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Sales Up by 15% (to 3.7m hectolitres)

•

Turnover Up by 15% (to DKK 2.8b)

•

Operating Profit Up by 13% (to DKK 190.2m)

•

Profit before Tax of DKK 189.7m

•

Consolidated Profit after Tax of DKK 136.1m

•

Expected Profit before Tax for 2001  
of DKK 200-220m

•

Expected Profit before Tax for 2002  
of DKK 270-290m

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

<b>Key Figures (DKK million)</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
Turnover	<b>2,848.9</b>	2,469.5	2,453.2	2,560.7	2,293.0
Operating profit	<b>190.2</b>	168.4	165.5	147.5	136.8
Financial items, net	<b>-0.5</b>	57.6	-6.4	-8.0	-10.4
Profit before tax	<b>189.7</b>	226.1	159.1	139.5	126.4
Consolidated profit	<b>136.1</b>	175.0	115.5	87.4	75.9
The Danish Brewery Group A/S's share of profit	<b>135.5</b>	175.2	115.5	87.4	75.9
Total assets	<b>2,412.1</b>	1,940.2	1,729.4	1,855.8	1,719.0
Shareholders' equity	<b>733.1</b>	687.1	587.7	523.2	555.0
Total investments	<b>157.2</b>	246.0	242.1	182.0	189.9
Depreciation and write-down	<b>159.9</b>	130.6	120.1	131.6	109.4
Average number of employees	<b>1,731</b>	1,282	1,119	1,142	1,096
<b>Key Ratios (%)</b>					
Operating ratio	<b>6.7</b>	6.8	6.7	5.8	6.0
Return on net assets	<b>9.6</b>	10.2	11.0	10.3	9.8
Asset turnover ratio	<b>1.2</b>	1.3	1.4	1.4	1.4
Return on equity before tax	<b>26.7</b>	35.5	28.6	25.9	24.3
Net return on equity	<b>19.2</b>	27.5	20.8	16.2	14.6
Equity ratio	<b>30.4</b>	35.4	34.0	28.2	32.3
Gearing	<b>117.8</b>	71.2	84.4	57.0	67.6
Return on invested capital	<b>8.3</b>	9.0	11.3	9.5	8.3
The Danish Brewery Group A/S's share of earnings per share (DKK)	<b>21.9</b>	28.3	18.7	14.0	12.2
Cash flow per share (DKK)	<b>33.7</b>	38.1	33.3	40.4	36.9

### Definitions of ratios

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

## Group Structure at 31 December 2000

<b>Subsidiary undertakings</b>	<b>Investment</b>	<b>Currency</b>	<b>Nominal share capital in DKK '000</b>
A/S PSE NR. 2228, Faxe, Denmark	100%	DKK	500
AB Vilniaus Tauras, Lithuania	97%	LTL	7,193
Aktieselskabet Cerekem International LTD., Faxe, Denmark	100%	DKK	1,000
Albani Bryggerierne A/S, Odense, Denmark	91%	DKK	57,700
Maribo Bryghus A/S	100%	DKK	1,806
Albani Sverige AB	100%	SEK	305
Dansk Coladrik A/S	94%	DKK	1,000
Brewery Group Denmark AB, Sweden	100%	SEK	990
Centre Nordique d'Alimentation EURL, France	100%	FRF	1,000
Ceres Produtos Cervejeiros Lda., Portugal	100%	PTE	70,000
Ceres S.p.A., Italy	100%	ITL	400,000
Danish Interbrew LTD. A/S, Faxe, Denmark	100%	DKK	3,000
Drinktech Holding AG, Switzerland	100%	CHF	11,000
Faxe Getränke-Vertrieb GmbH, Germany	100%	DEM	250
Faxe Kondi A/S, Faxe, Denmark	100%	DKK	500
Faxe Polska Sp. z o. o., Poland	100%	PLZ	500
Faxe Vandindvinding I/S, Faxe, Denmark	50%		
Robert Cain & Company Ltd., UK	100%	GBP	6,000
The Danish Brewery Group Inc., USA	100%	USD	100
UAB Bartos Prekyba, Lithuania	100%	LTL	1,753
<b>Associated undertakings</b>			
Banjul Breweries Limited, Gambia	35%	GMD	22,000
Ceris SARL, Cape Verde	20%	CVE	207,000
Nuuk Imeq A/S, Godthåb, Greenland	24%	DKK	38,000
Solomon Breweries Limited, Solomon Islands	35%	SBD	21,600
St. Vincent Breweries Ltd., Caribbean	20%	XCD	18,009
Tivoli Friheden A/S, Århus, Denmark	32%	DKK	1,428

### Ownership

The following shareholders are subject to section 28b of the Danish Companies Act:

Lønmodtagernes Dyrtingsfond, Copenhagen, Denmark

ATP, Hillerød, Denmark

PFA Pension, Copenhagen, Denmark

BankInvest Dansk Small Cap Aktier, Copenhagen, Denmark

# Company Structure

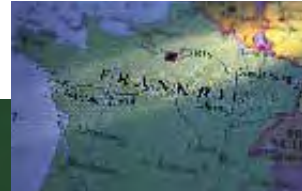
Portugal  
Ceres Produtos  
Cervejeiros Lda.



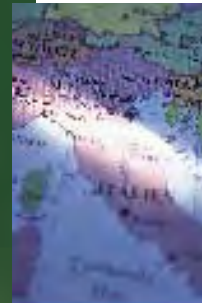
Germany  
Faxe Getränke-Vertrieb GmbH



France  
Centre Nordique  
d'Alimentation EURL



Italy  
Ceres S.p.A.



UK  
Robert Cain &  
Company Ltd.



Lithuania  
AB Vilniaus Taurus  
UAB Bartos Prekyba



Switzerland  
Drinktech  
Holding AG



USA  
The Danish  
Brewery Group Inc.



Poland  
Faxe Polska Sp. z o.o.



Sweden  
Brewery Group  
Denmark AB



# ANOTHER YEAR OF CONSIDERABLE PROGRESS

To The Danish Brewery Group, the first year of the new millennium was another year of considerable progress. The profit before tax amounted to DKK 189.7 million and is in accordance with the expectations expressed by the Company. Sales increased by 15 per cent totalling 3.7 million hectolitres of beer and soft drinks.

More than anything, however, the year was influenced by the acquisition of the majority of the shares of Albani Bryggerierne A/S in the autumn. Through the acquisition of Albani Bryggerierne A/S, The Danish Brewery Group has reinforced its position in the Danish market substantially. With Albani Bryggerierne, the Group has added another strong regional brand to the existing ones, Ceres and Thor. We expect considerable synergies in Albani's primary areas in Funen and Southern Jutland between Albani's strong position in the beer segment and The Danish Brewery Group's strong brands in the soft drinks segment. Through its total market share, the now combined sales and distribution organisation of Albani and The Danish Brewery Group has a considerably strengthened basis for future sales expansion.

Overall, the investment in Albani Bryggerierne – once the synergies and adjustment show their full impact during 2002 – is expected to yield a return in excess of The Danish Brewery Group's

cost of capital, thus contributing towards increasing shareholder value.

By early February, the integration between Albani's and The Danish Brewery Group's Danish sales and distribution organisations had been completed, and the IT platform of The Danish Brewery Group had been implemented at Albani. The realisation of these two major projects simultaneously has only been possible owing to a very high level of motivation and commitment from both organisations.

Also in Lithuania, the strategic position of The Danish Brewery Group was strengthened through the acquisition of the remaining shares of the company that handled the distribution of Faxe products - an acquisition that enabled integration between the two separate sales and distribution organisations in Lithuania. This combination took place at 1 December 2000.

The launch of the new product Ceres North Light in the important Italian market has also reinforced the position of the Ceres brand. Our sales increased, also due to increased sales of our main product Ceres Strong Ale.

Tax-free trade within the EU ceased in mid-1999, which has obviously resulted in decreasing sales - albeit not as drastically as expected. Furthermore, Cains in England has suffered a decline due to decreasing sales of private brands. We have taken steps to readjust Cains'

strategy and company mission.


We were concerned to note the tax increase imposed on soft drinks considering its potential consequences in terms of consumption. The political signal of increasing tax on soft drinks while considering a reduction of the tax on beer is a cause of wonder.

The Northern and Western European markets, which account for the bulk of sales by The Danish Brewery Group, are mature beer markets with stagnating or declining total beer consumption.

To ensure continued growth for the Group, we will have to invest in marketing, sales and logistics in growth markets, primarily in Eastern Europe. In the years to come, The Danish Brewery Group will allocate considerable resources to such growth markets.

Also in the future, The Danish Brewery Group will strive towards achieving profitable growth to ensure and extend shareholder value.

In 2001 the Group's profit before tax is expected to increase to between DKK 200 and DKK 220 million, whereas, based on known assumptions, the profit before tax for 2002 is expected to show further increase to between DKK 270 and DKK 290 million.



Jørgen Worning

# FAKSE TRIBUNEN



# DIRECTORS' REPORT FOR THE DANISH BREWERY GROUP A/S FOR 2000

## General

Throughout the financial year 2000, The Danish Brewery Group A/S has comprised the breweries Faxe, Ceres and Thor as well as Robert Cain in Liverpool and Vilniaus Taurus in Lithuania. In addition, Albani Bryggerierne A/S has been included from the fourth quarter of 2000 comprising Albani Bryggeriet in Odense (hereinafter Albani) and Maribo Bryghus (hereinafter Maribo).

On 11 September 2000 The Danish Brewery Group A/S submitted a cash bid to the shareholders of Albani Bryggerierne A/S. Upon the expiry of the bid period, The Danish Brewery Group A/S held some 87.1 per cent of the share capital and some 71.8 per cent of the voting rights of Albani Bryggerierne A/S (cf. announcements no 8/2000 dated 11 September 2000 and no 11/2000 dated 11 October 2000). Through the subsequent compulsory bid for the remaining shares of Albani Bryggerierne A/S and other purchases on the market, The Danish Brewery Group A/S's share of Albani Bryggerierne A/S had by the end of 2000 been increased to 90.8 per cent of the share capital and 74.3 per cent of the voting rights.

In connection with the bid to the shareholders of Albani Bryggerierne A/S, The Danish Brewery Group A/S and Albani Fonden entered into a shareholders' agreement on the framework for the future development of Albani Bryggerierne A/S (cf. announcement no 10/2000 dated 21 September 2000).

