of net assets at the time of sale (including the carrying amount of goodwill) net of expected expenses and adjusted for exchange adjustments and goodwill previously recognised in equity. Enterprises disposed of are recognised in the consoli-

dated income statement up until the date of disposal. Comparative figures are not restated for newly acquired, sold or wound-up enterprises. Management's Review and the notes provide disclosures enabling a meaningful comparison in cases where the composition of the Group has changed materially during the financial year.

Minority interests

The accounting items of subsidiaries are recognised fully in the consolidated financial statements. The shares of results and equity of subsidiaries attributable to minority interests are adjusted regularly and are recognised as separate items in the income statement and the balance sheet.

Translation policies

Transactions in foreign currencies are translated into Danish kroner at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables and payables in foreign currencies (unsettled transactions) are translated into Danish kroner at the official exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

On recognition of foreign subsidiaries and associates that are separate legal entities, income statements are translated at average monthly exchange rates, whereas balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity of foreign subsidiaries and associates at exchange rates at the balance sheet date and on the translation of income statements from average exchange rates to exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of loans in foreign currencies contracted for the hedging of net investments in subsidiaries are also recognised in equity.

On realisation of a net investment in a foreign subsidiary, exchange adjustments of the net investment and hedging of the net investment reported directly in equity are transferred to the income statement as part of the gain or loss arising on realisation.

Income statements of foreign subsidiaries and associates that are integrated entities are translated at average exchange rates. Current assets and short-term debt are translated at the exchange rates at the balance sheet date, whereas fixed assets and long-term debt are translated at historical exchange rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are included as other receivables and other payables, respectively.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the value of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of future cash flows are recognised directly in equity. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and are recognised in the same entry as the hedged item.

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

Leases

All of the Group's leases are operating leases. Payments made under operating leases are recognised in the income statement over the lease term.

Development costs

Costs incurred in respect of development activities are recognised as an asset if they are expected to generate future economic benefits. Other development costs are expensed as incurred.

Government grants

Government grants comprise grants relating to projects and investments, etc. Grants relating to projects are recognised systematically in the income statement to offset the items of expense which they finance.

Grants relating to investments are offset against the cost of the assets to which they relate.

Incentive schemes

The Group offers a share option scheme to the Executive Board and members of the management team.

No expense is recognised on the issue of options.

The Group's share option schemes are covered by its treasury shares. The option obligation is therefore considered covered, and any subsequent value adjustment of the options is considered offset by a value adjustment of treasury shares.

Impairment

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether impairment has incurred other than that expressed by normal amortisation and depreciation. If so, the asset is written down to the higher of net selling price and value in use. Goodwill and other assets for which a value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

The carrying amount of financial assets measured at cost or amortised cost is written down for impairment if, due to changed expected net payments, the net present value is lower than the carrying amount.

Income statement

Revenue

Revenue from the sale of goods is recognised in the income statement at the time of delivery. Revenue is measured exclusive of VAT and net of discounts but includes excise duties on beer and mineral water. Net revenue is measured exclusive of excise duties on beer and mineral water.

Cost of sales

Cost of sales comprises direct and indirect expenses incurred to manufacture the finished goods representing revenue for the year, including expenses for raw materials and consumables purchases, salaries and wages, renting and leasing as well as depreciation of and impairment losses on production plant.

Cost of sales also includes development costs that do not meet the criteria for capitalisation as well as amortisation of capitalised development costs. Furthermore, research expenses are recognised.

Sales and distribution expenses

Sales and distribution expenses comprise expenses for distribution and sales campaigns relating to goods sold during the year, including expenses for sales personnel, marketing, depreciation and amortisation as well as losses on trade receivables.

Administrative expenses

Administrative expenses comprise expenses for management and administration of the Group, including expenses for administrative personnel, management, office expenses, insurance, depreciation and amortisation.

Other operating income and other operating expenses

Other operating income and other operating expenses comprise income or expenses of a secondary nature compared to the core activities of the Company, including renting of property, plant and equipment, etc.

Goodwill amortisation

Goodwill amortisation comprises amortisation for the year and any impairment losses within the Group. Goodwill amortisation is recognised as a separate item in the income statement of the Group.

In the Parent Company, amortisation of goodwill on consolidation is recognised in income from investments in subsidiaries and associates, whereas amortisation of goodwill on activities is recognised in goodwill amortisation.

Income from investments in subsidiaries and associates

The share of income before tax of subsidiaries and associates is recognised in the income statement of the Parent Company after adjusting for unrealised intercompany profits as well as amortisation of and impairment losses on goodwill. The share of the calculated tax of subsidiaries and associates is expensed under "Tax on the profit for the year".

The non-distributed share of income from investments is allocated to a reserve for net revaluation under the equity method.

Financial income and expenses

Financial income and financial expenses comprise interest, capital gains and losses on securities, balances and transactions in foreign currencies, amortisation of financial assets and liabilities, fair value adjustments of derivative financial instruments that do not qualify as hedge accounting as well as extra payments and repayment under the on-account taxation scheme.

Tax

The Parent Company is jointly taxed with certain wholly owned Danish and a few foreign subsidiaries. The tax calculated for the jointly taxed enterprises, current tax as well as deferred tax, is recognised in the financial statements of the Parent Company, which pays the total tax on the taxable income for the year of the companies.

Tax for the year consists of current tax for the year and movements in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.

BALANCE SHEET

INTANGIBLE ASSETS

Goodwill

Goodwill is amortised on a straightline basis over the estimated useful life determined on the basis of Management's experience. The longest amortisation period applies to enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Brewery activities: a maximum of 20 years.

Sales and distribution activities: a maximum of 10 years.

Property, plant and equipment

Land and buildings, production plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Equipment acquired for less than DKK 25,000, except for plastic crates, bottles and kegs, are fully expensed in the year of acquisition.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, which are:

Buildings (excluding installa-tions)	50 years
Installations	25 years
Plant and machinery as well as other fixtures and fittings, tools and equipment	5-8 years
Computer software	3 years
Leasehold improvements under the straight-line method over the term of the lease	max. 10 years
Plastic crates	10 years
Bottles	6 years
Kegs	10 years

Profits and losses on the disposal of property, plant and equipment are calculated as the difference between the sales sum less the expenses necessary to make the sale and the carrying amount at the time of sale. Profits or losses are recognised in the income statement in cost of sales, sales or distribution expenses or administrative expenses, respectively.

FIXED ASSET INVESTMENTS

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at net asset value.

In the balance sheet, the investments are measured at the proportionate ownership share of the net asset value of the enterprises with deduction of unrealised intercompany profits and with addition of goodwill on consolidation. Enterprises with a negative net asset value are recognised at DKK 0 as the proportionate share corresponding to the negative value is set off against receivables, if any, and any remaining balance is recognised in provisions.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

Other receivables

Other receivables under fixed asset investments held to maturity are initially recognised at cost and are subsequently measured at amortised cost or an estimated lower value at the balance sheet date.

CURRENT ASSETS

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value of individual product groups.

The net realisable value of inventories is calculated at the amount of future sales revenues expected to be generated by inventories at the balance sheet date in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum with deduction of calculated selling expenses.

The cost of raw materials, consumables, goods for resale and purchased finished goods comprises invoiced price plus expenses directly attributable to the acquisition.

The cost of work in progress and finished goods comprises the cost of materials and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of and impairment losses on the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Any borrowing costs in the period of manufacture are not recognised.

Receivables

Receivables are initially measured at cost and are subsequently meas-ured at amortised cost or an estimated lower value at the balance sheet date. This lower value is determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments recognised in assets comprise expenses incurred in respect of subsequent financial years.

Current asset investments

Current asset investments are recognised at cost at the date of settlement. At subsequent balance sheet dates they are measured at fair values. The fair values of listed securities equal quoted market price at the balance sheet date.

All current adjustments as well as gains and losses on sale of current asset investments are recognised in financial income and financial expenses in the income statement.

EQUITY

Proposed dividend

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting. Dividend distribution for the year proposed by Management is disclosed as a separate equity item.

Treasury shares

Treasury shares acquired by the Parent Company or subsidiaries are recognised at cost directly in equity under retained earnings. Where treasury shares are subsequently sold, any consideration is also recognised directly in equity. Dividend on treasury shares is recognised directly in equity under retained earnings.

Repurchase obligation relating to packaging in circulation

Plastic crates, bottles and kegs in circulation and held in inventory are recognised in property, plant and equipment, and the obligation to repurchase returnable packaging in circulation for which a deposit has been paid is recognised in provisions.
The repurchase obligation relating to packaging in circulation is calculated on the basis of estimated total volumes of packaging less packaging held in inventory.

