OY SINEBRYCHOFF AB

FINANCIAL STATEMENTS 1.10.1998 - 30.9.1999 page

THE SINEBRYCHOFF GROUP

Review by the Board of Directors October 1998 - September 1999

Corporate Structure

Oy Sinebrychoff Ab manufactures beer, soft drinks and mineral waters at its Finnish production facilities in Kerava and Pori. The Vena brewery in St. Petersburg and the Falcon brewery in Sweden are also part of the Sinebrychoff Group.

Carlsberg A/S owns 60 % of the shares in Oy Sinebrychoff Ab and Oy Rettig Ab owns 40 % of the shares.

Oy Sinebrychoff Ab is included in the consolidated accounts of Carlsberg A/S.

The previous fiscal year of the parent company consisted of 9 months.

The St. Petersburg office of A/O Sinebrychoff was terminated during the financial period.

The fully owned subsidiaries Juomapalvelu Oy, Koff International Oy and Aito-Lähde Oy will be merged with the parent company Oy Sinebrychoff Ab during the current financial year.

180th Year of Operations - A Year of Major Changes

At the turn of 1998/1999 the company began production and distribution co-operation with the international Coca-Cola company. The Coca-Cola operations in the Nordic countries are managed by Coca-Cola Nordic Beverages A/S in Copenhagen which is owned by Carlsberg (51 %) and Coca-Cola (49 %).

Production volumes in Kerava were increased during the fiscal year, mainly due to Coca-Cola volumes, by 70 million litres.

The two-phase extension of warehouse space in the dispatch department was started in spring 1999, the first phase being finished in October 1999 and the second phase becoming completed in spring 2000. Total surface will increase by 7500 m^2. A 7 hectare additional area next to the present site was acquired from the township of Kerava in spring 1999 for future investment needs.

The main emphasis in the company's operations remains with beers and other light alcoholic beverages. The importance of special products has been highlighted by the successful international launch of the Battery energy drink, and the introduction of the functional drink Hyvää Päivää in the domestic market in spring 1999. The use of Carlsberg's international marketing network has provided a generous boost to the international distribution of Battery. The brand and marketing responsibility of this Finnish success product remains fully with Sinebrychoff.

The exceptionally cold winter and an equally exceptionally warm summer balanced each other, resulting in a marginal growth of malt beverages (+0,4 %) compared with the previous year. Ciders continued their remarkable growth (+33,5 %) and as a product group account for a good 11 % of malt beverages, a portion in excess of that of strong beer. Increase in soft drinks was 17,4 % during the fiscal year.

The total market share of Sinebrychoff, including Coca-Cola, increased distinctly with a growth of 9 percentage units. In malt beverages the increase was 1,7 % measured by market shares.

The development in the package sector has been quite significant, shifting from the traditional bottle-crate combination towards various multi-packages and brett systems. Plastic has gained foothold as a bottle material, except for beers, where it is not considered an important material at the present stage. The disadvantage in the shift towards more consumer friendly packages has been their high cost level.

The operative sales and result targets were clearly exceeded. Consolidated net sales were FIM 2.374 million (FIM 1.635 million). Exports decreased 7 % in volume but increased 6 % in sales terms with a more profitable product mix.

During the fiscal year Oy Sinebrychoff Ab sold the Aqua and Frisco brands, the sales income of which is included in other operating profit.

For the financial period 1.10.1998 - 30.9.1999 Oy Sinebrychoff Ab paid FIM 1.866 million in value-added tax and excise tax to the State of Finland (FIM 1.334 million in 1998).

Profit before extraordinary items was FIM 164 million (FIM 280 million in 1998).

Strong brands

The company's main products Koff, Karhu, Golden Cap cider and the Battery energy drink continued to strengthen their positions. In addition to these, the new success product Hyvää Päivää has proven its strength and vitality. The vigorous growth of Karhu beer continued especially in the daily consumer goods segment, and Karhu remains the second-most popular Class III (medium strength) beer in Finland. The position of the Koff brand has remained strong. Seasonal products such as the Christmas and Easter beer have complemented the product range. - The Tosi Vahva Karhu ("Extremely Strong Bear") launched in spring immediately proved a success.