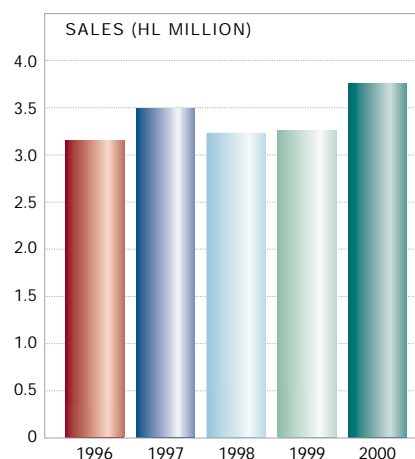
The Danish Brewery Group A/S acquired the remaining 50 per cent of the shares of the Swiss company Drinktech Holding AG which is now fully owned by The Danish Brewery Group A/S (cf. announcement no 5/2000 dated 4 July 2000). Through Drinktech Holding AG, The Danish Brewery Group A/S holds shares of Solomon Breweries, Solomon Islands, Banjul Breweries, Gambia, SIAC Brasserie Isenbeck SA, Cameroun, as well as St. Vincent Breweries and Antigua Brewery Ltd., both in the Caribbean.

At 1 December 2000, The Danish Brewery Group A/S acquired the remaining 50 per cent shares of the distribution company UAB Bartos Prekyba in Lithuania and the company is now fully owned by The Danish Brewery Group A/S.

During the year, the Company acquired 40,636 of its own shares. The acquisition cost - DKK 8.5 million - has been expensed against equity.

## Results in fourth quarter 2000

Sales, amounting to 1.1 million hectolitres in the fourth quarter of 2000, showed an increase of 36 per cent over the same period of last year. 31 percentage points of the increase relate to Albani and Maribo, which were included in the Group as of the fourth quarter of 2000. Other than that, the increased sales are primarily related to the activities in Italy, Lithuania, Poland and Germany.





Turnover increased by 29 per cent from the same quarter of 1999 totalling DKK 818.0 million. The consolidation with Albani Bryggerierne A/S accounts for an 18 per cent increase in turnover.

The operating profit went up from DKK 26.6 million in the fourth quarter of 1999 to DKK 40.7 million in the last quarter of 2000. Some 3.6 million of this increase relates to Albani and Maribo, and the increase in the operating profit of The Danish Brewery Group A/S excluding Albani and Maribo therefore amounts to DKK 10.5 million, equal to an increase of 39 per cent.

The profit before tax for the quarter showed an increase to DKK 52.1 million compared to DKK 26.1 million in 1999. On a net basis, the consolidation with Albani Bryggerierne A/S contributes some DKK 5.3 million to the profit before tax after deduction of the Group's costs of financing the share purchase. Accordingly, the profit before tax of The Danish Brewery Group A/S for the fourth quarter excluding Albani and Maribo amounts to DKK 46.5 million, equal to an increase of 79 per cent from 1999.

### Results 2000

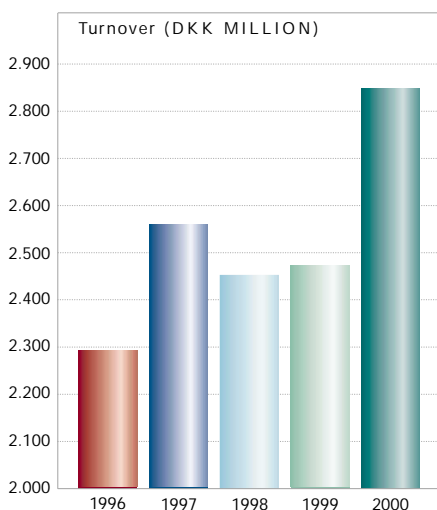
Sales amounted to 3.7 million hectolitres of beer and soft drinks in 2000, which represents an increase of 15 per cent over 1999. 8 percentage points of the increase are due to the acquisition of Albani Bryggerierne A/S as of the fourth quarter of 2000, whereas 6 percentage points are related to the Lithuanian activities only being included in the consolidated results of The Danish Brewery Group A/S for the fourth quarter of 1999.

In 2000 turnover went up by 15 per cent totalling DKK 2.8 billion. 6 and 4 percentage points, respectively, of the increase are related to the inclusion of Albani Bryggerierne A/S and the Lithuanian activities, respectively.

The Danish Brewery Group A/S reached a profit before tax of DKK 189.7 million for 2000. The figure includes a net effect from Albani Bryggerierne A/S of DKK 5.3 million. The Danish Brewery Group A/S's profit before tax (excluding Albani Bryggerierne A/S) therefore amounts to DKK 184.4 million including DKK 9 million relating to gains on Albani shares. In 1999 the profit before tax amounted to DKK 226.1 million. This figure was affected by a net gain on shares of DKK 81 million and unforeseen IT costs of DKK 19 million. Without these items, the profit before tax for 1999 would have amounted to DKK 164.1 million.

The profit realised for 2000 is in accordance with the expectations expressed by the Company.

The consolidated profit after tax amounts to DKK 136.1 million compared to DKK 175.0 million in 1999. The figure for 2000 includes a net effect from Albani Bryggerierne A/S of DKK 5.1 million, and therefore The Danish Brewery Group A/S's profit after tax (excluding Albani Bryggerierne A/S) amounts to DKK 131.0 million. Adjusting the 1999 figures for the above-mentioned unforeseen IT costs (DKK 12.9 million after tax) and both years for the tax-free gains on shares, the profit after tax (excluding Albani Bryggerierne A/S) shows an increase of 14 per cent over 1999.



AB Vilnius Taurus and UAB Bartos Prekyba are included in the consolidated accounts for the full accounting period (compared to 4 months in 1999), as is Drinktech Holding AG (compared to 6 months in 1999). Albani Bryggerierne A/S is included in the consolidated accounts as of the fourth quarter of 2000. In total, such inclusion has had a positive effect of DKK 15.3 million on the profit before tax and of DKK 13.9 million on the consolidated profit after tax after deducting an estimated increase in financial costs of the share purchases of some DKK 10 million in 2000.

The operating profit increased by 13 per cent over 1999 amounting to DKK 190.2 million. The operating ratio amounts to 6.7 per cent compared to 6.8 per cent in 1999. Calculated for The Danish Brewery Group A/S excluding Albani and Maribo, the profit ratio amounts to 6.9 per cent compared to 6.8 per cent in 1999.

Due to the consolidation with Albani Bryggerierne A/S and increased marketing costs, sales and distribution costs have increased by 16 per cent from last year. The inclusion of Albani Bryggerierne A/S accounts for an increase of 6 per cent. To this should be added the full-year effect of the Lithuanian activities, and the fact that the marketing of Ceres North Light, the new Ceres product in Italy, has resulted in increasing costs. Furthermore, the ever-intensifying competition in Denmark has resulted in increased sales and distribution costs.

Administrative expenses decreased by 14 per cent from 1999, partly due to the

unforeseen costs incurred in connection with the IT project in 1999, partly to administrative rationalisation measures.

Associated companies affect the accounts positively by DKK 16.6 million – an increase of DKK 5.9 million over 1999. The increase is primarily attributable to Drinktech Holding AG's brewery interests which have been included on a full-year basis compared to a six-month basis in 1999 and on which increasing earnings are recorded.

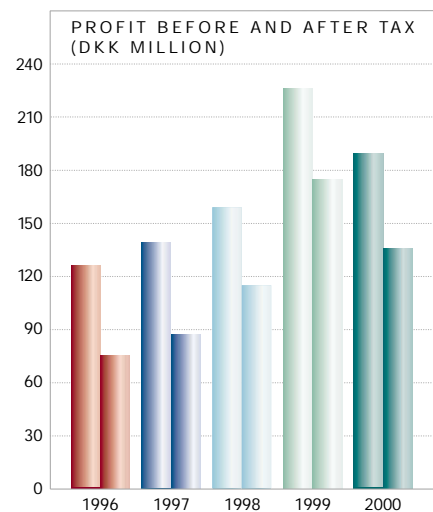
Net financial expenses remained at the level of 1999 in spite of the acquisition of the Albani shares in the third quarter of 2000 affecting net financial expenses by some DKK 5.3 million as a relatively low level of investment has contributed towards a satisfactory cash flow.

#### **Taxation**

The Group's tax rate for 2000 amounted to some 28.2 per cent, which is significantly lower than the expected 35 per cent. The reduction of the tax rate is primarily due to adjustment of deferred tax at 31 December 2000 as a consequence of the reduction of the Danish corporation tax rate from 32 per cent to 30 per cent.

#### **Domestic market**

For The Danish Brewery Group A/S (excluding Albani Bryggerierne A/S), beer sales in Denmark went up by some 3 per cent. The Danish Brewery Group A/S thus reinforced its market position on beer in the Danish market as it is estimated that total beer sales in Denmark in 2000 declined by some 4 per



cent. Increased sales of the Group's brands concern the lager products from Faxe, Ceres and Thor as well as the ROYAL series, whereas low-alcohol beer and alcohol-free beer have showed a decline.

Excluding Albani Bryggerierne A/S, total group sales of soft drinks in Denmark remained at the 1999 level. Especially Faxe Kondi continued making headway, whereas also in 2000 the Pepsi products had difficulties in retaining market shares. Overall, The Danish Brewery Group A/S has strengthened its market position as it is estimated that total soft drinks sales decreased by some 3 per cent due to, among other things, a wet and cool summer.

In total, domestic sales by The Danish Brewery Group A/S (excluding Albani Bryggerierne A/S) amounted to 1.1 million hectolitres, which is at the 1999 level.

In the fourth quarter Albani's and Maribo's sales totalled 0.2 million hectolitres. For The Danish Brewery Group A/S combined, domestic sales thus amount to 0.8 million hectolitres of soft drinks and 0.5 million hectolitres of beer, equal to a total increase for the Group in 2000 of 18 per cent.

#### International activities

Total international sales, i.e. including the Albani and Maribo brands as of 1 October 2000, amounted to 2.4 million hectolitres, which is an increase of 13 per cent over 1999. Excluding the Albani and Maribo brands, the increase amounts to 10 per cent from last year.

Turnover from international activities amounts to DKK 1.8 billion equal to 62

per cent of the Group's total turnover. International turnover has increased by 15 per cent over 1999 including 2 per cent accounted for by the Albani and Maribo products.

#### Northern Europe

Developments in the Northern European region have not been satisfactory for the Faxe and Ceres products in 2000 as total sales decreased by 15 per cent from 1999. This is primarily due to decreasing volumes in the two largest markets in the region, Sweden and Greenland, where Faxe and Ceres sales have been reduced by 20 and 16 per cent respectively. The development in Sweden is primarily due to intensified competition as a result of, among other things, cross-border trading with Denmark, whereas the development in Greenland is primarily due to the postponement of deliveries.