Other provisions

Other provisions are recognised when - in consequence of an event occurred during the year or in previous financial years - the Group has an obligation at the balance sheet date and it is probable that economic benefits must be given up to settle the obligation.
Pension obligations comprise schemes that have not been covered. The estimated net present value of the obligation is recognised in the balance sheet. Changes in provisions during the year are recognised in the income statement.
Other provisions primarily include obligations in respect of business acquisitions and restructuring.

Corporation tax and deferred tax

Current tax liabilities are recognised in the balance sheet as calculated tax on the expected taxable income for the year adjusted for tax on taxable incomes for previous years and for tax paid on account.
Deferred tax is recognised in respect of all temporary differences between the carrying amounts and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences arising at the time of acquisition without affecting the profit for the year or the taxable income or of temporary differences concerning goodwill not deductible for tax purposes. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognised at the value at which they are expected to be realised, either by elimination in tax on future earnings or by setoff against deferred tax liabilities.
Deferred tax is measured on the basis of the tax rules and tax rates expected under the legislation at the balance sheet date to be effective when the deferred tax crystallises as current tax.
In the balance sheet, setoff is made between deferred tax assets and deferred tax liabilities within the same legal tax entity and jurisdiction.

Debts

Mortgage loans and loans from credit institutions are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the financial obligations are measured at amortised cost equal to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value is recognised in the income statement over the loan period.
Other debts, comprising trade payables, payables to subsidiaries and associates, VAT, excise duties, etc as well as other payables, are measured at amortised cost, substantially corresponding to nominal value.

CASH FLOW STATEMENT

The consolidated cash flow statement is presented under the indirect method based on the net profit for the year. The statement shows cash flows for the year, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for non-cash operating items, changes in working capital, financial income and financial expenses, and corporation tax paid.
Cash flows from investing activities comprise acquisitions and disposals of property, plant and equipment, and fixed asset investments as well as dividend received from associates. Acquisition prices are measured inclusive of expenses necessary to make the acquisition and sales prices after deduction of transaction expenses.
Cash flows from financing activities comprise changes to the amount or composition of the Group's share capital and related expenses, borrowing and repayment of interest-bearing debt as well as payment of dividend to shareholders.
Cash and cash equivalents comprise current asset investments and cash at bank and in hand included in the balance sheet. Current asset investments consist of securities with a maturity of less than 3 months that can readily be turned into cash and are only subject to an insignificant risk of value changes.

SEGMENT REPORTING

The Group's business segment is beer and soft drinks sales. Reporting on the business segment is by geographical markets. Segment reporting is based on the Group's returns and risks and its internal financial reporting system.
Items included in net profit for the year, including income from investments in associates and financial income and expenses, are allocated to the extent that the items are directly or indirectly attributable to the markets. Items allocated both by direct and indirect computation comprise "production costs" and "administrative expenses", which are allocated by indirect computation based on allocation keys determined on the basis of the market's drain on key resources. Administrative expenses incurred in the group functions of the Parent Company are partly allocated.
Fixed assets comprise the fixed assets that are directly or indirectly used in connection with activities in the markets.
Segment liabilities comprise liabilities derived from activities in the market, including provisions, trade payables, VAT, excise duties and other payables.

FINANCIAL RATIOS

The Group's financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts. The financial ratios are explained in the section on financial highlights and key ratios of the Group.

Income Statement for 2003 (DKK '000)

Parent Company 2002	Parent Company 2003	Note		Group 2003	Group 2002
2,650,846	**2,575,850**		Revenue	**3,109,686**	3,365,393
-296,087	**-273,735**		Beer and mineral water excises	**-476,632**	-587,751
2,354,759	**2,302,115**	1	**Net revenue**	**2,633,054**	**2,777,642**
-1,273,404	**-1,189,226**	2	Production costs	**-1,255,150**	-1,360,072
1,081,355	**1,112,889**		**Gross profit**	**1,377,904**	**1,417,570**
-748,483	**-744,886**	2	Sales and distribution expenses	**-968,277**	-1,031,627
-107,716	**-115,288**	2	Administrative expenses	**-133,623**	-130,898
4,907	**13,441**		Other operating income	**21,274**	11,194
-4,752	**-4,752**	7	Goodwill amortisation	**-14,334**	-13,807
225,311	**261,404**		**Operating profit**	**282,944**	**252,432**
0	**-40,000**	3	Special items	**-40,000**	13,174
225,311	**221,404**		**Profit before financial income and expenses**	**242,944**	**265,606**
45,258	**30,643**		Profit from investments in subsidiaries	**0**	0
9,639	**-5,589**		Profit from investments in associates	**9,086**	20,614
13,515	**18,291**	4	Financial income	**11,631**	10,876
-59,806	**-42,544**	5	Financial expenses	**-40,697**	-62,841
233,917	**222,205**		**Profit before tax**	**222,964**	**234,255**
-76,765	**-69,917**	6	Tax on the profit for the year	**-70,303**	-76,834
157,152	**152,288**		**Consolidated profit**	**152,661**	**157,421**
0	**0**		Minority interests' share of profit	**-373**	-269
157,152	**152,288**		**Net profit for the year**	**152,288**	**157,152**
			Proposed distribution for the year:		
	49,226		Dividend for the year		
	103,062		Retained earnings		
	152,288		**Total distribution**		

Assets at 31 December 2003 (DKK '000)

Parent Company 2002	Parent Company 2003	Note		Group 2003	Group 2002
			FIXED ASSETS		
85,547	**80,795**		Goodwill	**257,133**	250,582
85,547	**80,795**	7	**Intangible assets**	**257,133**	**250,582**
560,261	**534,792**		Land and buildings	**647,822**	673,511
307,871	**267,163**		Plant and machinery	**357,558**	412,756
200,407	**208,020**		Other fixtures and fittings, tools and equipment	**254,431**	257,665
17,255	**7,687**		Property, plant and equipment in progress	**22,630**	24,231
1,085,794	**1,017,662**	8	**Property, plant and equipment**	**1,282,441**	**1,368,163**
532,548	**553,987**		Investments in subsidiaries	**0**	0
45,497	**36,968**		Investments in associates	**99,660**	110,277
27,743	**24,092**		Receivables from associates	**24,092**	27,743
8,644	**11,577**		Other receivables	**16,172**	13,160
614,432	**626,624**	9	**Fixed asset investments**	**139,924**	**151,180**
1,785,773	**1,725,081**		**Fixed assets**	**1,679,498**	**1,769,925**
			CURRENT ASSETS		
93,460	**73,083**		Raw materials and consumables	**72,629**	94,112
13,762	**7,950**		Work in progress	**13,272**	19,163
104,232	**91,995**		Finished goods and purchased finished goods	**125,347**	124,824
211,454	**173,028**		**Inventories**	**211,248**	**238,099**
119,965	**114,787**		Trade receivables	**359,532**	347,173
142,252	**190,374**		Receivables from subsidiaries	**0**	0
0	**0**		Receivables from associates	**793**	1,609
24,094	**31,659**		Other receivables	**41,383**	26,342
18,920	**20,742**		Prepayments	**36,625**	29,958
305,231	**357,562**		**Receivables**	**438,333**	**405,082**
2,766	**2,751**		**Current asset investments**	**2,751**	**2,766**
44,454	**22,817**		**Cash at bank and in hand**	**116,277**	**79,544**
563,905	**556,158**		**Current assets**	**768,609**	**725,491**
2,349,678	**2,281,239**		**Assets**	**2,448,107**	**2,495,416**

Liabilities and Equity at 31 December 2003 (DKK '000)

Parent Company 2002	Parent Company 2003	Note		Group 2003	Group 2002
			EQUITY		
65,635	**65,635**	10	Share capital	**65,635**	65,635
53,911	**53,911**		Share premium account	**53,911**	53,911
755,697	**827,065**		Retained earnings	**827,065**	755,697
48,235	**49,226**		Proposed dividend	**49,226**	48,235
923,478	**995,837**		**Equity**	**995,837**	**923,478**
0	**0**	11	**Minority interests**	**11,138**	**7,031**
			PROVISIONS		
1,404	**1,285**	12	Provisions for pension	**1,298**	1,428
124,148	**121,869**	12	Repurchase obligation, returnable packaging	**125,178**	128,954
270	**4,168**	12	Other provisions	**4,410**	3,161
161,212	**159,290**	13	Provisions for deferred tax	**159,318**	158,937
287,034	**286,612**		**Provisions**	**290,204**	**292,480**
			DEBT		
376,432	**428,151**		Mortgage debt	**446,128**	422,515
231,280	**181,776**		Credit institutions	**181,776**	249,065
607,712	**609,927**	14	**Long-term debt**	**627,904**	**671,580**
40,870	**45,346**	14	Mortgage debt	**48,259**	43,629
217,011	**71,634**	14	Credit institutions	**91,997**	193,573
98,738	**110,207**		Trade payables	**170,727**	148,359
52,177	**53,484**		Payables to subsidiaries	**0**	0
0	**722**		Corporation tax	**0**	7,019
45,976	**40,886**		VAT, excise duties, etc	**62,374**	62,171
76,682	**66,584**		Other payables	**149,667**	146,096
531,454	**388,863**		**Short-term debt**	**523,024**	**600,847**
1,139,166	**998,790**		**Debt**	**1,150,928**	**1,272,427**
2,349,678	**2,281,239**		**Liabilities and equity**	**2,448,107**	**2,495,416**
		16	Fee to auditors		
		17	Contingent liabilities and additional information		
		18	Foreign exchange and interest rate risks and use of derivative finansial instruments		
		19	Related parties		