Sales of Carlsberg beer grew steadily and concerted sales promotion to the restaurant segment was continued. Both Golden Cap and Battery are distinct market leaders in Finland.

International operations

Exports developed according to plan and special focus was placed on exports of Battery .

The investment in the Vena brewery in St. Petersburg was completed and the renewed production plant met the technical expectations in full. The crash of the Russian economy in August 1998 had a negative effect on Vena's result development. Write-offs of A/O Vena shares and fixed assets have therefore been made both in the parent Oy Sinebrychoff Ab and in the Sinebrychoff Group (FIM 127 million in Oy Sinebrychoff Ab and FIM 127 million in the Group).

The operational result of Falcon Bryggeri AB was clearly improved and met expectations.

Investments

The Group's gross investments totalled 581 million FIM (666 million FIM in 1998). The most significant capital expenditures were again the expansion of the Kerava facility including the acquisition of additional land, and the building project in the Vena brewery in St. Petersburg.

Research and product development

A cornerstone of successful brewery and beverage industry operations is smoothly running research and product development. This function has contributed in reaching the growth obtained during the past year.

Co-operation and joint work with the parent company Carlsberg have strongly enhanced this function.

Environmental certification has been in process during the fiscal year, and will be acquired according to plan before the turn of the millennium.

The challenges brought with Coca-Cola products have clearly increased the work range of the technical staff.

Financing Financing position remained good throughout the year, even with the effects of the brewery investment project in A/O Vena. Liquidity remained good throughout the financial year.

The Board of Directors, Managing Director and Auditors of the parent company

The Chairman of the Board in 1998/1999 was Michael Iuul.

At the Annual General Meeting held on March 4th, 1999 Michael Iuul, Flemming Lindeløv, Finn Jakobsen, Tom v. Weymarn and Finn Berg were elected as Board Members.

The company's Managing Directors were Kaj Forssell 1.10. - 31.12.1998, Kari Pasanen 1.1. - 31.3.1999 and Johan Furuhjelm as of 1.4.1999.

Auditors, elected by the Annual General Meeting, were KPMG Wideri Oy Ab with Mr. Nils Blummé, APA as Responsible Auditor, and Deputy Auditor Juha Jokinen, APA.

Prospects for the upcoming financial year

The excise tax on beer in Finland is still the highest in the EU countries. Despite many efforts by industry, no relief from the authorities to this disadvantage seems to materialize before the year 2004 when harmonisation becomes obligatory. Taxation will thus continue to be an obstacle to increasing domestic sales of malt beverages. Cider is expected to grow significantly and growth is also expected in the soft drinks market.

Sinebrychoff's objectives are to continuously strengthen market positions in core operations. Input into special products along the more traditional ones will be significant.

Coca-Cola co-operation will gain depth and play an increasingly important role in the growth of the company. The brands Aqua and Frisco sold to Coca-Cola companies remain an integrated part of the Coca-Cola product family in Finland.

Internationally, the company will continue to work in support of the outstanding growth of the Battery energy drink.

Preparation for the year 2000 and Euro

Oy Sinebrychoff Ab, Falcon Bryggerier AB and A/O Vena started preparing for the change of millennium already at the end of 1997. The IT and production/logistics systems have been screened and the required changes have been made. The process has continued according to plans. The turn of the millennium will have no significant effect on operations.

Oy Sinebrychoff Ab plans to adopt Euro in the fiscal year beginning on the 1st of October 2001.

Proposal for the Allocation of Profits

The non-restricted equity in the Consolidated Balance Sheet on September 30, 1999 is FIM 406 million, out of which FIM 84 million has been transferred to shareholders' equity from accumulated excess depreciation. Net profit for the period is FIM 55 million.

The Board proposes that the parent company's net profit for the year FIM 198.635.027 be entered as non-restricted equity after which the non-restricted equity of the company amounts to FIM 373.614.918.