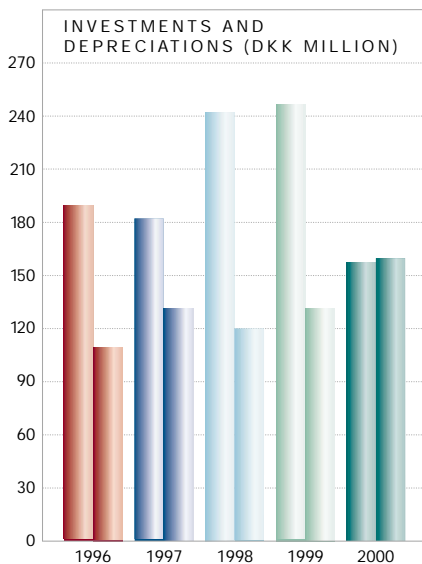
However, Albani Bryggerierne A/S has considerable exports to Sweden and due to, in particular, the inclusion of these volumes in the fourth quarter of 2000, the Group's total sales in the Northern European region only went down by 2 per cent from 1999.

Sales in the region amounted to 4 per cent of total international activities.

#### Western Europe

The Group's total beer sales in Western Europe amounted to 1.6 million hectolitres in 2000, which represents an increase of 8 per cent over 1999.

Developments in Italy have been highly satisfactory with a total sales growth of 8 per cent in 2000. The new product Ceres North Light, which was launched in 2000, accounts for about half of the



Market area	Realised in 2000		Growth over 1999	
	Turnover DKK million	Sales khl	Turnover in per cent	Sales in per cent
<b>Northern Europe</b>				
Sweden	17.6	47.6	-3	15
Greenland/the Faroes/Iceland	12.0	58.6	7	-11
Other markets, Northern Europe	3.9	2.4	-54	-18
<b>Total Northern Europe</b>	<b>33.5</b>	<b>108.6</b>	<b>-11</b>	<b>-2</b>
<b>Western Europe</b>				
Italy	550.5	367.5	11	8
Germany	363.9	815.8	15	13
England	344.0	323.4	-2	-14
France	28.2	33.9	12	0
Other markets, Western Europe	23.3	60.7	189	491
<b>Total Western Europe</b>	<b>1,309.9</b>	<b>1,601.3</b>	<b>10</b>	<b>8</b>
<b>Eastern Europe</b>				
Lithuania	128.1	262.7	516	326
Poland	67.7	113.8	39	41
Other markets, Eastern Europe	1.7	5.9	-39	-22
<b>Total Eastern Europe</b>	<b>197.5</b>	<b>382.4</b>	<b>173</b>	<b>154</b>
<b>Other markets</b>				
Tax-free	56.2	110.9	-38	-41
The Caribbean	25.0	17.5	-10	-13
Middle East	11.4	23.3	208	183
USA/Canada	9.9	12.5	169	54
Africa	2.4	3.9	-68	-31
Other markets	1.8	3.1	18	-16
<b>Total other markets</b>	<b>106.7</b>	<b>171.2</b>	<b>-21</b>	<b>-26</b>
<b>Malt</b>				
The Caribbean	48.9	99.2	18	6
England	36.0	33.4	22	13
Africa	7.9	12.5	18	-59
USA/Canada	6.9	8.9	-9	12
Other markets, malt	16.0	24.6	44	68
<b>Total malt</b>	<b>115.7</b>	<b>178.6</b>	<b>20</b>	<b>1</b>
<b>TOTAL</b>	<b>1,763.3</b>	<b>2,442.1</b>	<b>15</b>	<b>13</b>

growth, but also the main product in the market, Ceres Strong Ale, showed satisfactory growth. Accordingly, the extension of the product range has had a positive effect on the existing product portfolio.

Considerable resources are still invested in developing group brands in Italy. However, due to increased volumes, earnings increased from 1999 and were at a satisfactory level.

The German market is still characterised by declining beer consumption (estimated at -2 to -3 per cent), and intensified competition due to considerable excess capacity in a highly fragmented industry. The market share of the Group's German subsidiary fell marginally, but the Faxe brand is still the leading import beer brand in Germany.

Sales to the German retail sector in Northern Germany developed satisfactorily, and it is estimated that the Company's brands have won market shares.

Sales in Germany went up by 9 per cent from 1999 (excluding Albani and Maribo). Overall and considering the keen competition in the German market, the financial results of the German activities have been satisfactory - and better than in 1999.

Furthermore, Albani has contributed sales to Northern Germany in the fourth quarter. In total (including Albani and Maribo), The Danish Brewery Group A/S's German sales went up by 13 per cent in 2000.

Excluding malt products, The Danish Brewery Group A/S's sales in England declined by 14 per cent, and the financial results of Robert Cain & Company Ltd. are not satisfactory. The sales decrease is

due to a significant reduction of private brands sales to certain UK retail customers - a decrease that has not been offset by a positive development for the Cain brands, both in the HoReCa and the retail sector, and for Faxe Premium.

In France sales volumes in 2000 were at the 1999 level. A decline was recorded in sales to the retail sector and of Cain products, whereas the increase in the HoReCa segment continued in 2000.

In total, sales by The Danish Brewery Group A/S in the Western European market amounted to 66 per cent of the volume of international activities compared to 69 per cent in 1999.

### **Eastern Europe**

Sales in the Eastern European region more than doubled over 1999, which is primarily due to developments in Lithuania, where AB Vilnius Tauras was acquired at 1 September 1999. The Tauras products are thus included in group sales for all of 2000, whereas in 1999 the products were only included for 4 months. Calculated on an annual basis, Tauras has experienced growth of 26 per cent following the quality, capacity and marketing investments made. Total Lithuanian beer consumption increased by some 13 per cent in 2000.

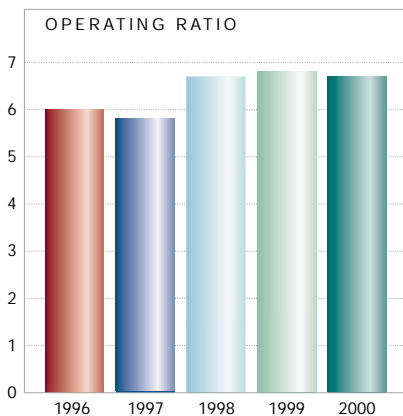
Moreover, developments in Poland have been highly satisfactory as sales increased by 41 per cent over 1999.

Sales in the region amounted to 16 per cent of total international activities.

Albani Bryggerierne A/S has no exports in this region.

### **Beer exports to the rest of the world**

Beer sales to the rest of the world de-



creased by 26 per cent from 1999. The reduction of Tax Free sales due to an EU decision in 1999 alone accounted for a decrease of 41 per cent, whereas particularly the Middle East but also the USA and Canada have shown growth.

The Group's total beer sales to the rest of the world amounted to 7 per cent of the volume of international activities compared to 11 per cent in 1999.

### Malt drinks

Own-produced malt drinks are primarily sold in England, the Caribbean and the USA. Sales of own-produced products showed an increase of 16 per cent in 2000 (including Albani's malt sales in the fourth quarter).

Products produced under licences are sold in the Caribbean and in Africa. Volumes in the Caribbean have been slightly increasing, whereas Africa has been affected by a decline in Ghana.

Total malt drinks sales increased by 1 per cent over 1999. Sales of malt drinks amounted to 7 per cent of the total volume of international activities in 2000.

Some 140,000 hectolitres of the Vita-malt brand were produced under a licence in Nigeria in 2000 compared to 125,000 hectolitres in 1999. These quantities are not included in the Group's current sales statistics. If the favourable development in Nigeria continues, these quantities will in future be included in the Group's sales statistics.

### Balance sheet

The Group's shareholders' equity, totalling DKK 685 million at the end of 1999, amounted to DKK 698 million at the end of 2000 after addition of retained

profit for the year less proposed dividend, writing down of some 41,000 own shares, and translation of the equity of group undertakings. Furthermore, the shareholders' equity is affected by a write-down of DKK 86 in respect of goodwill on consolidation pertaining to share purchases in 2000 - primarily the acquisition of the Albani Bryggerierne A/S.

The balance sheet total shows an increase of more than DKK 470 million from the end of 1999. The increase is in all materiality due to the inclusion of Albani Bryggerierne A/S.

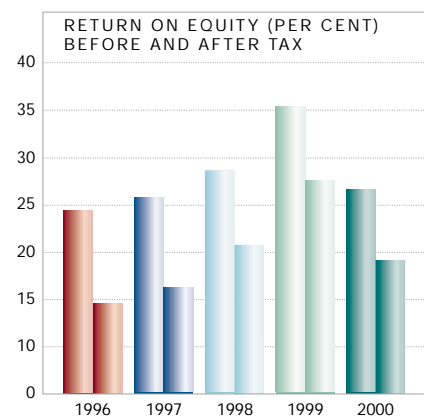
The Group's stand-by cash reserves amount to some DKK 1.2 billion including available, unutilised credit lines of some DKK 1.1 billion.

### Investments

The Group made investments totalling DKK 157.2 million in 2000. As planned, considerable investments were made in capacity and quality upgrading of the Taurus brewery in Lithuania, and a significant number of resources were spent on quality- and efficiency-enhancing projects relating to the Group's prepacking facilities.

### Environmental issues

The Faxe, Ceres and Thor breweries have now been subject to environmental certification under DS/EN ISO 14001:1996 since January 1999. An environmental report is prepared and published annually in accordance with the EU regulation EEC no. 1836/93 of 29 June 1993 on industrial companies' voluntary participation in a joint Eco-Management and Audit Scheme (EMAS). The environ-





mental management system is now fully integrated with the Group's quality management system certified under DS/EN ISO 9001. Due to the implementation of environmental management, the breweries have reduced their significant environmental impacts in proportion to output.

The environmental report will be published in June. A copy may be obtained by contacting The Danish Brewery Group A/S.

### Information technology

The adjustment of SAP R/3, the Group's IT platform, was completed in the autumn of 2000 as a result of cooperation according to plan with the implementation partner in the latest project phase.

The IT platform was implemented at Albani over a 3-month period and launched in early February 2001.

### Share options

In 1998 a share option scheme was established for some 30 executives. Over a three-year period the members of the Management Group may, subject to The Danish Brewery Group A/S realising its earnings targets, each achieve the right to purchase up to 1,500 shares. The share options may be exercised in the period from August 2001 to March 2003.