Statement of Changes in Equity (DKK '000)

	Parent Company and Group				
	Share capital	Share premium account	Retained earnings	Proposed dividend for the year	Total
Equity at 31 December 2001	**62,815**	**47,886**	**704,282**	**27,993**	**842,976**
Accumulated effect of change of accounting policies, beginning of year			-108,543		**-108.543**
Adjusted equity at 31 December 2001	**62,815**	**47,886**	**595,739**	**27,993**	**734,433**
Increase of capital upon merger	2,138		46,039		**48,177**
Increase of capital re. employee shares	682	6,025			**6,707**
Acquisition of treasury shares			-1		**-1**
Sale of treasury shares			1,003		**1,003**
Exchange adjustment, foreign subsidiaries			-11,136		**-11,136**
Value adjustment of hedging instruments, end of year			3,873		**3,873**
Reversal of value adjustment of hedging instruments, beginning of year			9,803		**9,803**
Tax on equity movements			1,460		**1,460**
Dividend distributed to shareholders				-27,993	**-27,993**
Net profit for the year			157,152		**157,152**
Proposed dividend to shareholders			-48,235	48,235	**0**
Equity at 31 December 2002	**65,635**	**53,911**	**755,697**	**48,235**	**923,478**
Acquisition of treasury shares			-27,993		**-27,993**
Sale of treasury shares			5,859		**5,859**
Exchange adjustment, foreign subsidiaries			-5,644		**-5,644**
Value adjustment of hedging instruments, end of year			-1,722		**-1,722**
Reversal of value adjustment of hedging instruments, beginning of year			-3,873		**-3,873**
Tax on equity movements			1,679		**1,679**
Dividend paid to shareholders				-48,235	**-48,235**
Net profit for the year			152,288		**152,288**
Proposed dividend to shareholders			-49,226	49,226	**0**
Equity at 31 December 2003	**65,635**	**53,911**	**827,065**	**49,226**	**995,837**
Exchange adjustments re. independent subsidiaries and associates:					
Balance at 31 December 2002			-17,347		
Balance at 31 December 2003			-23,911		

Consolidated Cash Flow Statement (DKK '000)

Note		2003	2002
	Net profit for the year	**152,288**	157,152
15	Adjustments	**311,307**	296,783
	Change in working capital:		
	+/- change in receivables	**-21,170**	15,328
	+/- change in inventories	**44,176**	-15,561
	+/- change in payables	**-9,128**	-19,368
	Cash flows from operating activities before financial income and expenses	**477,473**	**434,334**
	Financial income	**4,362**	10,876
	Financial expenses	**-44,456**	-62,841
	Cash flows from ordinary activities	**437,379**	**382,369**
	Corporation tax paid	**-78,926**	-48,755
	Cash flows from operating activities	**358,453**	**333,614**
	Dividends received from associates	**8,539**	1,229
	Sale of current asset investments	**572**	315
	Sale of property, plant and equipment	**11,524**	22,696
	Purchase of property, plant and equipment	**-113,413**	-109,688
	Free cash flow	***265,675***	*248,166*
15	Sale of subsidiaries	**3,132**	49,200
15	Acquisition of subsidiaries	**-28,165**	-34,372
	Fixed asset investments made	**0**	-61,485
	Cash flows from investing activities	**-117,811**	**-132,105**
	Proceeds from raising of long-term debt	98,400	0
	Repayment of long-term debt	-169,724	-94,026
	Change in short-term debts to credit institutions	-61,722	-99,581
	Issue of shares	0	6,707
	Dividend paid	-48,235	-27,993
	Purchase of treasury shares	-27,993	-1
	Sale of treasury shares	5,859	1,003
	Cash flows from financing activities	**-203,415**	**-213,891**
	Change in cash and cash equivalents	**37,227**	**-12,382**
	Cash and cash equivalents at 1 January	79,544	92,087
	Exchange adjustment	-494	-161
	Cash and cash equivalents at 31 December	**116,277**	**79,544**

Note 1 **Segment reporting**

The Group's activities break down as follows on geographic segments:

2003 (mDKK)	Western Europe	Eastern Europe	Other markets	Unallocated	Group
Revenue	2,237.8	236.9	158.4	0.0	**2,633.1**
Operating profit	309.4	-19.2	7.9	-15.2	**282.9**
Fixed assets	1,127.2	221.0	76.6	254.7	**1,679.5**
Liabilities	643.2	40.2	30.8	726.9	**1,441.1**
Sales (million hectolitres)	3.2	0.7	0.2	0.0	**4.1**
2002 (mDKK)					
Revenue	2,341.3	308.3	128.0	0.0	**2,777.6**
Operating profit	291.4	-14.1	13.1	-38.0	**252.4**
Fixed assets	1,252.3	320.4	46.0	151.2	**1,769.9**
Liabilities	605.0	50.7	0.4	908.8	**1,564.9**
Sales (million hectolitres)	3.5	0.8	0.2	0.0	**4.5**

Note 2 **Expenses**

The total wages, salaries, staff expenses, etc. are included in production costs, sales and distribution expenses as well as administrative expenses and break down as follows:

	Parent Company		Group	
	2003	**2002**	**2003**	**2002**
Wages and salaries	**311,697**	319,168	**376,336**	398,617
Remuneration of Executive Board	**9,695**	8,396	**13,726**	12,927
Remuneration of Supervisory Board	**1,863**	2,044	**2,212**	2,828
Contribution to pension schemes	**22,326**	21,098	**25,557**	21,739
Other social security expenses	**993**	1,995	**3,097**	3,658
Other staff expenses	**16,061**	14,093	**18,664**	14,943
Total	**362,635**	**366,794**	**439,592**	**454,712**
Average number of employees	**972**	1,060	**1,517**	1,789

The remuneration disclosed for the Executive Board is exclusive of share option programme.

Notes to Income Statement (DKK '000)

Note 2 contd

For incentive purposes, the following share option schemes have been established for the Executive Board and other members of the management team of the Group. Each option carries a right to acquire 1 share of DKK 10.

	Executive Board	Other man. team	Total	Exercise price	Exercise period
	Number	Number	Number		
Granted in 1998	7,500	40,000	**47,500**	300	8/2001-3/2003
Granted in 2000	9,060	28,783	**37,843**	221	3/2003-11/2004
Unexercised at 1 January 2001	**16,560**	**68,783**	**85,343**		
Granted in 2001	9,140	22,275	**31,415**	219	3/2004-11/2005
Expired in 2001	0	-11,830	**-11,830**		
Unexercised at 31 December 2001	**25,700**	**79,228**	**104,928**		
Granted in 2002	4,167	0	**4,167**	240	6/2005-5/2007
Granted in 2002	3,774	0	**3,774**	265	6/2005-5/2007
Granted in 2002	3,448	0	**3,448**	290	6/2006-5/2008
Granted in 2002	3,175	0	**3,175**	315	6/2007-5/2009
Expired in 2002	-7,550	5,055	**-2,495**		
Unexercised at 31 December 2002	**32,714**	**84,283**	**116,997**		
Granted re. 2003	7,900	6,100	**14,000**	375*	3/2006-4/2008
Exercised in 2003	-4,530	-21,983	**-26,513**	221	
Expired in 2003	-4,500	-37,685	**-42,185**		
Unexercised at 31 December 2003	**31,584**	**30,715**	**62,299**		
Distributed on:					
Granted in 2000	2,265	2,355	**4,620**	221	
Granted in 2001	6,855	22,260	**29,115**	219	
Granted in 2002	14,564	0	**14,564**	240-315	
Granted in 2003	7,900	6,100	**14,000**	375*	
	31,584	**30,715**	**62,299**		
Market value at 31 December 2002	**1.0 m**	**1.5 m**	**2.5 m**		
Market value at 31 December 2003	**4.1 m**	**4.5 m**	**8.6 m**		

Based on a share price of The Danish Brewery Group share of 375 at 31 December 2003, the market value has been calculated by means of the Black-Scholes model. The calculation is based on an assumption of 30% volatility, a risk-free interest rate of 2.5-3.9% (2002: 3.0-4.2%) and annual dividend per share of DKK 7.5. The exercise price of shares granted in 2003 is assumed to be 375.
* The exercise price of the share options granted in 2003 is determined as the average market price of the Company's shares on the first 10 trading days after the publication of the Annual Report for 2003.