The Board proposes that out of the parent company's non-restricted equity a dividend of FIM 972,00 per share be paid to shareholders, totally FIM 317.500.884 after which the non-restricted equity of the parent company is FIM 56.114.034.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
MFIM

	Note	1.10.1998-30.9.1999	1.1.1998-30.9.1998
TURNOVER	1.	**2 374,4**	**1 635,3**
Cost of goods sold		-1 531,8	-1 037,1
GROSS MARGIN		**842,6**	**598,2**
Sales and marketing expenses		-512,0	-375,2
Administrative expenses		-141,4	-85,1
Other operating income	2.	183,4	266,8
Other operating expenses	6.	-175,6	-96,5
		-645,6	-289,9
OPERATING PROFIT		**197,0**	**308,2**
FINANCIAL INCOME AND EXPENSES	7.	**-33,4**	**-28,5**
PROFIT BEFORE EXTRAORDINARY ITEMS		**163,6**	**279,8**
Extraordinary expenses	8.	-16,6	0,0
PROFIT BEFORE TAXES		**147,0**	**279,8**
Income taxes	10.	-91,8	-111,3
Minority interest		0,0	-1,6
NET PROFIT		**55,2**	**166,8**

CONSOLIDATED BALANCE SHEET
MFIM

ASSETS	Note	**30.9.1999**	**30.9.1998**
NON-CURRENT ASSETS	11.		
Intangible assets		14,7	17,6
Goodwill		280,2	317,9
Tangible assets		1 578,7	1 388,5
Shares in associated companies	11.1	4,7	38,1
Other investments	11.2	3,2	115,7
		1 881,6	**1 877,7**
CURRENT ASSETS			
Inventories	15.	222,4	171,9
Long-term receivables	16.1	15,6	0,6
Deferred tax receivables	21.	36,8	0,0
Short-term receivables	16.2	486,2	521,3
Cash and bank		45,7	28,1
		806,7	**722,0**
		2 688,3	**2 599,7**
LIABILITIES			
CAPITAL AND RESERVES	17.		
Share capital		245,0	245,0
Premium reserve		330,0	330,0
Revaluation reserve		2,0	2,0
Retained earnings		350,5	231,0
Net profit for the financial year		55,2	166,8
Subordinated loan	18.	105,0	105,0
TOTAL SHAREHOLDERS' EQUITY		**1 087,6**	**1 079,9**
MINORITY INTEREST		**76,5**	**78,3**
OBLIGATORY PROVISIONS	20.	**88,7**	**52,9**
LIABILITIES			
Deferred tax liabilities	21.	84,4	82,9
Long-term liabilities	22.	295,5	475,8
Short-term liabilities	23.	1 055,5	830,0
		1 435,5	**1 388,6**
		2 688,3	**2 599,7**

CONSOLIDATED CASH FLOW STATEMENT
MFIM

	30.09.1999	30.09.1998
Cash flow from operating activities		
Operating profit	197,0	308,2
Adjustments	335,3	187,4
Change in net working capital	40,8	-102,6
Interest received	7,0	6,7
Interest paid	-31,1	-28,5
Dividends received	0,0	0,0
Other financial income and expenses	-23,1	-6,3
Income taxes paid	-39,5	-72,6
Net cash from operating activities	**486,5**	**292,4**
Investing activities		
Investments in shares	0,0	0,0
Capital expenditures	-460,0	-220,9
Proceeds from sale of group companies	9,3	0,0
Proceeds from sale of associated companies	34,2	0,0
Proceeds from sale of other shares	0,0	-4,9
Proceeds from sale of other fixed assets	15,0	-0,6
Increase of other long-term investments	0,0	-107,0
Net cash from investing activities	**-401,6**	**-333,4**
Cash flow before financing	**85,0**	**-40,9**
Financing		
Increase of long-term loans	,0	273,6
Decrease of long-term loans	-186,0	-248,5
Long-term receivables, increase (-), decrease (+)	102,6	,0
Short-term loans, increase (+), decrease (-)	79,9	-15,0
Dividends paid	-66,6	-25,0
Share issue	,0	40,0
Other	2,7	,0
Net cash used in financing activies	**-67,4**	**25,2**
Net increase (+)/decrease (-) in cash and cash equivalents	17,6	-15,8
Cash and equivalents, beginning	28,1	43,9
Cash and equivalents, end	**45,7**	**28,1**