By the end of 2000, each participant in the share option scheme has acquired the right to 1,500 options at an option price of 300, equal to the price at the time of the stock exchange listing in May 1998.

In 2000 the Board of Directors approved an additional share option

scheme for the Management Group of The Danish Brewery Group A/S based on the financial results achieved in the years from 1999 to 2001.

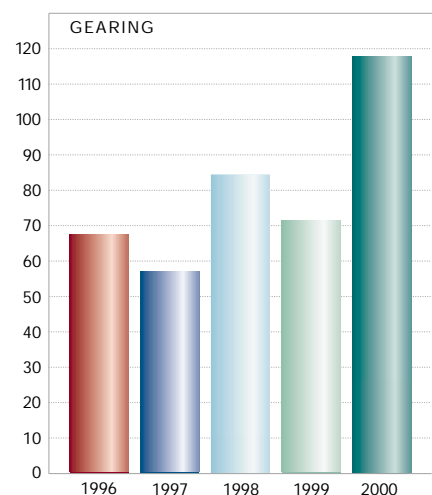
In the event of growth in profit before tax of at least 10 per cent for each year, options to purchase shares at a basic value corresponding to 20 per cent of the annual pensionable salary of the individual executive will be released annually. However, to members of the Management options to purchase shares at a market value of DKK 0.5 million per person will be released. The option price will be fixed as the average of the price 10 trading days after the respective year-end reports.

The share options may be exercised 3 to 5 years after being granted.

In connection with the presentation of the annual accounts for 1999, the Board of Directors granted a total of 37,843 options at an option price of 221 to the Management Group. At the board meeting on 21 March 2001, the Board of Directors approved an additional tranche of approx. 40,000 options. The option price will be fixed as described above.

The Company's portfolio of own shares at 31 December 2000 (112,296 shares) is primarily expected to be utilised for the purpose of the option schemes. The portfolio will be increased in order for the option commitments of The Danish Brewery Group A/S to be met by the portfolio of own shares at all times.

In continuation of the acquisition of the shares of Albani Bryggerierne A/S, seven employees of Albani joined the Management Group and are now covered





by the second share option scheme in 2000 and 2001.

### Financial exposure

Through its exports and purchases of raw and bottling materials, The Danish Brewery Group A/S is exposed to currency risks as 60 per cent of sales are invoiced in foreign currencies, primarily EURO-related currencies (ITL, DEM and FRF) and USD, whereas some 30 per cent of purchases are denominated in SEK and relate to purchase of packaging, etc. In accordance with its currency policy, the Company seeks to hedge current and budgeted net transaction risks within a period of between 6 and 18 months. In relation to ITL, the existing commission agreement with Tulip International A/S works partly as hedging of the currency exposure.

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

Computed as the volatility of the Company's annual interest payments due to interest rate changes, the interest rate exposure amounts to some +/- DKK 3.3 million in the event of a 1 per cent interest rate change.

In addition to affecting the Company's costs of funding, interest rate changes affect the required return on total assets; accordingly, interest rate exposure will affect the Company's market capitalisation through changed valuation of assets and liabilities. The Danish Brewery Group A/S prepares regular analyses of the rela-

tionship between the maturity period of the assets and the financing structure to reduce the interest rate exposure.

### Commission in Italy

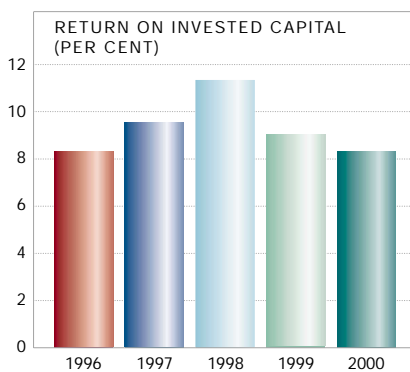
In 2000 The Danish Brewery Group A/S paid commission of DKK 41.1 million on the sales in Italy to Tulip International A/S. This commission, which has in recent years' stable currency situation been at the level of DKK 40 million to DKK 50 million, will cease at 1 October 2001. As of this date, the earnings of The Danish Brewery Group A/S will, assuming an unchanged EURO/DKK rate and stable market conditions, be positively affected, equal to the amount of the commission.

### Albani

Albani Bryggeriene A/S is a significant provider of beer and soft drinks in the Danish market with special strongholds in Funen, Southern Jutland and - through Maribo Bryghus - in Lolland and Falster. Furthermore, the brewery has developed considerable exports to Sweden and Northern Germany and of malt drinks to, among other areas, England and the Caribbean.

The acquisition of the majority of the shares of Albani Bryggerierne A/S therefore strengthens The Danish Brewery Group A/S's strategy in Denmark, where the Thor and Ceres products are successfully marketed as regional brand products. Similarly, cooperation in the export markets will benefit both companies not least in the malt drink segment.

In 2000 the Albani Group realised a loss before tax of DKK 4.8 million (DKK 0.0 million after tax) including



DKK 14 million (DKK 10 million after tax) relating to Maribo Bryghus A/S. The profit of the Albani Group for the fourth quarter of 2000, when it was consolidated with The Danish Brewery Group A/S, amounted to DKK 0.2 million (DKK 2.0 million after tax). The acquisition of Albani Bryggerierne A/S has had a positive effect on the profit before tax of The Danish Brewery Group A/S of DKK 5.3 million after taking into account intercompany adjustments and increased financial costs of The Danish Brewery Group A/S.

Already before The Danish Brewery Group A/S acquired the majority of the Albani Bryggerierne A/S shares, the Albani management had initiated a number of activities, e.g. in respect of distribution and marketing, aimed at increasing Albani's earnings in future years. Based on these activities, Albani expects to achieve an operating profit (EBIT) of DKK 2 million for 2001 without taking into account possible synergies from the cooperation with The Danish Brewery Group A/S. With a full-year effect of the activities initiated by Albani, the operating profit (EBIT) is expected to increase to DKK 12 million.

The cooperation between The Danish Brewery Group A/S and Albani will be very extensive, and considerable synergies are expected to be achievable. Domestic distribution and sales organisations will be integrated, and product ranges and purchases will be coordinated. The Danish Brewery Group A/S's production of malt drinks will be transferred to Odense, by which investments will be avoided. Administrative functions will be combined and shared IT functions and

platform will be established.

On a full-year basis the synergies are estimated to increase group results by some DKK 45 million. In 2001 synergies are estimated to contribute positively by some DKK 25 million, whereas the full effect is expected to be realised during 2002.

The purchase price of the acquired 90.8 per cent of the share capital amounts to DKK 389.6 million and the acquisition bid meant a total valuation of Albani Bryggerierne A/S of DKK 441 million; taking into account acquisition costs deducted from the net interest-bearing debt of the Albani Group (in total DKK -22 million), the business net of debt is valued at DKK 419 million.

The effect of the acquisition of Albani Bryggerierne A/S may be summarised as follows:

	<b>Fully-year basis</b>	<b>2001</b>
Estimated operating profit of Albani (EBIT)	12	2
Expected synergies at group level	45	25
Expected full-year effect on operating profit	57	27
Estimated tax of effect on operating profit	17	8
Expected full-year effect on operating profit after tax	40	19
Minority interests' estimated share of operating profit (after tax)	3	2
The Danish Brewery Group A/S's expected share of operating profit (after tax)	37	17

The expected full-year effect on the operating profit after tax (DKK 40 million) gives a return on the total valuation of Albani Bryggerierne A/S including acquisition costs (DKK 419 million) of 9.5 per cent, which is higher than the cost of capital of The Danish Brewery Group A/S estimated at some 8.5 per cent.

## The future

Expectations for the results of The Danish Brewery Group A/S for 2001 are partly affected by the acquisition of the majority of the shares of Albani Bryggerierne A/S, partly by the termination at 1 October 2001 of the commission payments to Tulip International A/S on sales in Italy. As mentioned above, the effect of the inclusion of Albani is expected to constitute an operating profit of some DKK 27 million. The funding of the share purchase is expected to result in interest expenses of DKK 25 million, whereas the minority interests' share of the results of Albani Bryggerierne A/S is estimated at some DKK 2 million. Overall, The Danish Brewery Group A/S's share of the profit before tax of Albani Bryggerierne A/S after minority shares is estimated at some DKK 0 in 2001.

The commission payment to Tulip International A/S for Ceres product sales in Italy has amounted to an annual DKK 40 to 50 million in recent years. On this basis, the termination of this obligation at 1 October 2001 is expected to have a positive effect of some DKK 8 million on the profit before tax for 2001.

It is assumed that beer sales in Denmark in 2001 will stabilise at the level of 2000, whereas the soft drinks market is expected to decline due to the considerable tax increase (65%) imposed on soft drinks.

Due to the changed marketing strategy of Albani for the Jolly brand and the changes to the shared Danish Brewery Group/Albani distribution system, Albani's total sales are expected to decline

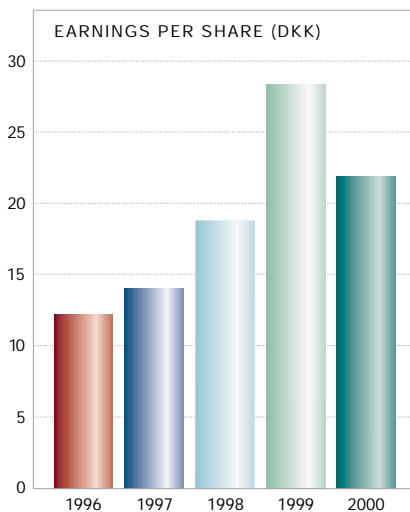
in 2001, which will only partly be offset by expected increased sales of The Danish Brewery Group A/S's soft drinks brands in Albani's primary market areas. The Danish Brewery Group A/S is expected to record a continued slight increase in beer sales generated by, among other things, Faxe Classic 1901 which was launched in early 2001 in connection with the 100th anniversary of the Faxe brewery.

The Danish market will still be characterised by excess capacity and keen competition.

The Danish Brewery Group A/S's total Danish sales in 2001 – including Albani Bryggerierne A/S and Maribo Bryghus A/S – will be significantly higher than in 2000. The total increase is expected to be at the level of 50 per cent.

As regards international sales, the growth rate of some 10 per cent (excluding Albani exports) realised in 2000 is expected to be maintained. Lithuania is expected to continue recording satisfactory growth both for the Taurus brand and the imported Faxe products, although the growth rate will be below that of 2000. Based on the positive results in Italy in 2000, this important market is expected to show continued growth. In Africa sales of malt drinks, produced locally under a licence from The Danish Brewery Group A/S, are expected to increase.