Total depreciation and impairment losses as well as profits from sale of property, plant and equipment are included in the following items in the income statement:

	Parent Company		Group	
	2003	**2002**	**2003**	**2002**
Production costs	**95,737**	110,125	**132,425**	135,972
Sales and distribution expenses	**14,139**	11,370	**24,781**	18,469
Administrative expenses	**7,796**	4,554	**-5,831**	4,847
Special items	**21,800**	0	**21,800**	0
Total	**139,472**	**126,049**	**173,175**	**159,288**

Notes to Income Statement and Assets (DKK '000)

Note 3 **Special items**

	Group	
	2003	**2002**
Discontinuation of brewery activities in Randers, Denmark (expense)	**40,000**	0
Discontinuation of brewery activities in the UK (income)	**0**	13,174
	40,000	13,174

Note 4 **Financial income**

In 2003, financial income includes DKK 4,449k relating to subsidiaries compared to DKK 2,762k in 2002.

Note 5 **Financial expenses**

In 2003, financial expenses include DKK 1,640k relating to subsidiaries compared to DKK 2,396k in 2002.

Note 6 **Tax on the profit for the year**

	Parent Company		Group	
	2003	**2002**	**2003**	**2002**
Tax on the taxable income for the year	**62,041**	48,959	**65,857**	66,935
Adjustment of deferred tax	**-1,923**	-850	**380**	6,546
Corporation tax of subsidiaries and associates	**9,799**	28,656	**4,066**	3,353
Total	**69,917**	**76,765**	**70,303**	**76,834**
which breaks down as follows:				
Tax	**68,238**	75,305	**68,624**	75,374
Tax on equity entries	**1,679**	1,460	**1,679**	1,460
Tax on profit for the year	**69,917**	**76,765**	**70,303**	**76,834**

Current Danish tax %	**30.0**	30.0
Effect on tax % of permanent differences, primarily goodwill amortisation	**2.4**	1.7
Effect of differences in tax % of subsidiaries and associates	**-0.9**	1.1
Effective tax %	**31.5**	**32.8**

Note 7 **Intangible assets**

	Goodwill	
	Parent Company	**Group**
Cost at 1 January 2003	**95,288**	**302,815**
Additions for the year	**0**	**20,885**
Cost at 31 December 2003	**95,288**	**323,700**
Amortisation and impairment losses 2003	**9,741**	**52,233**
Amortisation for the year	**4,752**	**14,334**
Amortisation and impairment losses at 31 December 2003	**14,493**	**66,567**
Carrying amount at 31 December 2003	**80,795**	**257,133**

Notes to Assets (DKK '000)

Note 8 **Property, plant and equipment**

Parent Company	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2003	869.900	1,176,186	474,576	17,255	**2,537,917**
Change of accounting policies	0	0	237,725	0	**237,725**
Additions for the year	5,854	40,490	64,655	5,683	**116,682**
Disposals for the year	-22,686	-60,782	-73,651	0	**-157,119**
Transfers for the year	1,130	10,065	4,056	-15,251	**0**
Cost at 31 December 2003	**854,198**	**1,165,959**	**707,361**	**7,687**	**2,735,205**
Depreciation and impairment losses at 1 January 2003	309,639	868,315	260,580	0	**1,438,534**
Change of accounting policies	0	0	241,359	0	**241,359**
Depreciation for the year	29,466	86,113	52,129	0	**167,708**
Depreciation and impairment of assets sold and discontinued	-19,699	-55,632	-54,727	0	**-130,058**
Depreciation and impairment losses at 31 December 2003	**319,406**	**898,796**	**499,341**	**0**	**1,717,543**
Carrying amount at 31 December 2003	**534,792**	**267,163**	**208,020**	**7,687**	**1,017,662**

According to the latest official assessment for property tax purposes, the cash value of the properties aggregated DKK 465.5 million (2002: DKK 476.6 million). Land and buildings at a carrying amount of DKK 509.8 million have been provided as security for mortgage debt of DKK 473.5 million (2002: DKK 532.6 million and DKK 417.3 million, respectively).

Group	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2003	1,009,689	1,439,121	558,742	24,231	**3,031,783**
Exchange adjustment	233	560	538	20	**1,351**
Change of accounting policies			273,215		**273,215**
Additions upon acquisition	3,660		1,616		**5,276**
Additions for the year	5,893	40,773	67,173	34,246	**148,085**
Disposals for the year	-23,345	-63,836	-83,152	-5,960	**-176,293**
Transfers for the year	2,029	21,076	6,802	-29,907	**0**
Cost at 31 December 2003	**998,159**	**1,437,694**	**824,934**	**22,630**	**3,283,417**
Depreciation and impairment losses at 1 January 2003	336,178	1,026,365	285,375	0	**1,647,918**
Exchange adjustment	43	370	-248	0	**165**
Change of accounting policies	0		281,331		**281,331**
Additions upon acquisition	1,844		967		**2,811**
Depreciation for the year	32,676	111,647	63,982		**208,305**
Depreciation and impairment of assets sold and discontinued	-20,404	-58,246	-60,904		**-139,554**
Depreciation and impairment losses at 31 December 2003	**350,337**	**1,080,136**	**570,503**	**0**	**2,000,976**
Carrying amount at 31 December 2003	**647,822**	**357,558**	**254,431**	**22,630**	**1,282,441**

According to the latest official assessment for property tax purposes, the cash value of Danish properties at a carrying amount of DKK 526.5 million aggregated DKK 486.8 million (2002: DKK 532.6 million and DKK 497.9 million, respectively).

Land and buildings at a carrying amount of DKK 526.5 million have been provided as security for mortgage debt of DKK 494.4 million (2002: DKK 580.8 million and DKK 466.1 million, respectively).

Notes to Assets (DKK '000)

Note 9 **Fixed asset investments**

Parent Company	Investments in subsidiaries	Investments in associates	Receivables from associates	Other receivables	Total
Cost at 1 January 2003	784,760	37,863	27,743	8,644	**859,010**
Exchange adjustment	-9,761	-2,489	-3,651		**-15,901**
Reclassification	-348			294	**-54**
Additions	28,544				**28,544**
Increase of capital	28,498	187		2,845	**31,530**
Disposals	-17,153			-206	**-17,359**
Cost at 31 December 2003	**814,540**	**35,561**	**24,092**	**11,577**	**885,770**
Revaluations and impairment losses at 1 January 2003	-227,574	7,634	0	0	**-219,940**
Exchange adjustment	9,288	-1,037			**8,251**
Change of accounting policies	-27,071				**-27,071**
Dividend	-20,597				**-20,597**
Reg. re. negative equity of subsidiaries	-28,232				**-28,232**
Revaluations and impairment losses for the year	20,226	-5,190			**15,036**
Disposals	13,407				**13,407**
Revaluations and impairment losses at 31 December 2003	**-260,553**	**-1,407**	**0**	**0**	**-259,146**
Carrying amount at 31 December 2003	**553,987**	**36,968**	**24,092**	**11,577**	**626,624**
Value of goodwill included above	**176,337**	**5,290**			
Group					
Cost at 1 January 2003	0	76,791	27,743	13,563	**118,097**
Exchange adjustment		-9,535	-3,651	37	**-13,149**
Reclassification				294	**294**
Additions for the year		187		2,946	**3,133**
Disposals for the year				-206	**-206**
Cost at 31 December 2003	**0**	**67,443**	**24,092**	**16,634**	**108,169**
Revaluations and impairment losses at 1 January 2003	0	33,486	0	-403	**33,083**
Exchange adjustments		-1,249		9	**-1,240**
Dividend		-8,541			**-8,541**
Revaluations and impairment losses for the year		8,521		-68	**8,453**
Revaluations and impairment losses at 31 December 2003	**0**	**32,217**	**0**	**-462**	**31,755**
Carrying amount at 31 December 2003	**0**	**99,660**	**24,092**	**16,172**	**139,924**
Value of goodwill included above		**5,290**			

Notes to Liabilities and Equity (DKK '000)

Note 10 **Share capital**

The share capital of DKK 65,635,090 is divided into shares of DKK 10.