**PROFIT AND LOSS ACCOUNT/
PARENT COMPANY
MFIM**

	Note	**1.10.1998-30.9.1999**	**1.1.1998-30.9.1998**
TURNOVER	1.	**1 396,0**	**867,0**
Cost of goods sold		-889,7	-520,0
GROSS MARGIN		**506,3**	**347,0**
Sales and marketing expenses		-255,0	-195,5
Administrative expenses		-68,6	-40,1
Other operating income	2.	179,1	12,7
Other operating expenses	6.	-126,9	0,0
		-271,5	-222,8
OPERATING PROFIT		**234,8**	**124,2**
FINANCIAL INCOME AND EXPENSES	7.	**87,1**	**-0,9**
PROFIT BEFORE APPROPRIATIONS AND TAXES		**321,9**	**123,4**
Provisions	9.	0,0	-25,2
Income taxes	10.	-123,2	-26,0
NET PROFIT		**198,6**	**72,1**

Notes to the Financial Statements

The Financial Statements of Sinebrychoff Group have been prepared according to the new Finnish Accounting regulations valid from 31st December 1997. The data from the previous financial period has been restated accordingly.

Consolidation principles

The Financial Statements comprise the Oy Sinebrychoff Ab Financial Statements as well as the Consolidated Financial Statements which include the parent company and those other companies over which the parent company has direct control.

The acquisition cost method has been applied in consolidation. The acquisition cost for the subsidiaries has been eliminated against the equity in the subsidiaries at the time of acquisition. If the acquisition price has deviated from the equities of the subsidiaries at the time of acquisition, the difference has been entered as a goodwill item or in consolidated reserves.

The profit impact of those associated companies which have had no business operations has not been considered in the 1999 consolidated statements because of their minor role.

The share of the minority shareholders 33.34 % in A/O Vena shareholders' equity has been presented as a separate item in the Balance Sheet. The minority share has not been stated separately from the result for the financial year of A/O Vena, as it has not been deemed possible to burden the minority with a share of A/O Vena loss from the financial period.

Internal transactions and profits have been eliminated in the Consolidated Financial Statements.

The accumulated depreciation difference and voluntary provisions reduced by the amount of deferred tax liability are in consolidated shareholders' equity.

Income Statements and Balance Sheets of foreign subsidiaries

The figures in the Profit and Loss Accounts of foreign group companies have been translated into Finnish marks at the average rate of exchange for the accounting period. The Balance Sheet figures have been translated into Finnish marks at the average rate of exchange on closing date. The exchange differences resulting from the eliminations of foreign subsidiary equity have been booked as a credit or charge to earnings for the financial period.

A/O Vena's financial statements have, however, been translated into Finnish marks using the monetary/non-monetary method as a basis. The exchange differences resulting from these principles have been booked as a credit or charge to earnings for the financial period. The insecurity factors in the Russian market and the resulting deteriorating profitability prospects of the Vena brewery has been taken into account in the Financial Statements with an extraordinary cost entry (FIM 127 million) on the Sinebrychoff group level. Thus the consolidation of A/O Vena is close to the consolidation principle of foreign subsidiaries.

Turnover

Indirect taxes, discounts received and exchange rate differences have been deducted from sales income in the turnover calculation.

Valuation of fixed assets

Fixed assets have been presented in the Balance Sheet at direct acquisition cost.

Depreciation according to plan has been calculated by uniform principles in the group, based on the economic life-span of the asset categories and as straight-line depreciation.

Depreciation periods according to plan are as follows:

Group goodwill	5/20 years
Other long-term expenditures	5/10 years
Buildings	20/25 years
Constructions	20/25 years
Machinery and equipment	3/5/10/15/20 years

Investments

Investments have been entered at acquisition cost reduced by depreciations reflecting permanent decrease in value. The profits and losses arising from sale of non-current assets are included in Other operating income or expenses.

Valuation of inventories

Inventories are valued according to the FIFO principle at acquisition cost. Inventories in all consolidated companies include the variable costs as well as the fixed expenses related to acquisition and production.