On a full-year basis the consolidation with Albani's export activities is expected to increase the international sales of The Danish Brewery Group A/S by some 10 per cent.



Total international sales are expected to increase by some 20 per cent in 2001.

Total group sales are expected to be significantly above the level of 2000 as a total increase of some 35 per cent is anticipated, equal to expected total sales of almost 5.0 million hectolitres.

The Danish Brewery Group A/S is expected to show a profit before tax for 2001 – without taking into account the acquisition of the majority of Albani shares – of between DKK 190 and 210 million. To this should be added the previously mentioned consequences of the termination of the Tulip commission as of the fourth quarter of 2001 (DKK 8 million), whereas the Albani transaction is expected to be neutral in terms of P/L effect. Overall, a profit before tax in the region of DKK 200 to 220 million is expected for 2001.

The tax rate for 2001 is expected to equal some 33 per cent.

Investments are – including Albani Bryggerierne A/S and Maribo Bryghus A/S - estimated at some DKK 170 million in 2001.

Based on the known assumptions, the positive performance trend is expected to be maintained - also beyond 2001. Using as a basis the Group's target of realising an annual increase in the profit before tax of at least 10 per cent and considering the full-year effect of the termination of the Tulip commission as well as the profit development of Albani Bryggerierne A/S and the realisation of the synergies from the acquisition of Albani Bryggerierne A/S, the profit before tax of The Danish Brewery Group A/S for 2002 is expected to amount to between DKK 270 and 290 million.

### **Resolutions by the board of directors and recommendations for the general meeting**

The Board of Directors recommends to the annual general meeting the payment of dividend of DKK 4.50 per share of DKK 10 as in 1999. The proposed dividend totals DKK 27.8 million.

The Board of Directors proposes that the remaining profit of DKK 107.7 million be allocated to reserves.

### **General meeting**

The general meeting will be held on Thursday, 31 May 2001 in Faxe.



# VISIONS AND STRATEGIES OF THE DANISH BREWERY GROUP A/S

The Danish Brewery Group A/S is the number two supplier in terms of size of branded beer and soft drinks products in the Danish market and the largest exporter of beer in Scandinavia.

Since the existing Danish Brewery Group was founded in 1989 through an integration of the activities in Jyske Bryggerier A/S and Faxe Bryggeri A/S, the Group has been able year upon year to show a positive results development - with 2-digit growth rates. Similarly, the Group's turnover has showed an annual average increase of 6 per cent over the period - primarily through organic growth. According to The Danish Brewery Group A/S's mission and vision presented elsewhere on this website, focus is on the following areas:

- Brands
- Beer, malt and soft drinks
- International outlook
- Growth - organic and acquisition
- Attractive investment object to shareholders.

The Group's position in the Danish market has been significantly strengthened by the acquisition of Albani Bryggerierne A/S in 2000. The status achieved as an obvious alternative to the market leader in respect of both beer and soft drinks brands will offer the Group growth opportunity - not least in the soft drinks segment. The cooperation with Albani Bryggerierne A/S on, among other things, domestic sales and distribution is

expected to increase the operating ratio (EBIT) in the Danish market.

Like the Danish market, the other Nordic and Western European beer markets must be characterised as mature markets with a stagnating or slightly declining total beer consumption. The Danish Brewery Group A/S holds significant market positions on beer and has strong beer brands, not least in the German and Italian markets. Overall, Northern and Western Europe are expected to show stable or slightly increasing sales and an increasing operating ratio (EBIT) primarily as a result of the termination of the Tulip commission at

## Mission

The mission of The Danish Brewery Group A/S is to meet consumer demands for experiences through the purchase and consumption of original brands of beer, malt and soft drinks.

- That means that consumer expectations of quality brands must always be met.

## Vision

The Danish Brewery Group A/S wants to create a dynamic, future-oriented, international organisation.

- The Danish Brewery Group A/S shall identify, meet and develop consumer demand for beverage brands primarily beer, malt and soft drinks and strengthen our partnership with customers.
- The Danish Brewery Group A/S shall grow through internal and external growth making the company an attractive, international investment object to our shareholders.
- The Danish Brewery Group A/S shall be an interesting and attractive workplace where the development of staff qualifications reinforces the basis of a competent and flexible organisation.

1 October 2001. The primary emphasis will be on extending the position of the Faxé and Albani brands in Sweden, strengthening both the Faxé and the Ceres products in their respective segments in the German market and, not least, investing in the Ceres brand in the important Italian market, where a continued intensified marketing effort will ensure retention of the dominant position of the brand in the strong beer segment.

Eastern Europe offers considerable growth potential. Poland as well as the Baltic States, Russia and several former Soviet republics show 2-digit growth rates. Based on the strong market positions of Faxé in Poland and Lithuania and a high rate of familiarity with the brand in Russia and with the Taurus brand in Lithuania, The Danish Brewery Group A/S will aim at achieving still increasing shares of primarily the close-by markets in Eastern Europe. Considerable amounts will have to be invested in marketing, sales and logistics and therefore increasing sales and turnover are not expected to affect the operating ratio positively in the next few years. The potential for selling soft drinks in certain of the Eastern European markets will be analysed.

Non-alcoholic malt drinks sales represent a significant segment to The Danish Brewery Group A/S with the aim of being a major global supplier of brands in this segment. Malt brands are expected to offer considerable growth potential, primarily in Africa and parts of the USA. Since it must be anticipated that some of the growth markets for malt drinks can only be penetrated through local licence

production, expansion in these markets will, other things being equal, lead to reduced earnings per hectolitre.

In the close-by markets, i.e. Scandinavia and Northern and Eastern Europe, acquisition will be a possible growth factor. In relation to acquisitions, the following parameters, among others, will have significant influence:

- Financially sound entity
- Strong, national distribution, possibly with focus on the HoReCa segment
- Strong, national beer brand
- Preferably complementary brand to the relevant brands of The Danish Brewery Group A/S.

The key financial targets for the future 2 to 3 years are as follows:

- Average organic growth (excluding the effect of the full-year consolidation with Albani Bryggerierne A/S in 2001) of 4 to 6 per cent per annum.
- Operating ratio (EBIT) should be at the level of 8.0 to 8.5 per cent in 2002/2003.
- The financial structure should minimise the total cost of capital.
- Acquisitions should ensure
  - increased focus on growth markets primarily in Eastern Europe;
  - access to synergies and critical mass in mature key markets.
- Acquisitions should ensure a return in excess of the Company's cost of capital.
- The profit before tax should show an annual increase of at least 10 per cent.



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# SIGNIFICANT ACCOUNTING POLICIES

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

The annual accounts have been prepared in accordance with the Danish Company Accounts Act and with current Danish accounting standards 1-13. The accounting policies applied are consistent with last year.

The comparative figures, financial highlights and key ratios for 1996 and 1997 have been prepared on the basis of the pro forma accounts of the companies merged at 1 January 1998, i.e. Jyske Bryg Holding A/S, the former Brewery Group Denmark A/S, Faxe Bryg Holding A/S and Rolink A/S included in the prospectus of April 1998.

## **Basis of Consolidation**

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

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

Newly established or acquired subsidiary undertakings are included in the

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

## **Translation of Foreign Currencies**

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

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

Unrealised gains or losses on forward

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

## **Turnover**

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

## **Research and Development Costs**

Research and development costs are expensed as incurred.

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

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

## **Corporation Tax and Deferred Tax**

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

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

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

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

**Tangible Fixed Assets**

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

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

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

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

returnable bottles are fully expensed in the year of acquisition.

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

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

**Financial Fixed Assets**

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

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

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

In the balance sheet, investments are

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

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

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

**Stocks**

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

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

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

**Debtors**

Debtors are stated on the basis of individual assessments.

**Own shares**

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

**Securities**

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

Unlisted securities are stated at book value.

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

### **Pensions**

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

### **Liabilities**

Liabilities are stated at nominal value.

### **Statement of Cash Flows**

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

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

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

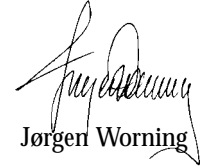
Cash flow from financing activities comprises the proceeds from and the

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

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

Faxe, 21 March 2001

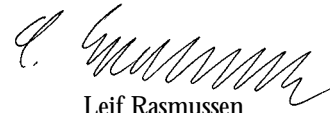
Management



Jørgen Worning  
Managing Director



Povl Friis  
Technical Director

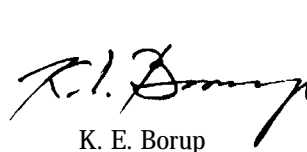


Leif Rasmussen  
Sales and Marketing Director

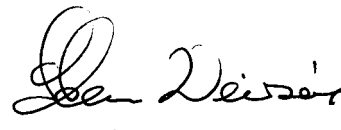


Ulrik Sørensen  
Finance Director

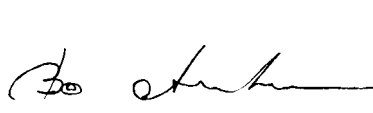
Board of Directors



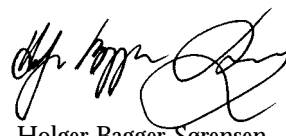
K. E. Borup  
Chairman



Steen Weirsøe  
Deputy Chairman



Bo Andersen



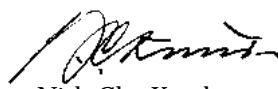
Holger Bagger-Sørensen



Henrik Brandt



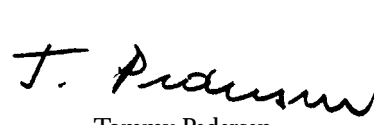
Ulrik Bülow



Niels Chr. Knudsen



Kim Kristensen



Tommy Pedersen



Bent Ølgod

# AUDITORS' REPORT

We have audited the consolidated accounts and the annual accounts of The Danish Brewery Group A/S for 2000 as presented by the Board of Directors and the Management.

## **Basis of opinion**

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

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

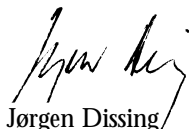
Our audit did not give rise to any qualifications.