The share capital has developed as follows:

	2003	2002	2001	2000	1999
Balance at 1 January	**65,635**	62,815	62,815	62,815	62,292
Capital increase, employee shares		682			523
Capital increase, merger		2,138			
Balance at 31 December	**65,635**	**65,635**	**62,815**	**62,815**	**62,815**

Treasury shares held:

	Parent Company		Group	
	2003	2002	2003	2002
Balance at 1 January	**0**	0	**0**	0
Additions	**27,993**	1	**27,993**	1
Disposals	**-5,859**	-1,003	**-5,859**	-1,003
Transferred to equity, net	**-22,134**	1,002	**-22,134**	1,002
Balance at 31 December 2003	**0**	**0**	**0**	**0**

	Number	Nom. value	% ofcapital
Portfolio at 1 January 2003	**132,218**	**1,322**	**2.0**
Acquisitions	**82,250**	**823**	**1.3**
Sale	**-26,513**	**-265**	**-0.4**
Portfolio at 31 December 2003	**187,955**	**1,880**	**2.9**

Note 11 **Minority interests**

	Group	
	2003	2002
Balance at 1 January 2003	**7,031**	60,132
Exchange adjustment	**24**	-53
Share of net profit	**373**	269
Additions	**7,358**	0
Disposals	**-3,648**	-53,317
Balance at 31 December 2003	**11,138**	**7,031**

Notes to liabilities and equity (DKK '000)

Note 12 **Provisions**

Provisions for pensions	Parent Company		Group	
	2003	2002	2003	2002
Balance at 1 January	**1,404**	1,640	**1,428**	3,291
Utilised during the year	**-303**	-303	**-314**	-601
Reversal of unutilised provisions				-1,329
Provisions for the year	**184**	67	**184**	67
Balance at 31 January 2003	**1,285**	**1,404**	**1,298**	**1,428**
Maturity times are expected to be as follows:				
IWithin 1 year	**303**	303	**314**	314
Between 1 and 5 years	**925**	925	**851**	933
After 5 years	**57**	176	**133**	181
	1,285	**1,404**	**1,298**	**1,428**

Repurchase obligation, returnable packaging:	Parent Company		Group	
	2003	2002	2003	2002
Balance at 1 January	**124,148**	130,320	**128,954**	138,271
Adjustment for the year	**-2,279**	-6,172	**-3,776**	-9,317
Balance at 31 December 2003	**121,869**	**124,148**	**125,178**	**128,954**

The changes in the repurchase obligation reflect net sales of returnable packaging for the year less estimated wastage of returnable packaging in circulation.

Other provisions:	Parent Company		Group	
	2003	2002	2003	2002
Balance at 1 January	**270**	600	**3,161**	16,112
Utilised during the year	**-602**	-330	**-3,251**	-7,251
Reversal of unutilised provisions	**0**			-5,700
Provisions for the year	**4,500**	0	**4,500**	0
Balance at 31 December 2003	**4,168**	**270**	**4,410**	**3,161**
Maturity times are expected to be as follows:				
Within 1 year	**4,168**	270	**4,410**	3,161
	4,168	**270**	**4,410**	**3,161**

Notes to liabilities and equity (DKK '000)

Note 13 **Provisions for deferred tax**

	Parent Company		Group	
	2003	2002	2003	2002
Deferred tax at 1 January	161,213	147,778	158,938	152,391
Additions upon merger		14,284		
Deferred tax for the year	-1,923	-850	380	6,546
Deferred tax at 31 December	159,290	161,212	159,318	158,937
Deferred tax relates to:				
Intangible assets	-3,311	-4,114	-3,311	-4,114
Property, plant and equipment	145,563	149,450	150,898	155,486
Fixed asset investments	2,252	5,593	0	0
Current assets	17,141	15,434	14,086	13,916
Provisions	-385	-421	-385	-421
Debt	-1,970	-4,730	-1,970	-5,930
	159,290	161,212	159,318	158,937

One group company has an unutilised tax loss of some DKK 10 million at 31 December 2003.
The corresponding tax asset has not been capitalised as the loss is not expected to be utilised.

Note 14 **Interest-bearing debt**

	Parent Company Maturity				
	within 1 year	1 - 5 years	after 5 years	total	market value
Mortgage debt	45,346	175,750	252,401	473,497	481,800
Credit institutions	71,634	181,776	0	253,410	243,437
	116,980	357,526	252,401	726,907	725,237

	Group Maturity				
	within 1 year	1 - 5 years	after 5 years	total	market value
Mortgage debt	48,259	183,060	263,068	494,387	504,100
Credit institutions	91,997	181,776	0	273,773	263,800
	140,256	364,836	263,068	768,160	767,900

Other notes (DKK'000):

Note 15 **Adjustments to cash flows**

	2003	2002
Minority interests' share of profit	373	269
Financial income	-15,180	-10,876
Financial expenses	48,549	62,841
Depreciation and amortisation	222,638	172,394
Tax on the profit for the year	70,303	76,834
Income from investments in associates	-8,521	-9,786
Net loss from sale of property, plant and equipment	3,431	18,281
Adjustment, special items	-10,286	-13,174
Total	**311,307**	**296,783**

Sale and acquisition of subsidiaries:	2003		2002	
Assets:	**Sale**	**Acquisition**	**Sale**	**Acquisition**
Fixed assets	0	-2,459	40,800	-38,875
Current assets	3,132	-49,345	8,400	-22,804
Liabilities and equity:				
Provisions		241		323
Long-term debt		0		1,580
Short-term debt		37,288		6,589
Minority interests		6,995		
Goodwill on consolidation		-20,885		-29,362
Sales / acquisition price	**3,132**	**-28,165**	**49,200**	**-82,549**
Paid by way of shares	0	0	0	48,177
Cash sales / acquisition price	**3,132**	**-28,165**	**49,200**	**-34,372**

Note 16 **Fee to auditors**

	Parent Company		Group	
Fee for the audit of the Annual Report:	2003	2002	2003	2002
PricewaterhouseCoopers	800	750	1,223	1,169
Ernst & Young	800	750	1,122	1,641
	1,600	**1,500**	**2,345**	**2,810**
Fee for non-audit services:				
PricewaterhouseCoopers	462	962	546	1,186
Ernst & Young	1,755	1,465	1,880	1,789
	2,217	**2,427**	**2,426**	**2,975**

Other notes (DKK '000)

Note 17 Contingent liabilities and additional information

	Parent Company		Group	
Guarantees	**2003**	**2002**	**2003**	**2002**
Guarantees relating to subsidiaries	**18.0**	18.2	**0.0**	0.0
Other guarantees	**26.2**	31.7	**26.2**	31.7
Total	**44.2**	**49.9**	**26.2**	**31.7**

Rental and lease agreements				
Total future payments:				
Within 1 year	**7.8**	6.9	**7.8**	8.2
Between 1 and 5 years	**15.2**	16.8	**15.2**	18.0
Total lease obligations (operating leases)	**23.0**	**23.7**	**23.0**	**26.2**
Lease obligations re. machinery, tools and equipment, and IT equipment				
Within 1 year	**20.0**	12.5	**20.9**	12.9
Between 1 and 5 years	**47.6**	28.0	**48.0**	28.0
Beyond 5 years	**15.6**	0.0	**15.6**	0.0
Total rental obligations	**83.2**	**40.5**	**84.5**	**40.9**
Banker's guarantee	**0.0**	**0.0**	**10.1**	**0.0**

The jointly taxed Danish group companies are jointly and severally liable for tax on the income subject to joint taxation.
The outcome of pending legal actions is not expected to have material negative impact on the financial position of the Parent Company and the Group, cf. comments on page 29 of Management's Review.

Note 18 Foreign exchange and interest rate risks and use of derivative financial instruments

Foreign exchange risk

Parent Company and Group	**Receivables**	**Debt**	**Hedged by forward contract/ loan**	**Net position**
CAD	1,563	0	1,563	**0**
EUR	174,388	-8,706	128,047	**37,635**
GBP	8,674	-535	0	**8,139**
LTL	24,639	0	0	**24,639**
NOK	24,092	-24,094	0	**-2**
PLN	18,681	-260	18,421	**0**
USD	362	-22,333	-21,971	**0**
SEK	12,975	-116	3,277	**9,582**
	265,374	**-56,044**	**129,337**	**79,993**

All positions have terms of maturity of less than one year. The positions of subsidiaries are hedged.