Foreign currency denominated items

Receivables and payables in foreign exchange have been converted into Finnish marks based on the Bank of Finland exchange rate on the Balance Sheet date, changes in rates of exchange have been entered at the result of the financial year.

Research and development costs

Research and development costs have been entered as a charge in the year when they arose.

Allocation of pension expenses

Pension expenses have been presented according to applicable legislation in each country. The pension liabilities of the parent company have been presented under the Pension liabilities in the Notes to the Financial Statements.

Income taxes

The income tax entered in the Income Statement comprises the taxes calculated on the results of the financial year for each group company according to local tax legislation, and the change in deferred tax liability from changes mainly in previous voluntary reserves and excess depreciation.

The deferred tax receivable in the Balance Sheet from write-offs on shares has been presented at estimated probable value.

Notes to the Financial Statements

1
Turnover by market area

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Finland	1,340.9	776.1	1,340.9	776.1
Scandinavian Countries	883.6	677.0	22.9	58.8
Russia	108.8	146.2	4.5	3.9
Other European Countries	38.4	33.9	25.1	27.8
Other	2.7	2.1	2.6	0.4
Total	2,374.4	1,635.3	1,396.0	867.0

2
Other operating income

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Profit on transfer of trademarks	150.0	261.0	150.0	-
Profits on sale of fixed assets	13.1	1.5	12.5	1.5
Other	20.3	4.3	16.6	11.2
Total	183.4	266.8	179.1	12.7

3
Materials and services

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Materials and consumables				
Purchases during the financial year	896.8	590.6	523.5	266.2
Change in inventories	1.9	-8.0	-9.1	1.1
	898.7	582.6	514.4	267.3
External services	126.6	176.0	102.0	61.7
	1,025.3	758.6	616.4	329.0

4.1
Personnel expenses

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Salaries and wages	324.0	189.0	164.7	103.6
Pension expenses	33.5	23.8	25.6	15.5
Other indirect employee costs	84.5	43.5	20.3	13.6
Total	442.0	256.3	210.6	132.7

4.2
Salaries and other remuneration paid to the management

	Group		Parent	
Managing directors and the	**1999**	**1998**	**1999**	**1998**
Members of the Board of Directors	4.1	2.9	2.3	1.9

4.3
Average number of personnel in the Group and in the parent company during the financial period

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Clerical employees	0.8	0.8	0.4	0.3
Workers	1.3	1.0	0.5	0.5
Total	2.1	1.8	0.9	0.8

4.4
Pension commitments for the management

The retirement age of the Managing Director of Oy Sinebrychoff Ab has been agreed at 62 years.

5
Depreciation and write-offs

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Depreciation on tangible and intangible assets	220.0	188.8	106.4	68.7
Write-offs on fixed assets and long-term investments	126.9	-	126.9	-
Total	346.9	188.8	233.3	68.7

5.1
Depreciation by function

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Purchasing and production	120.4	71.8	76.5	46.4
Sales and marketing	31.3	22.8	22.9	17.9
Administration	22.5	7.8	7.1	4.4
Other operating expenses:				
Write-offs	126.9	-	126.9	-
Group goodwill	45.8	86.4	-	-
Total	346.9	188.8	233.4	68.7

6

Other operating expenses

	Group		Parent	
	1999	1998	1999	1998
Group goodwill depreciation	45.7	86.4		
Write-offs on assets and shares	126.9		126.9	-
Other	3.0	10.1	-	-
	175.6	96.5	126.9	0.0

7.

Financial income and expenses

	Group		Parent	
	1999	1998	1999	1998
Dividend income				
From group companies			105.5	19.1
From associated companies	0.6	-		
From other companies	0.0	0.0	0.0	0.0
Total dividend income	**0.6**	**0.0**	**105.5**	**19.1**
Interest income from long-term financial assets				
From group companies	-	-	11.3	2.7
From other companies	-	-	-	-
	-	**-**	**11.3**	**2.7**
Total income from long-term financial assets	0.6	0.0	116.8	21.8
Other interest income and financial income				
From group companies	2.4	0.3	0.4	0.4
From other companies	8.2	11.6	1.2	1.5
	10.6	11.9	1.6	1.9
Interest income from long-term financial assets and other interest income and financial income, total	**11.2**	**11.9**	**118.4**	**23.7**
Interest expenses and other financial expenses				
To group companies	-10.5	-6.6	-10.9	-6.6
To other companies	-34.1	-33.8	-20.5	-18.0
	-44.6	-40.4	-31.4	-24.6
Total financial income and expenses	**-33.4**	**-28.5**	**87.0**	**-0.9**
The item 'Interest and financial income' includes exchange profits (net)	0.7	3.3	0.4	-0.6

8.