## **Opinion**

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

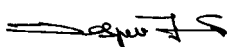
Faxe, 21 March 2001

PricewaterhouseCoopers



Jørgen Dissing


State Authorised Public Accountants



Jesper Lund

Ernst & Young

Statsautoriseret Revisionsaktieselskab  
(State Authorised Public Accounting Company)



Bent Grønbæk

State Authorised Public Accountant

## Profit and Loss Account for 2000 (DKK '000)

The Danish Brewery Group A/S		Note	The Group		
1999	2000		2000	1999	
1,862,220	<b>1,980,638</b>	<b>1</b>	Turnover	<b>2,848,929</b>	2,469,484
-942,177	<b>-967,423</b>	<b>2</b>	Production costs	<b>-1,221,990</b>	-1,027,507
-165,439	<b>-174,142</b>		Beer and mineral water excises	<b>-514,494</b>	-441,627
<b>754,604</b>	<b>839,073</b>		<b>Gross profit</b>	<b>1,112,445</b>	<b>1,000,350</b>
-504,659	<b>-568,934</b>	<b>2</b>	Sales and distribution costs	<b>-813,817</b>	-702,183
-116,264	<b>-95,769</b>	<b>2</b>	Administrative expenses	<b>-116,071</b>	-134,442
634	<b>640</b>		Other operating income	<b>8,564</b>	6,498
-1,805	<b>-279</b>		Other operating expenses	<b>-876</b>	-1,805
<b>132,510</b>	<b>174,731</b>		<b>Operating profit</b>	<b>190,245</b>	<b>168,418</b>
41,167	<b>38,275</b>	<b>3</b>	Income from investments in subsidiary and associated undertakings	<b>16,594</b>	10,675
85,964	<b>0</b>		Income from sale of securities	<b>8,000</b>	85,964
7,004	<b>4,156</b>	<b>4</b>	Other financial income	<b>8,220</b>	5,767
-5,006	<b>9,000</b>		Reversal of write-down of securities	<b>9,000</b>	-5,006
-35,351	<b>-37,298</b>	<b>5</b>	Financial expenses	<b>-42,395</b>	-39,757
<b>226,288</b>	<b>188,864</b>		<b>Profit before tax</b>	<b>189,664</b>	<b>226,061</b>
-51,053	<b>-53,390</b>	<b>6</b>	Tax on the profit for the year	<b>-53,587</b>	-51,041
<b>175,235</b>	<b>135,474</b>		<b>Consolidated profit</b>	<b>136,077</b>	<b>175,020</b>
0	<b>0</b>		Minority interests' share of profit	<b>-603</b>	215
<b>175,235</b>	<b>135,474</b>		<b>Profit for the year</b>	<b>135,474</b>	<b>175,235</b>
			<b>Proposed distribution for the year:</b>		
	<b>27,762</b>		Dividend for the year		
	<b>-4,693</b>		Reserve for net revaluation under the equity method		
	<b>112,405</b>		Retained profit		
	<b>135,474</b>		<b>Total distribution</b>		

## Assets at 31 December 2000 (DKK '000)

The Danish Brewery Group A/S		Note	The Group	
1999	2000		2000	1999
<b>FIXED ASSETS</b>				
453,740	<b>462,618</b>		<b>678,472</b>	504,955
363,760	<b>320,679</b>		<b>476,510</b>	405,787
240,067	<b>253,816</b>		<b>320,433</b>	267,436
175	<b>112</b>		<b>112</b>	175
10,011	<b>13,559</b>		<b>22,684</b>	12,420
<b>1,067,753</b>	<b>1,050,784</b>		<b>1,498,211</b>	<b>1,190,773</b>
112,195	<b>492,515</b>		<b>0</b>	0
16,281	<b>10,014</b>		<b>89,614</b>	48,337
4,298	<b>4,418</b>		<b>12,863</b>	5,356
<b>132,774</b>	<b>506,947</b>		<b>102,477</b>	<b>53,693</b>
<b>1,200,527</b>	<b>1,557,731</b>	7	<b>1,600,688</b>	<b>1,244,466</b>
<b>CURRENT ASSETS</b>				
56,314	<b>50,390</b>		<b>70,209</b>	63,929
10,605	<b>11,498</b>		<b>20,951</b>	14,102
68,854	<b>66,803</b>	8	<b>101,741</b>	95,939
<b>135,773</b>	<b>128,691</b>		<b>192,901</b>	<b>173,970</b>
115,667	<b>108,517</b>		<b>386,525</b>	336,909
127,111	<b>119,693</b>		<b>0</b>	0
0	<b>0</b>		<b>1,895</b>	2,570
25,710	<b>30,296</b>		<b>94,794</b>	19,976
8,679	<b>12,350</b>		<b>23,611</b>	10,600
<b>277,167</b>	<b>270,856</b>		<b>506,825</b>	<b>370,055</b>
<b>5,395</b>	<b>1,348</b>		<b>3,598</b>	<b>5,395</b>
<b>97,331</b>	<b>10,139</b>		<b>108,120</b>	<b>146,314</b>
<b>515,666</b>	<b>411,034</b>		<b>811,444</b>	<b>695,734</b>
<b>1,716,193</b>	<b>1,968,765</b>		<b>2,412,132</b>	<b>1,940,200</b>

## Liabilities and Shareholders' Equity at 31 December 2000 (DKK'000)

The Danish Brewery Group A/S		Note	The Group	
1999	2000		2000	1999
<b>SHAREHOLDERS' EQUITY</b>				
62,815	<b>62,815</b>		<b>62,815</b>	62,815
47,886	<b>47,886</b>		<b>47,886</b>	47,886
4,693	<b>0</b>		<b>0</b>	5,393
569,380	<b>587,277</b>		<b>587,277</b>	568,680
<b>684,774</b>	<b>697,978</b>	<b>10</b>	<b>697,978</b>	<b>684,774</b>
<b>0</b>	<b>0</b>		<b>35,103</b>	<b>2,349</b>
<b>684,774</b>	<b>697,978</b>		<b>733,081</b>	<b>687,123</b>
<b>PROVISIONS</b>				
1,802	<b>1,692</b>		<b>3,082</b>	1,802
212,011	<b>208,700</b>	<b>6</b>	<b>219,678</b>	214,755
6,875	<b>8,280</b>		<b>37,031</b>	16,500
<b>220,688</b>	<b>218,672</b>		<b>259,791</b>	<b>233,057</b>
<b>LIABILITIES</b>				
243,138	<b>432,370</b>	<b>11</b>	<b>510,580</b>	251,510
235,720	<b>235,902</b>		<b>235,902</b>	235,718
0	<b>6</b>		<b>6</b>	0
<b>478,858</b>	<b>668,278</b>		<b>746,488</b>	<b>487,228</b>
18,030	<b>30,691</b>	<b>11</b>	<b>40,514</b>	18,030
26,132	<b>102,796</b>		<b>184,870</b>	129,953
108,873	<b>110,996</b>		<b>162,627</b>	164,949
12,032	<b>13,122</b>		<b>0</b>	0
0	<b>0</b>		<b>3,380</b>	0
64,757	<b>27,769</b>		<b>108,535</b>	116,153
74,105	<b>70,701</b>		<b>145,084</b>	75,763
27,944	<b>27,762</b>		<b>27,762</b>	27,944
<b>331,873</b>	<b>383,837</b>		<b>672,772</b>	<b>532,792</b>
<b>810,731</b>	<b>1,052,115</b>		<b>1,419,260</b>	<b>1,020,020</b>
<b>1,716,193</b>	<b>1,968,765</b>		<b>2,412,132</b>	<b>1,940,200</b>
		<b>13</b>		
		<b>14</b>		



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

Note	2000	1999
Profit for the year	135,474	175,235
Minority interests' share of profit	603	-215
<b>12</b> Adjustments	214,121	117,828
Change in working capital:		
+/- change in debtors	31,119	6,181
+/- change in stocks	26,718	-28,334
+/- change in creditors and other liabilities	-107,843	9,074
<b>Cash flow from operating activities before financial items</b>	<b>300,192</b>	<b>279,769</b>
Financial income	6,787	5,192
Financial expenses	-41,459	-39,580
<b>Cash flow from ordinary activities</b>	<b>265,520</b>	<b>245,381</b>
Corporation tax paid	-56,628	-8,818
<b>Cash flow from operating activities</b>	<b>208,892</b>	<b>236,563</b>
Acquisition of financial fixed assets	-6,497	-25,715
Sale of tangible fixed assets	27,234	8,079
Acquisition of tangible fixed assets	-157,171	-246,046
<b>12</b> Acquisition of subsidiary undertakings	-391,062	-38,367
Dividends from associated undertakings	8,203	6,812
Sale of securities	37,748	116,961
<b>Cash flow from investing activities</b>	<b>-481,545</b>	<b>-178,276</b>
Proceeds from long-term loans	237,805	3,559
Repayment of long-term loans	-22,158	-15,112
Dividends paid	-27,876	-21,631
Acquisition of own shares	-8,542	-4,491
Issue of employee shares	0	4,974
Change in short-term bank loans and overdrafts	55,318	34,491
<b>Cash flow from financing activities</b>	<b>234,547</b>	<b>1,790</b>
<b>Change in cash and cash equivalents</b>	<b>-38,106</b>	<b>60,077</b>
Cash and cash equivalents at beginning of year	146,314	85,783
Currency adjustment	-88	454
<b>Cash and cash equivalents at year end</b>	<b>108,120</b>	<b>146,314</b>

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

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

	2000		1999	
	DKK '000	% share	DKK '000	% share
Domestic market	1,085,650	38.1	932,911	37.8
Export markets	1,763,279	61.9	1,536,573	62.2
<b>Total</b>	<b>2,848,929</b>	<b>100.0</b>	<b>2,469,484</b>	<b>100.0</b>

**Note 2** The total wages, salaries, staff expenses, etc. paid by The Danish Brewery Group A/S and the Group amount to, respectively, some DKK 304,855,000 and some DKK 402,635,000. The expenses are included in production, sales and distribution costs and administrative expenses and may be specified as follows:

	The Danish Brewery Group A/S		The Group	
	2000	1999	2000	1999
Wages and salaries	267,062	258,366	359,505	315,155
Remuneration of the Management of the Parent Company	7,571	7,216	7,571	7,216
Remuneration of Board of Directors	1,340	1,320	1,340	1,320
Contribution to pension schemes	14,836	13,058	16,157	14,108
Other social security costs	2,882	2,903	5,924	4,610
Other staff expenses	11,164	7,656	12,138	10,016
<b>Total</b>	<b>304,855</b>	<b>290,519</b>	<b>402,635</b>	<b>352,425</b>
Average number of employees	957	926	1,731	1,282

Total depreciation of tangible fixed assets for The Danish Brewery Group A/S and the Group amounts to, respectively, some DKK 129,849,000 and some DKK 159,912,000. Depreciation is included in the following items in the profit and loss account:

	The Danish Brewery Group A/S		The Group	
	2000	1999	2000	1999
Production costs	100,281	92,556	120,477	98,197
Sales and distribution costs	22,504	21,030	31,340	26,621
Administrative expenses	7,064	5,759	8,095	5,752
<b>Total</b>	<b>129,849</b>	<b>119,345</b>	<b>159,912</b>	<b>130,570</b>

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

**Note 3** Income from investments in subsidiary undertakings before tax:

	The Danish Brewery Group A/S		The Group	
	2000	1999	2000	1999
Profits in subsidiary undertakings	56,992	43,669	-	-
Losses in subsidiary undertakings	-15,932	-1,013	-	-
Net change in unrealised profits	-2,342	-1,238	-	-
	<b>38,718</b>	<b>41,418</b>	-	-
Associated undertakings	-443	-251	16,594	10,675
<b>Total</b>	<b>38,275</b>	<b>41,167</b>	<b>16,594</b>	<b>10,675</b>

**Note 4** Financial income:

In 2000, financial income includes some DKK 889,000 relating to subsidiary undertakings compared to some DKK 1,928,000 in 1999.