Other notes (DKK '000)

Note 18 contd

Expected future transactions

Forward exchange contracts	Period	Contractual value 2003	Contractual value 2002	Deferred recognition in income statement of gains(+)/losses(-) expected to be realised after the balance sheet date 2003	2002
CAD	0 - 1 year	**16,852**	54	**896**	10
EUR	0 - 1 year	**930,199**	0	**-867**	0
GBP	0 - 1 year	**56,481**	31,546	**959**	1,170
LTL	0 - 1 year	**8,868**	0	**-68**	0
PLN	0 - 1 year	**4,142**	17,804	**0**	1,278
SEK	0 - 1 year	**-169,557**	-185,524	**1,067**	1,415
USD	0 - 1 year	**20,063**	0	**2,140**	0
				4,127	3,873
Interest rate swap					
EUR	1 - 5 year			**-5,849**	0
				-1,722	**3,873**

Interest rate risk

	Time of repricing/maturity 0-1 year	1-5 years	>5 years	Fixed interest part	Effective rate %
Mortgage and credit institutions	**48,259**	**183,060**	**263,068**	**494,386**	**4.96**
Credit institutions, short-term	**91,997**	**181,776**	**0**	**181,776**	**3.02**
	140,256	**364,836**	**263,068**	**676,162**	**4.27**

The effective rates of interest have been calculated based on the interest rate level at 31 December 2003.
The earlier of time of repricing and time of repayment has been used.

Note 19

Related parties

Related parties comprise the Supervisory Board and the Executive Board as well as subsidiaries and associates, cf. Group Structure, page 66.
Transactions with associates relate to sale of the Group's products.
In addition, a loan of DKK 24.1 million has been granted to an associate.
Transactions, including lending, are carried out on an arm's length basis. For competitive reasons, revenue relating to associates is not disclosed, but total revenue relating to associates represents less than 2% of the total revenue of the Group.
In connection with the exercise of the options granted, cf. note 2, the Executive Board acquired shares of the Company.
Other than the above, there have been no related party transactions during the year, apart from intercompany transactions eliminated in the consolidated financial statements.

EFFECT OF CHANGE OF ACCOUNTING POLICY 1999-2003

mDKK	1999	2000	2001	2002	2003
Consolidated profit under former policy	**169.1**	**123.0**	**80.5**	**153.5**	**153.7**
Change in operating profit	-1.6	-46.5	-9.5	6.6	**-0.1**
	167.5	**76.5**	**71.0**	**160.1**	**153.6**
Change in tax	-1.3	14.6	2.5	-2.7	**-0.9**
Consolidated profit under new policy	**166.2**	**91.1**	**73.5**	**157.4**	**152.7**
Minority interests' share	0.2	-0.6	-3.1	-0.2	**-0.4**
The Danish Brewery Group A/S' share	**166.4**	**90.5**	**70.4**	**157.2**	**152.3**
Equity under former policy	**728.8**	**805.3**	**843.0**	**1,028.0**	**1,097.7**
Change in value of packaging	-20.5	1.7	-13.1	-15.7	**-15.9**
Provision for repurchase obligation	-74.7	-143.4	-138.3	-128.9	**-125.2**
Change in deferred tax	28.6	43.2	42.8	40.1	**39.2**
Equity under new policy	**662.2**	**706.8**	**734.4**	**923.5**	**995.8**

EFFECT OF CHANGE OF ACCOUNTING POLICY 1999

mDKK	at 31/3	at 30/6	at 30/9	at 31/12
Consolidated profit under former policy	**12.2**	**110.9**	**154.5**	**169.1**
Change in operating profit	-0.4	-0.8	-1.2	**-1.6**
	11.8	**110.1**	**153.3**	**167.5**
Change in tax	-0.3	-0.6	-0.9	**-1.3**
Consolidated profit under new policy	**11.5**	**109.5**	**152.4**	**166.2**
Minority interests' share	0.0	0.0	0.0	**0.2**
The Danish Brewery Group A/S' share	**11.5**	**109.5**	**152.4**	**166.4**
Equity under former policy	**616.0**	**686.7**	**762.7**	**728.8**
Change in value of packaging	-17.0	-17.4	-19.8	**-20.5**
Provision for repurchase obligation	-77.0	-77.0	-75.0	**-74.7**
Change in deferred tax	29.6	29.3	29.0	**28.6**
Equity under new policy	**551.6**	**621.6**	**696.9**	**662.2**

EFFECT OF CHANGE OF ACCOUNTING POLICY 2000

mDKK	at 31/3	at 30/6	at 30/9	at 31/12
Consolidated profit under former policy	**-9.4**	**32.0**	**81.3**	**123.0**
Change in operating profit	-3.0	-6.0	-9.0	**-46.5**
	-12.4	**26.0**	**72.3**	**76.5**
Change in tax	0.9	1.8	2.7	**14.6**
Consolidated profit under new policy	**-11,5**	**27.8**	**75.0**	**91.1**
Minority interests' share	0.2	0.2	-0.1	**-0.6**
The Danish Brewery Group A/S' share	**-11.3**	**28.0**	**74.9**	**90.5**
Equity under former policy	**714.9**	**721.2**	**771.6**	**805.3**
Change in value of packaging	-18.3	-16.3	-21.3	**1.7**
Provision for repurchase obligation	-80.0	-85.0	-83.0	**-143.4**
Change in deferred tax	29.6	30.5	31.4	**43.2**
Equity under new policy	**646.2**	**650.4**	**698.7**	**706.8**

EFFECT OF CHANGE OF ACCOUNTING POLICY 2001

mDKK	at 31/3	at 30/6	at 30/9	at 31/12
Consolidated profit under former policy	**-11.4**	**35.1**	**79.4**	**80.5**
Change in operating profit	-2.0	-4.0	-6.0	**-9.5**
	-13.4	**31.1**	**73.4**	**71.0**
Change in tax	0.6	1.2	1.8	**2.5**
Consolidated profit under new policy	**-12.8**	**32.3**	**75.2**	**73.5**
Minority interests' share	-0.1	-0.8	-2.0	**-3.1**
The Danish Brewery Group A/S' share	**-12.9**	**31.5**	**73.2**	**70.4**
Equity under former policy	**781.9**	**799.7**	**839.4**	**843.0**
Change in value of packaging	1.0	4.0	0.0	**-13.1**
Provision for repurchase	-140.0	-145.0	-143.0	**-138.3**
Change in deferred tax	39.1	39.7	40.3	**42.8**
Equity under former policy	**682.0**	**698.4**	**736.7**	**734.4**

EFFECT OF CHANGE OF ACCOUNTING POLICY 2002

mDKK	at 31/3	at 30/6	at 30/9	at 31/12
Consolidated profit under former policy	**-11.2**	**47.1**	**115.1**	**153.5**
Change in operating profit	1.7	3.4	5.0	**6.6**
	-9.5	**50.5**	**120.1**	**160.1**
Change in tax	-0.7	-1.4	-2.0	**-2.7**
Consolidated profit under new policy	**-10.2**	**49.1**	**118.1**	**157.4**
Minority interests' share	0.2	-0.2	-0.4	**-0.2**
The Danish Brewery Group A/S' share	**-10.0**	**48.9**	**117.7**	**157.2**
Equity under former policy	**864.5**	**905.2**	**983.5**	**1,028.0**
Change in value of packaging	-14.7	-8.0	-8.4	**-15.7**
Provision for repurchase	-135.0	-140.0	-138.0	**-128.9**
Change in deferred tax	42.1	41.4	40.8	**40.1**
Equity under former policy	**756.9**	**798.6**	**877.9**	**923.5**

EFFECT OF CHANGE OF ACCOUNTING POLICY 2003

mDKK	at 31/3	at 30/6	at 30/9	at 31/12
Consolidated profit under former policy	**-37.6**	**25.2**	**101.7**	**153.7**
Change in operating profit	0.0	0.0	0.0	**-0.1**
	-37.6	**25.2**	**101.7**	**153.6**
Change in tax	0.0	0.0	0.0	**-0.9**
Consolidated profit under new policy	**-37.6**	**25.2**	**101.7**	**152.7**
Minority interests' share	0.1	0.1	0.0	**-0.4**
The Danish Brewery Group A/S' share	**-37.5**	**25.3**	**101.7**	**152.3**
Equity under former policy	**991.2**	**1,009.8**	**1,085.5**	**1,097.7**
Change in value of packaging	-19.6	-14.6	-16.6	**-15.9**
Provision for repurchase	-125.0	-130.0	-128.0	**-125.2**
Change in deferred tax	40.1	40.1	40.1	**39.2**
Equity under former policy	**886.7**	**905.3**	**981.0**	**995.8**

Segment Reporting

Segment reporting 1999-2003

The Group's activities break down as follows on geographic segments:

2003 (mDKK)	**Western Europe**	**Eastern Europe**	**Other markets**	**Unallocated**	**Group**
Net revenue	2,237.8	236.9	158.4	0.0	**2,633.1**
Operating profit/(loss)	309.4	-19.2	7.9	-15.2	**282.9**
Fixed assets	1,127.2	221.0	76.6	254.7	**1,679.5**
Liabilities	643.2	40.2	30.8	726.9	**1,441.1**
Sales (million hectolitres)	3.2	0.7	0.2	0.0	**4.1**
2002 (mDKK)					
Net revenue	2,341.3	308.3	128.0	0.0	**2,777.6**
Operating profit/(loss)	291.4	-14.1	13.1	-38.0	**252.4**
Fixed assets	1,252.3	320.4	46.0	151.2	**1,769.9**
Liabilities	605.0	50.7	0.4	908.8	**1,564.9**
Sales (million hectolitres)	3.5	0.8	0.2	0.0	**4.5**
2001 (mDKK)					
Net revenue	2,391.2	206.8	126.1	0.0	**2,724.1**
Operating profit/(loss)	247.0	-7.6	1.6	-44.8	**196.2**
Fixed assets	1,341.3	338.8	44.8	106.3	**1,831.2**
Liabilities	677.5	19.9	0.5	1,107.1	**1,805.0**
Sales (million hectolitres)	3.7	0.5	0.2	0.0	**4.4**
2000 (mDKK)					
Net revenue	2,060.5	159.6	115.3	0.0	**2,335.4**
Operating profit/(loss)	191.4	-20.2	10.0	-53.0	**128.2**
Fixed assets	1,382.7	123.4	56.8	102.5	**1,665.4**
Liabilities	749.1	16.4	0.3	969.2	**1,735.0**
Sales (million hectolitres)	3.2	0.4	0.2	0.0	**3.8**
1999 (mDKK)					
Net revenue	1,868.5	57.1	102.3	0.0	**2,027.9**
Operating profit/(loss)	189.2	-14.5	17.5	-33.3	**158.9**
Fixed assets	816.5	94.8	51.1	261.8	**1,224.2**
Liabilities	610.9	12.6	0.0	634.3	**1,257.8**
Sales (million hectolitres)	2.9	0.2	0.2	0.0	**3.3**

Quarterly results development

2003 (mDKK)

	1Q	2Q	3Q	4Q	Full year
Revenue	**632.1**	**883.8**	**865.3**	**728.5**	**3.109.7**
Net revenue	**530.5**	**747.0**	**730.6**	**625.0**	**2.633.1**
Operating profit/(loss)	**3.8**	**95.4**	**117.0**	**66.7**	**282.9**
Special items	**-40.0**	**0.0**	**0.0**	**0.0**	**-40.0**
Net financials	**-16.0**	**-6.5**	**0.8**	**1.8**	**-19.9**
Profit/(loss) before tax	**-52.2**	**88.9**	**117.8**	**68.5**	**223.0**
Consolidated profit/(loss)	**-37.6**	**62.8**	**76.5**	**51.0**	**152.7**
The Danish Brewery Group A/S' share of profit/(loss)	**-37.5**	**62.8**	**76.4**	**50.6**	**152.3**
Assets	**2,505.8**	**2,593.5**	**2,446.6**	**2,448.1**	**2,448.1**
Equity	**886.7**	**905.3**	**981.0**	**995.8**	**995.8**
EBIT	**-36.2**	**95.4**	**117.0**	**66.7**	**242.9**
EBITDA	**26.3**	**134.8**	**159.4**	**110.0**	**430.5**
Profit margin (operating)	**0.7%**	**12.8%**	**16.0%**	**10.7%**	**10.7%**
Earnings per share	**-5.9**	**9.8**	**11.9**	**7.9**	**23.8**
Equity ratio	**35.4%**	**34.9%**	**40.1%**	**40.7%**	**40.7%**

2002 (mDKK)

	1Q	2Q	3Q	4Q	Full year
Revenue	739.1	959.3	924.6	742.4	3,365.4
Net revenue	596.8	785.4	776.7	618.7	2,777.6
Operating profit/(loss)	0.6	90.6	109.5	51.7	252.4
Special items	0.0	5.7	0.0	7.5	13.2
Net financials	-13.8	-7.2	-3.5	-6.9	-31.4
Profit/(loss) before tax	-13.2	89.1	106.0	52.3	234.2
Consolidated profit/(loss)	-10.2	59.3	69.0	39.3	157.4
The Danish Brewery Group A/S' share of profit/(loss)	-10.0	58.9	68.8	39.5	157.2
Assets	2,731.2	2,871.4	2,653.4	2,495.4	2,495.4
Equity	757.0	798.6	878.0	923.5	923.5
EBIT	0.6	96.3	109.5	59.2	265.6
EBITDA	47.9	146.5	156.4	87.9	438.7
Profit margin (operating)	0.1%	11.5%	14.1%	8.4%	9.1%
Earnings per share	-1.6	9.4	10.9	6.3	25.0
Equity ratio	27.7%	27.8%	33.1%	37.0%	37.0%

Group Structure at 31 December 2003

Subsidiaries	Investment	Currency	Nominal share capital in DDK '000
A/S PSE NR. 2228, Faxe, Denmark	100%	DKK	500
AB Kalnapilio-Tauro Grupe, Lithuania	98%	LTL	61,841
Aktieselskabet Cerekem International LTD., Faxe, Denmark	100%	DKK	1,000
Albani Sverige AB, Sweden	100%	SEK	305
Brewery Group Denmark AB, Sweden	100%	SEK	990
Centre Nordique d'Alimentation EURL, France	100%	EUR	200
Ceres Produtos Cervejeiros Lda., Portugal	100%	EUR	349
Ceres S.p.A., Italy	100%	EUR	206
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%	EUR	1,662
Faxe Kondi A/S, Faxe, Denmark	100%	DKK	500
Faxe Polska Sp. z o. o., Poland	100%	PLN	500
Faxe Vandindvinding I/S, Faxe, Denmark	50%		
Impec Holding SAS, Guadeloupe	51%	EUR	5,294
Maribo Bryghus A/S, Maribo, Denmark	100%	DKK	1,806
Supermalt UK Ltd., England	100%	GBP	8,500
The Danish Brewery Group Inc., USA	100%	USD	100
UAB Bartos Prekyba, Lithuania	100%	LTL	1,753
Associates			
Banjul Breweries Limited, Gambia	35%	GMD	22,000
Hansa Borg Skandinavisk Holding A/S, Faxe, Denmark	25%	DKK	53,577
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., the Caribbean	20%	XCD	18,009
Tivoli Friheden A/S, Århus, Denmark	32%	DKK	1,428

The Danish Brewery Group A/S

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MANAGEMENT PROFILES AND DUTIES

We provide below summary CVs of members of the Supervisory and Executive Boards.
Furthermore, under section 107 of the Danish Financial Statements Act, we disclose their management duties with other Danish companies:

MEMBERS OF THE SUPERVISORY BOARD

Knud Erik Borup, Director (C)
Age: 64. On the Supervisory Board of The Danish Brewery Group since 1977, Chairman since 1981. MA (Economics) in 1967. International Director of Carlsberg in the period 1969-75. CEO of building materials enterprise in the period 1975-81. From 1981 only directorships in various industries.

Sanistål A/S (C)
H+H International A/S (C)
Nykredit Holding A/S (DC)
Nykredit Realkredit A/S (DC)
Aalborg Stiftstidende (C)
Nordjyske Holding A/S (C)
AaSF Holding A/S (C)
Vendsyssel Tidende A/S (BM)
Bagger-Sørensen & Co. A/S (C)
Gumlink A/S (DC)
Fertini Pharma A/S (DC)
Mekoprint A/S (C)
Hydrema Holding ApS (BM)
Hydrema Ejendomme A/S (BM)
Skagerak Holding A/S (BM)
Skagerak Fiskeeksport A/S (BM)
Skagerak Rederi A/S (BM)
Skagerak Fiskeri A/S (BM)
Skagerak 2000 A/S (BM)

Steen Weirsøe, CEO (DC)
Age: 55. On the Supervisory Board of The Danish Brewery Group since 1998, Deputy Chairman since 2000. MSc (Economics and Business Administration) in 1973. CEO of F. Junckers Industrier A/S 1982-94. Group Chief Executive of Danisco A/S 1994-99. Since 1999 CEO, Group Managing Director of Danske Trælast A/S.

Danske Trælast A/S (Group CEO)
DT Officers A/S (C) - (no subsidiaries)
DT Holding 1 A/S (BM) including 12 subsidiaries (2 as Managing Director)

Henrik Brandt, CEO (BM)
Age: 48. MSc (Economics and Business Administration), MBA Stanford University, California. F.L. Schmidt Gruppen 1979-83. Skandinavisk Holding A/S 1985-87. CEO of Kevi A/S 1987-88. Skandinavisk Holding A/S 1988-89. CEO of Fritz Hansens Eft. A/S 1989-92. CEO of Munch Møbler A/S 1989-92. CEO of Skandinavisk Tobakskompagni A/S 1992-99. Managing Director of House of Prince A/S 1992-99. CEO, Group Managing Director of Sophus Berendsen A/S 1999-2002. Since 2003 CEO of Unomedical a/s.