Extraordinary items

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Excise duties in subsidiaries from previous years	-16.6	-	-	-

9.

Provisions

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Difference between actual and planned depreciation	-	-	-	-25.2

10.

Direct taxes in the Profit and Loss Account

	Group		Parent	
	1999	**1998**	**1999**	**1998**
Direct taxes on operations	-127.8	-91.2	-123.2	-26.0
Change in deferred tax*)	36.0	-20.1	-	-
	-91.8	-111.3	-123.2	-26.0

*) The change in deferred tax receivables and tax liabilities has been entered at net value.

11
Fixed assets

Group

		Acquisition cost						Accum. depreciation according to plan						
		1.10.	Exchange rate diff.	Increase 1.10.-30.09.	Decrease 1.10.-30.09.	Transfer to other items	30.09.	1.10.	Exchange rate diff.	Increase 1.10.-30.09.	Decrease 1.10.-30.09.	Transfer to other items	30.09.	Book value
	Intangible rights	0.4		0.0	0.1		0.3	0.2		0.0			0.3	0.1
	Goodwill on acquisition	441.4	12.6				454.0	123.5	4.5	45.8			173.8	280.2
	Other long-term expenditures	41.5		4.6	1.1	-0.9	44.1	24.2		7.0	1.7		29.5	14.6
	TOTAL INTANGIBLE ASSETS *	**483.4**	**12.6**	**4.6**	**1.2**	**-0.9**	**498.5**	**147.9**	**4.5**	**52.8**	**1.7**		**203.5**	**294.9**
	Land	84.7	0.7	9.9	0.9		94.4	2.1	0.1	0.7			2.9	91.5
	Revaluations	2.0					2.0							2.0
	Buildings and constructions	569.8	5.6	20.4	-83.4		679.1	131.5	1.5	35.0	-22.8	1.1	191.9	487.2
	Machinery and equipment	1292.1	16.0	196.0	134.7	56.5	1425.9	643.7	9.1	130.3	120.8	58.9	721.1	704.8
	Other tangible assets	1.9		0.8		0.9	3.7	0.5		1.1	-0.3		1.9	1.8
	Work-in-progress	72.8	0.3	67.6	66.4		74.3							74.3
	Prepaid fixed assets	131.4		278.3	113.9	0.0	295.8					78.6	78.6	217.2
	TOTAL TANGIBLE ASSETS *	**2154.8**	**22.6**	**573.0**	**232.6**	**57.4**	**2575.2**	**777.7**	**10.7**	**167.2**	**97.6**	**138.6**	**996.5**	**1578.7**
11.1	Shares in associated companies	38.1	1.9	3.9	5.1	-34.0	4.7							4.7
11.2	Other shares and securities	1.2	0.0		0.1		1.1							1.1
11.2	Loans receivable, associated companies	2.2					2.2							2.2
11.2	Loans receivable, other	112.4	5.5		117.8		0.0							0.0
	TOTAL FINANCIAL ASSETS *	**153.8**	**7.3**	**3.9**	**123.0**	**-34.0**	**8.0**							**8.0**
11.	**TOTAL FIXED ASSETS**	**2791.9**	**42.5**	**581.5**	**356.8**	**22.5**	**3081.6**	**925.6**	**15.2**	**220.0**	**99.3**	**138.6**	**1200.0**	**1881.6**

The Balance Sheet value of machinery and equipment in production activity was 588,3 MFIM 30.09.1999