**Note 5** Financial expenses:

In 2000, financial expenses include some DKK 1,105,000 relating to subsidiary undertakings compared to some DKK 257,000 in 1999.

**Note 6** Tax on the profit for the year amounts to some DKK 53,587,000 comprising:

	2000	1999
Tax on the taxable income for the year	37,886	17,141
Adjustment, previous year	2,925	2,870
Provision for deferred tax in Parent Company	10,602	21,369
Adjustment of deferred tax computation from 32% to 30%	-13,913	-
Corporation tax, etc. in subsidiary and associated undertakings	16,087	9,661
<b>Total</b>	<b>53,587</b>	<b>51,041</b>

The Parent Company has paid taxes amounting to some DKK 45,169,000 during the year. The taxes paid by the other group companies amount to some DKK 11,459,000. At 31 December 2000, deferred taxes total some DKK 219.7 million, including DKK 208.7 million for the Parent Company.

The difference between the realised tax percentage of 28 per cent and the estimated tax percentage of 35 per cent is attributable to non-taxable financial income and a change of the tax percentage relating to deferred tax.

## Notes to Assets (DKK '000)

### Note 7 Tangible fixed assets

The Danish Brewery Group A/S	Land and buildings	Technical instal. and machinery	Other instal., operating equip. and fixtures	Leasehold improvements	Tangible fixed assets under construction	Total
Cost at 1 January 2000	614,828	835,594	481,494	4,979	10,011	1,946,906
Additions during the year	21,439	30,394	58,045		11,707	121,585
Disposals during the year		-10,343	-28,690			-39,033
Transferred to/from other items	3,371	4,453	335		-8,159	0
<b>Cost at 31 December 2000</b>	<b>639,638</b>	<b>860,098</b>	<b>511,184</b>	<b>4,979</b>	<b>13,559</b>	<b>2,029,458</b>
Depreciation and write-down at 1 January 2000	161,088	471,834	241,427	4,804	0	879,153
Depreciation for the year	15,932	77,773	36,081	63	0	129,849
Depreciation and write-down eliminated on assets sold and discontinued		-10,188	-20,140		0	-30,328
<b>Depreciation and write-down at 31 December 2000</b>	<b>177,020</b>	<b>539,419</b>	<b>257,368</b>	<b>4,867</b>	<b>0</b>	<b>978,674</b>
<b>Book value at 31 December 2000</b>	<b>462,618</b>	<b>320,679</b>	<b>253,816</b>	<b>112</b>	<b>13,559</b>	<b>1,050,784</b>

According to the latest official assessment for property tax purposes at 1 January 2000, the value of the properties aggregated DKK 269.2 million (cash property value). Capitalised mortgaging costs amounting to DKK 23.2 million are included in land and buildings (1999: DKK 25.3 million) (Parent Company and Group). Land and buildings at a book value of DKK 434.8/574.9 million have been provided as security for mortgage loans of DKK 463.0/551.1 million (Parent Company/Group).

## Notes to Assets (DKK '000)

### Note 7 Tangible fixed assets Contd.

The Group	Land and buildings	Technical instal. and machinery	Other instal., operating equip. and fixtures	Leasehold improvements	Tangible fixed assets under construction	Total
Cost at 1 January 2000	671,082	917,420	530,049	4,979	13,398	2,136,928
Currency translation adjustment	1,844	1,655	424	0	144	4,067
Additions upon acquisitions	300,457	476,431	71,371		11,117	859,376
Additions during the year	29,096	46,038	62,123		19,914	157,171
Disposals during the year	0	-104,859	-40,376	0	0	-145,235
Transferred to/from other items	3,668	5,812	2,183	0	-21,889	-10,226
<b>Cost at 31 December 2000</b>	<b>1,006,147</b>	<b>1,342,497</b>	<b>625,774</b>	<b>4,979</b>	<b>22,684</b>	<b>3,002,081</b>
Depreciation and write-down at 1 January 2000	166,127	511,633	262,613	4,804	978	946,155
Currency translation adjustment	23	-42	97	0	0	78
Additions upon acquisitions	143,340	330,546	22,156			496,042
Depreciation for the year	18,185	97,765	43,899	63		159,912
Depreciation and write-down eliminated on assets sold and discontinued		-73,898	-23,442			-97,340
Transferred to/from other items		-17	18		-978	-977
<b>Depreciation and write-down at 31 December 2000</b>	<b>327,675</b>	<b>865,987</b>	<b>305,341</b>	<b>4,867</b>	<b>0</b>	<b>1,503,870</b>
<b>Book value at 31 December 2000</b>	<b>678,472</b>	<b>476,510</b>	<b>320,433</b>	<b>112</b>	<b>22,684</b>	<b>1,498,211</b>

## Notes to Assets (DKK '000)

### Note 7 Financial fixed assets Contd.

<b>The Danish Brewery Group A/S</b>	<b>Investments in subsidiary undertakings</b>	<b>Investments in associated undertakings</b>	<b>Other amounts due</b>	<b>Total</b>
Cost at 1 January 2000	241,798	30,731	4,298	276,827
Currency translation adjustment	4,987			4,987
Additions during the year	421,822	6,496	296	428,614
Disposals during the year			-176	-176
Transferred to/from other items	25,574	-25,574		0
<b>Cost at 31 December 2000</b>	<b>694,181</b>	<b>11,653</b>	<b>4,418</b>	<b>710,252</b>
Revaluation at 1 January 2000	23,897	7,641	0	31,538
Currency translation adjustment	-7			-7
Reversal of revaluation		-77		-77
Revaluation for the year	22,183			22,183
Revaluation of assets sold and discontinued				0
Transferred to/from other items	-5,623	-7,198		-12,821
<b>Revaluation at 31 December 2000</b>	<b>40,450</b>	<b>366</b>	<b>0</b>	<b>40,816</b>
Write-down at 1 January 2000	153,500	22,091	0	175,591
Currency translation adjustment	1,987			1,987
Adjustment re. depreciation and write-down for previous years	-10,380			-10,380
Adjustment re. negative equity in subsidiary undertakings	74			74
Write-down for the year	87,665	2,005		89,670
Transferred to/from other items	9,270	-22,091		-12,821
<b>Write-down at 31 December 2000</b>	<b>242,116</b>	<b>2,005</b>	<b>0</b>	<b>244,121</b>
<b>Book value at 31 December 2000</b>	<b>492,515</b>	<b>10,014</b>	<b>4,418</b>	<b>506,947</b>

## Notes to Assets (DKK '000)

### Note 7 Financial fixed assets Contd.

The Group	Investments in subsidiary undertakings	Investments in associated undertakings	Other amounts due	Total
Cost at 1 January 2000	0	39,731	16,438	56,169
Currency translation adjustment			33	33
Additions upon acquisitions			8,284	8,284
Additions during the year		50,132	1,596	51,728
Disposals during the year			-1,840	-1,840
Transferred to/from other items		-25,574		-25,574
<b>Cost at 31 December 2000</b>	<b>0</b>	<b>64,289</b>	<b>24,511</b>	<b>88,800</b>
Revaluation at 1 January 2000	0	30,697	0	30,697
Reversal of revaluation		-1,064		-1,064
Revaluation for the year		4,894		4,894
Transferred to/from other items		-7,197		-7,197
<b>Revaluation at 31 December 2000</b>	<b>0</b>	<b>27,330</b>	<b>0</b>	<b>27,330</b>
Write-down at 1 January 2000	0	22,091	11,082	33,173
Currency translation adjustment			30	30
Write-down for the year		2,005	536	2,541
Transferred to/from other items		-22,091		-22,091
<b>Transferred to/from other items</b>	<b>0</b>	<b>2,005</b>	<b>11,648</b>	<b>13,653</b>
<b>Book value at 31 December 2000</b>	<b>0</b>	<b>89,614</b>	<b>12,863</b>	<b>102,477</b>

**Note 8** Stocks of finished goods are, as in 1999, stated at acquisition cost with the addition of indirect production costs. Indirect production costs amount to DKK 30.6 million in 2000 compared to DKK 22.7 million in 1999. (Parent Company: DKK 21.9 million in 2000 compared to DKK 19.2 million in 1999).

### Note 9 Own shares

	The Danish Brewery Group A/S		The Group	
	2000	1999	2000	1999
Balance at 1 January 2000	0	0	0	0
Additions	8,542	4,491	8,542	4,491
Transferred to equity	-8,542	-4,491	-8,542	-4,491
<b>Balance at 31 December 2000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Number	Nom. value	% of equity	
Holding at 1 January 2000	71,660	717	1,1	
Additions	40,636	406	0,6	
Holding at 31 December 2000	<b>112,296</b>	<b>1,123</b>	<b>1,8</b>	

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

**Note 9 contd.** Under the 1998 share option scheme 47,500 share options were issued to the management group. 7,500 of these options were issued to the Management of The Danish Brewery Group A/S. The share options may be exercised in the period from August 2001 to March 2003 at a price of 300.

Under the 2000 share option scheme 37,843 share options were issued to the management group. 9,060 of these options were issued to the Management of The Danish Brewery Group A/S. The share options may be exercised in the period from April 2003 to December 2004 at a price of 221.

Also under the 2000 share option scheme some 40,000 share options were issued to the management group. Some 9,100 of these options were issued to the Management of The Danish Brewery Group A/S.

These share options may be exercised in the period from April 2004 to December 2005 at the average market price in the period from 22 March to 4 April 2001.