Group 4 Falck A/S (BM)
Papyro-Tex A/S (C)
A/S Kenneth Winther Værktøjsfabrik (C)
Unomedical Holdings Ltd, UK (C)
Unomedical Ltd, UK (C)
Unomedical Inc., USA (C)
Unomedical Pty. Ltd., Australia (C)
Unomedical Sdn.Bhd, Malaysia (C)
Foreign Enterprise Unomedical Ltd, Belarus (C)

Ulrik Bülow, CEO (BM)
Age: 50. MSc (Economics and Business Administration). Reg. Export Manager of Ferrosan A/S 1979-83. Marketing Manager of Buch + Deichmann A/S 1983-84. CEO of Matas A/S 1984-91. CEO of Egmont Books 1991-98. CEO of Sonofon Holding A/S 1998-2002. As of 1 January 2004, CEO of the Danish Tourist Board.

Egmont Fonden (BM)
Egmont International A/S (BM)
National Industry A/S (BM)

Erik Christensen, Stores Manager (BM elected by the employees)
Age: 49. Motor Mechanic in 1975. Diploma in specialised technical studies in 1987. Motor Mechanic with Pedersen & Nielsen A/S Volvo Lastvogne in Randers, Denmark in the period 1975-1980 and the Works Manager with same in the period 1980-1988. Stores Manager of The Danish Brewery Group since 1988.

Flemming Hansen, Specialist Worker (BM elected by the employees)
Age: 47. Specialist Worker. Brewery hand at the brew house at Faxe, Denmark since 1991. Member of local council of the Municipality of Fakse.

Niels Chr. Knudsen, Professor, Doctor of Economics (BM)
Age: 65. MA (Economics) in 1965. Managing Director of savings bank 1982-89. CEO of Amtssparekassen Fyn A/S 1989-99. Assistance Professor at Odense University/University of Southern Denmark since 1986.

Carl Hassings Eftf. A/S (C)
Harald Halberg Holding A/S (C)
Harald Halberg Ejendomme A/S (C)
Høgsbergs Assurance Service A/S (C)
Sommer-Savex A/S (C)
Syddansk Venture A/S (BM)

Søren Lorentzen, Specialist Worker (BM elected by the employees)
Age: 39. Specialist Worker. Brewery hand at the brew house at Faxe, Denmark since 1993. Senior shop steward at Faxe, Denmark since 2003.

Michael Christian Olsen, Specialist Worker (BM elected by the employees)
Age: 45. Seaman. Specialist Worker. Brewery hand at the bottling facilities at Faxe since 1985.

Tommy Pedersen, CEO (BM)
Age: 54. Diploma (Economics - Accounting and Economic Management) in 1976, Diploma (Economics - Organisation and Strategic Planning) in 1981. Employee of Sparekassen Fyn, Bikuben and Bikuben GiroBank A/S, most recently as Executive Bank Manager, 1966-96. Since 1997 CEO of Chr. Augustinus Fabrikker Aktieselskab.

Chr. Augustinus Fabrikker Aktieselskab and Augustinus Fonden (CEO)
Incentive A/S (BM)
Brock og Michelsen A/S (BM)
Brock og Michelsen Ejendomsselskab A/S (BM)
Ejendomsselskabet Jeudan A/S (BM)
Ole Flensted Holding A/S (BM)
Flensted A/S (BM)
Mahé Freight A/S (BM)
Refshaleøens Ejendomsselskab A/S (BM)
Reda A/S (BM)
Pharmacosmos Holding A/S (BM)
Pharmacosmos A/S (BM)
Pharmacosmos International A/S (BM)
Pharmacosmos Pharmaceuticals A/S (BM)
Nebo A/S (BM)
Univet A/S (BM)
Aktieselskabet Kjøbenhavns Sommer-Tivoli (BM)
Skandinavisk Holding A/S
Skandinavisk Tobakskompagni A/S

EXECUTIVE BOARD

Poul Møller, CEO
Age: 50. MA (Economics) in 1979. MBA 1983. Sales Director of Consumer Products Group SONY Germany GmbH 1990-93, CEO of Consumer Products Group SONY Germany GmbH 1993-94, Country Manager/CEO of Thomson Consumer Products GmbH 1995-96, European Vice President DAP Philips GmbH, Holland and CEO Philips GmbH, Germany 1996-2002. CEO of The Danish Brewery Group since June 2002.

Dansk Retursystem Holding A/S (DC)
Nuuq Imeq A/S (BM)
Hansa Borg Skandinavisk Holding A/S (BM)

Connie Astrup-Larsen, International Director for Eastern and Central Europe
Age: 44. Diploma (Economics - Marketing) 1986. Marketing co-ordinator LEGO A/S 1985-87, International Product Manager TULIP International 1987-89, Marketing Manager of FERTIN 1995-97, Senior Vice President International Marketing/R&D DANDY A/S 1997-1998, Senior Vice President, International Sales and Marketing DANDY A/S 1998-2000, Executive Vice President DANDY A/S 2000-02, CEO of DANDY A/S 2002-2003, International Director of The Danish Brewery Group since September 2003.

Rieber & Søn ASA, Norway (BM)

Leif Rasmussen, Sales and Marketing Director
Age: 49. Diploma (Economics - International Management) in 1982. Project Manager with the advertising agency Ted Bates 1982-84. Product Line Manager Faxe Bryggeri A/S 1984-87. Marketing Manager of Faxe Bryggeri/The Danish Brewery Group A/S 1987-90. Marketing Director of The Danish Brewery Group A/S 1990-97. Sales and Marketing Director of The Danish Brewery Group since 1997.

Hansa Borg Skandinavisk Holding A/S (BM)
Dansk Retursystem A/S (BM)
Dansk Retursystem Holding A/S (BM)

Ulrik Sørensen, CFO
Age: 53. MSc (Economics and Business Administration) in 1975. Financial Manager/CEO of DAN (B&W) Shipbuilding Services 1981-85. CFO of Chr. Islef & Co. A/S 1985-87. CFO of Danbyg Totalentreprise A/S 1987-93. CFO of The Danish Brewery Group since 1993.

Hansa Borg Skandinavisk Holding A/S (CEO)

Povl Friis, Technical Director
Age: 47. Dairy Technician in 1980. Dairy Manager of MD Foods, Trifolium Mejeri 1985-86. Center Manager of MD Foods, Greater Copenhagen 1986-87. Center Manager of MD Foods, Sealand 1987-92. Dairy Manager of MD Foods, Brabrand Mejeri 1992-96. Technical Director of The Danish Brewery Group since 1996.

Tholstrup Cheese A/S (BM)
Tholstrup Cheese Holding A/S (BM)
Tivoli Friheden A/S (BM)

Announcements to the Copenhagen Stock Exchange A/S in 2003

11 February 2003	01/2003	Closure of the Thor brewery in Randers
25 February 2003	02/2003	The Danish Brewery Group extends cooperation with Heineken
25 February 2003	03/2003	The Danish Brewery Group prepares for New Profitability Growth
19 March 2003	04/2003	Corporate Governance
19 March 2003	05/2003	Closure of The Danish Brewery Group's brewery in Randers
19 March 2003	06/2003	Announcement of Annual Results 2003
07 April 2003	07/2003	Notice convening the Annual General Meeting of The Danish Brewery Group/shareholders' meetings
23 April 2003	08/2003	Minutes of the Annual General Meeting of The Danish Brewery Group
09 May 2003	09/2003	Quarterly statement of share ownership
27 May 2003	10/2003	1st Quarter Report 2003
20 June 2003	11/2003	Summary of daily trading of The Danish Brewery Group share
23 June 2003	12/2003	Summary of daily trading of The Danish Brewery Group share
24 June 2003	13/2003	Summary of daily trading of The Danish Brewery Group share
25 June 2003	14/2003	Quarterly statement of share ownership
21 July 2003	15/2003	New Director of The Danish Brewery Group A/S
28 August 2003	16/2003	Interim Report 2003
04 September 2003	17/2003	Summary of daily trading of The Danish Brewery Group share
18 September 2003	18/2003	Summary of daily trading of The Danish Brewery Group Share
26 September 2003	19/2003	Quarterly statement of share ownership
27 October 2003	20/2003	The Danish Brewery Group strengthens Vitamalt sales in the Caribbean
27 November 2003	21/2003	Q3 Report 2003
16 December 2003	22/2003	Summary of daily trading of The Danish Brewery Group share
22 December 2003	23/2003	The Danish Brewery Group reinforces its position in Poland through acquisition of the remaining shares of Peva Poland Sp. z o.o.
30 December 2003	24/2003	Summary of daily trading of The Danish Brewery Group share
30 December 2003	25/2003	Quarterly statement of share ownership

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