Sinebrychoff	430687
Vena	47382
Falcon	110201
	588270

11

Fixed assets

Parent company

		Acquisition cost						Accum. depreciation according to plan						
		1.10.	Exchange rate diff.	Increase 1.10.-30.09.	Decrease 1.10.-30.09.	Transfer to other items	30.09.	1.10.	Exchange rate diff.	Increase 1.10.-30.09.	Decrease 1.10.-30.09.	Transfer to other items	30.09.	Book value
	Intangible rights	0.3					0.3	0.2		0.0	0.0		0.3	0.0
	Other long-term expenditures	41.5		3.1	1.1	-0.9	42.7	24.2		6.6	1.7		29.0	13.7
	TOTAL INTANGIBLE ASSETS	**41.8**		**3.1**	**1.1**	**-0.9**	**43.0**	**24.4**		**6.6**	**1.7**		**29.3**	**13.7**
	Land	66.5		9.9			76.4							76.4
	Revaluations	2.0					2.0							2.0
	Buildings and constructions	417.0		12.9	-89.1		518.9	97.0		19.7	-23.7		140.4	378.5
	Machinery and equipment	879.2		162.7	115.5	0.0	926.4	436.2		80.0	107.3		408.9	517.6
	Other tangible assets	0.0		0.1		0.9	1.0			0.2	-0.3		0.5	0.5
	Work-in-progress	66.4		50.3	66.4		50.3						0.0	50.3
	Prepaid fixed assets	30.6		74.6	104.0		1.2							1.2
	TOTAL TANGIBLE ASSETS	**1461.8**		**310.4**	**196.9**	**0.9**	**1576.2**	**533.2**		**99.9**	**83.2**		**549.8**	**1026.4**
11.1	Shares in group companies	703.9			0.2		703.7					126.9	126.9	576.8
11.1	Shares in associated companies	0.0					0.0							0.0
11.2	Other shares and securities	1.0			0.1		0.9							0.9
11.2	Loans receivable, group companies	73.7		190.8	73.7		190.8							190.8
11.2	Loans receivable, associated companies													
	TOTAL FINANCIAL ASSETS	**780.7**		**190.8**	**74.0**		**897.5**					**126.9**	**126.9**	**770.6**
11.	**TOTAL FIXED ASSETS**	**2284.3**		**504.2**	**271.9**	**0.0**	**2516.6**	**557.6**		**106.4**	**84.9**	**126.9**	**706.0**	**1810.7**

The Balance Sheet value of machinery and equipment in production activity was 430,7 MFIM 30.09.1999

12
Revaluations

	Value 1.10.98	Revaluations 1.10.98 - 30.09.99	Liquidation of revaluations 1.10.98 - 30.09.99	Value 30.09.99
Group and parent company				
Land and water areas	2.0	-	-	2.0

13
Capitalized interest expenses

The part of capitalized interest expenses not depreciated in the Balance Sheet item Buildings and Constructions is formed as follows:

		Group		**Parent**
	1999	**1998**	**1999**	**1998**
Capitalized interest expenses not depreciated	7.9	11.4	7.9	11.4

14

Companies owned by Group and parent company

Parent company

Name	Place of residence	Number of shares	Nominal value (one share)	Group ownership ,%	Group share of shareholders' equity	Parent company ownership,%	Book value (TFIM)
Group companies							
Juomapalvelu Oy	Helsinki	250	100	100	25	100	25
Koff International Inc.Oy	Helsinki	1,000	15	100	101	100	15
Aito-Lähde Oy	Pori	15	1,000	100	47	100	15
A/S Sinebrychoff, Eesti	Tallinna	50	5000 EEK	100	711	100	162
A/O Vena	Pietari	14,409	1 SUR				0
A/O Vena	Pietari	2,844,510	50 SUR	66.66	131,601	66.66	21,855
Falcon Holding Ab	Tukholma	1,500,000	100 SEK	100	386,845	100	554,699
Total							**576,771**
Associated companies							
Kiinteistö Oy Palokorvenkatu 13	Kerava	735	10	49	7	49	7
Kiinteistö Oy Santaniitynkatu 20	Kerava	735	10	49	7	49	7
Total							**15**
Subsidiaries owned by Falcon Holding Ab							
Falcon Sweden Ab	Falkenberg	7,015,000	100 SEK	100	492,423		492,423
Falcon Bryggerier Ab	Falkenberg	50,737	100 SEK	100	254,536		408,341
Falcon Ab	Falkenberg	5,500	1000 SEK	100	8,665		4,500
Bryggeri Ab Falken	Falkenberg	1,000	100 SEK	100	607		559
Joint ventures owned by Falcon Holding Ab							
Dryckes Distributörer AB	Falkenberg	50,000	1000 SEK	50	34,012		34,090
Associated companies owned by Falcon Holding Ab							
Göte Andersson & Co Ab	Tukholma	750	100 SEK	25	2,930		4,713
Other shares and holdings owned by parent company							
Suomen Palautuspakkaus Oy	Helsinki	225	200	16.66			201
Turun Panimo Oy	Turku	3,000	150	6.25			150
Muut							551
Total							**902**