**Note 10** Change in shareholders' equity during the year:

<b>The Danish Brewery Group A/S</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Reserve for net revaluation under the equity method</b>	<b>Profit and loss account</b>	<b>Total shareholders' equity</b>
Balance at 1 January 2000	62,815	47,886	4,693	569,380	684,774
Acquisition of goodwill on consolidation				-86,394	-86,394
Dividend own shares				68	68
Acquisition of own shares				-8,542	-8,542
Allocated from profit for the year			-4,693	112,405	107,712
Currency translation adjustment re. subsidiary undertakings				360	360
<b>Balance at 31 December 2000</b>	<b>62,815</b>	<b>47,886</b>	<b>0</b>	<b>587,277</b>	<b>697,978</b>
The share capital of DKK 62,815,310 is divided into shares of DKK 10.					
<b>The Group</b>					
Balance at 1 January 2000	62,815	47,886	5,393	568,680	684,774
Acquisition of goodwill on consolidation				-86,394	-86,394
Dividend own shares				68	68
Acquisition of own shares				-8,542	-8,542
Allocated from profit for the year			-5,393	113,105	107,712
Currency translation adjustment re. subsidiary undertakings				360	360
<b>Balance at 31 December 2000</b>	<b>62,815</b>	<b>47,886</b>	<b>0</b>	<b>587,277</b>	<b>697,978</b>



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

**Note 11** The market value of the mortgage debt at 31 December 2000 amounts to DKK 464/552 million. The portion of the mortgage debt falling due in the year 2006 or later amounts to DKK 295/317 million. (Parent Company/Group).

<b>Note 12</b>	<b>Adjustment of cash flows:</b>	<b>2000</b>	<b>1999</b>
	Financial income	-25,220	-91,731
	Financial expenses	42,395	44,763
	Depreciation and write-down of other amounts due	160,448	131,916
	Tax on the profit for the year	53,587	51,041
	Income from investments in associated undertakings	-16,594	-10,675
	Net profit from sale of tangible fixed assets	-12,962	-310
	Net profit from sale of financial fixed assets	8,000	0
	Adjustment of provisions	4,467	-7,176
	<b>Total</b>	<b>214,121</b>	<b>117,828</b>

### Acquisitions:

Assets acquired:

Fixed assets	-429,235	-39,538
Current assets	-196,784	-10,386

Liabilities acquired:

Provisions	18,239	12,847
Long-term liabilities	56,564	0
Current liabilities	175,219	25,512
Minority interests	34,164	2,411
Goodwill on consolidation	-84,650	-29,996

<b>Acquisition price</b>	<b>-426,483</b>	<b>-39,150</b>
including cash and cash equivalents of	21,232	783
including own part of shares	14,189	0
<b>Cash acquisition price</b>	<b>-391,062</b>	<b>-38,367</b>

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

### Note 13

	The Danish Brewery Group A/S	
	2000	1999
Fee for the audit of the annual accounts:		
PricewaterhouseCoopers	600	580
Ernst & Young	600	580
Fee for non-audit services:		
PricewaterhouseCoopers	499	195
Ernst & Young	557	571

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

Guarantees	The Danish Brewery Group A/S		The Group	
	2000	1999	2000	1999
Guarantees relating to subsidiary undertakings	7.2	7.2		
Other guarantees	21.0	19.5	24.0	19.5
<b>Total</b>	<b>28.2</b>	<b>26.7</b>	<b>24.0</b>	<b>19.5</b>
<b>Leasing commitments (present value)</b>	<b>9.2</b>	<b>1.1</b>	<b>9.4</b>	<b>1.8</b>
<b>Repurchase obligations relating to packaging in circulation</b>	<b>82.1</b>	<b>76.6</b>	<b>153.4</b>	<b>76.6</b>
<b>The following forward contracts have been made:</b>				
Currencies purchased	254	272	254	272
Currencies sold	438	481	438	481

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

**THE DANISH BREWERY GROUP A/S**

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**Board of directors**

K. E. Borup, Director (Chairman)  
Steen Weirsøe, Managing Director  
(Deputy Chairman)  
Bo Andersen, Electrician  
(employee representative)  
Holger Bagger-Sørensen,  
Managing Director  
Henrik Brandt, Managing Director  
Ulrik Bülow, Managing Director  
Niels Chr. Knudsen, Professor,  
Doctor of Economics  
Kim Kristensen, Specialist Worker  
(employee representative)  
Tommy Pedersen, Managing Director  
Bent Ølgod, Engineer  
(employee representative)

**Management**

Jørgen Worning, Managing Director  
Povl Friis, Technical Director  
Leif Rasmussen,  
Sales and Marketing Director  
Ulrik Sørensen, Finance Director

**Auditors**

Bent Grønbæk,  
State Authorised Public Accountant  
Ernst & Young  
Statsautoriseret Revisionsaktieselskab  
(State Authorised Public Accounting  
Company)

PricewaterhouseCoopers

**Directorships and  
Managerial Responsibilities**

According to section 56 of the Danish  
Company Accounts Act, the annual

report of listed limited companies must  
provide information on the directorships  
and managerial responsibilities held by  
the members of the company's Board of  
Directors and Management in other  
Danish limited companies, excluding  
wholly-owned subsidiaries:

The members of the Board of Direct-  
ors and the Management of The Danish  
Brewery Group A/S have reported the  
following directorships and managerial  
responsibilities:

- (C) Chairman of the Board of  
Directors
- (DC) Deputy Chairman of the Board  
of Directors
- (BM) Member of the Board of  
Directors (board member)
- (MD) Managing Director

**Knud Erik Borup**

Aalborg Stiftstidende A/S (C)  
Nordjyllands Avisselskab A/S (C)  
Nordjysk Holding A/S (C)  
Mekoprint A/S (C)  
Sanistål A/S (C)  
Dandy Holding A/S (C)  
Dandy A/S (DC)  
Nykredit Holding A/S (DC)  
De Bergske Blade A/S (DC)  
Skagerak Holding A/S (BM)  
Skagerak 2000 A/S (BM)  
Hydrema Holding Aps (BM)  
Hydrema Ejendomme A/S (BM)

**Steen Weirsøe**

Danske Trælast (MD)

**Holger Bagger-Sørensen**

Dandy A/S (C)  
Dandy Holding A/S (BM)  
Red/Green A/S (BM)  
Vecata A/S (MD + BM)

**Henrik Brandt**

Sophus Berendsen A/S (MD)  
Group 4 Falck A/S (BM)

**Ulrik Bülow**

Sonofon Holding A/S (MD)  
Carli Gry A/S (BM)  
SAS Trading A/S (BM)

**Niels Chr. Knudsen**

Carl Hassings Eftf. A/S (C)  
Høgsberg Assurance Service A/S (BM)

**Tommy Pedersen**

Chr. Augustinus Fabrikker Aktieselskab  
& Augustinus Fonden (MD)  
Incentive A/S (BM)  
Brock & Michelsen A/S (BM)  
Flensted A/S (BM)  
Mahé Freight A/S (BM)  
Refshaleøens Ejendomsselskab A/S (BM)  
Ejendomsselskabet Jeudan A/S (BM)  
Aktieselskabet Kjøbenhavns Sommer-  
Tivoli (BM)

**Jørgen Worning**

Albani Bryggerierne A/S (C)  
eHuset A/S (C)  
Bang & Olufsen Holding A/S (DC)  
Dansk Retursystem Holding A/S (DC)  
Chr. Hansen Holding A/S (BM)  
Incentive A/S (BM)  
Nuuk Imeq A/S (BM)  
Ejendomsaktieselskabet af 3.9.1930 (BM)

**Leif Rasmussen**

Maribo Bryghus A/S (C)  
Albani Bryggerierne A/S (BM)  
Dansk Retursystem A/S (BM)  
Dansk Retursystem Holding A/S (BM)

**Povl Friis**

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

## Financial Calendar

31 May 2001	Ordinary general meeting in Faxe
7 June 2001	Shareholders' meeting in Århus

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

31 May 2001	Interim report, first quarter 2001
29 August 2001	Interim report and accounts (semi-annual) 2001
28 November 2001	Interim report, third quarter 2001

## Announcements to the Copenhagen Stock Exchange in 2000

4 January 2000	01/2000	The Danish Brewery Group Adjusts 1999 Expectations Upwards
28 March 2000	02/2000	Year-end Report 1999
25 May 2000	03/2000	The Danish Brewery Group's Interim Report for 1st Quarter 2000
25 May 2000	04/2000	Ordinary General Meeting of The Danish Brewery Group A/S
4 July 2000	05/2000	The Danish Brewery Group Reinforces Malt Drink Development Potential
29 August 2000	06/2000	Announcement of Financial Results for the First Six Months of 2000
29 August 2000	07/2000	Bid for the Shares of Albani Bryggerierne A/S
11 September 2000	08/2000	The Danish Brewery Group Submits Cash Bid for the Shares of Albani Bryggerierne
21 September 2000	09/2000	Disclosure of Ownership
21 September 2000	10/2000	Albani Fonden and The Danish Brewery Group Enter into Conditional Shareholders' Agreement
11 October 2000	11/2000	Result of Bid to the Shareholders of Albani Bryggerierne A/S
11 October 2000	12/2000	The Danish Brewery Group's Acquisition of Shares of Albani Bryggerierne A/S
26 October 2000	13/2000	The Danish Brewery Group Submits Compulsory Bid for Shares of Albani Bryggerierne
26 October 2000	14/2000	To the Shareholders of The Danish Brewery Group A/S
9 November 2000	15/2000	Extraordinary General Meeting of The Danish Brewery Group A/S
24 November 2000	16/2000	Result of Compulsory Bid to the Shareholders of Albani Bryggerierne A/S
24 November 2000	17/2000	Disclosure of Ownership
28 November 2000	18/2000	The Danish Brewery Group's Interim Report for 3rd Quarter 2000
11 December 2000	19/2000	Rationalisation in Lithuania by The Danish Brewery Group



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*Photos*

Cover: The Albani Breweries in Odense (Photo: Jørgen Bausager)

Page 8: The new Faxe stand at Brøndby Stadium, Copenhagen (Photo: Preben Søborg)

Page 16: At the mash conversion vessel, Vilniaus Taurus in Lithuania

Page 22: Ghanians with their favourite drink (Photo: Icon Communication)

Page 25: The Faxe market shares are increasing in Poland

Page 46: The fully automated stock facility for finished products at the Faxe Brewery (Photo: Jørgen Bausager).

*Albani*

**CAJNS**

**CERES**

**FAXE**

**Maribo**

  
**TAURAS**

**Thor**



# ANNUAL REPORT

## 2000