15
Inventories

	Group		Parent	
	1999	1998	1999	1998
Materials and consumables	43.9	45.4	22.2	13.0
Work in progress	13.8	13.4	6.1	6.6
Finished goods	164.7	113.1	132.7	82.2
Total	222.4	171.9	161.0	101.8

16
Receivables

16.1
Long-term receivables

	Group		Parent	
	1999	1998	1999	1998
Trade receivables	0.9	0.6	0.9	0.6
Loan receivables	14.7	-	-	-
Prepaid expenses and accrued income	0.0	0.0	0.0	0.0
Total long-term receivables	**15.6**	**0.6**	**0.9**	**0.6**

16.2
Short-term receivables

	Group		Parent	
	1999	1998	1999	1998
Trade receivables	353.5	290.5	240.6	204.3
Receivables from group companies				
Trade receivables	29.4	19.9	16.7	9.9
Loan receivables	-	106.1	5.5	79.2
Prepaid expenses and accrued income	-	-	3.5	1.6
Total	29.4	126.0	25.7	90.7
Loan receivables	-	0.1	-	-
Other receivables	77.4	81.6	-	-
Prepaid expenses and accrued income	25.9	23.1	12.2	8.2
Total	103.3	104.8	12.2	8.2
Total short-term receivables	**486.2**	**521.3**	**278.5**	**303.2**

16.3

Prepaid expenses and accrued income

	Group 1999	Group 1998	Parent 1999	Parent 1998
Accrued income from group companies				
Interest periodization			3.2	1.5
Other			0.3	0.1
Total			**3.5**	**1.6**
Receivables from Coca-Cola Juomat	8.1	-	8.1	-
Prepaid expenses	11.5	20.2	2.9	7.4
Other	6.2	2.9	1.2	0.8
Total	**25.8**	**23.1**	**12.2**	**8.2**

17

Changes in shareholders' equity

	Group 1999	Group 1998	Parent 1999	Parent 1998
Share capital 1.10.98/1.1.98	245.0	200.0	245.0	200.0
Increase in share capital (30.3.98)	-	45.0	-	45.0
Share capital 30.9.	245.0	245.0	245.0	245.0
Premium fund 1.10.98/1.1.98	330.0	-	330.0	-
Increase in fund (reg. 30.3.98)	-	330.0	-	330.0
Premium fund 30.9.	330.0	330.0	330.0	330.0
Revaluation fund 1.10.98/1.1.98	2.0	2.0	2.0	2.0
Revaluation fund 30.9.	2.0	2.0	2.0	2.0
Profit carried forward 1.10.98/1.1.98	397.9	274.9	241.6	194.5
Dividends	-66.6	-25.0	-66.6	-25.0
Conversion differences	19.2	-18.8	-	-
Profit carried forward 30.9.	350.5	231.1	175.0	169.5
Net income	55.2	166.8	198.6	72.1
Subordinated loans 1.10./30.9.	105.0	105.0	105.0	105.0
Total shareholders' equity	**1,087.6**	**1,079.9**	**1,055.6**	**923.6**

Distributable unrestricted equity

Profit carried forward	350.5	231.1	175.0	169.5
Profit for the financial period	55.2	166.8	198.6	72.1
Share of accrued depreciation difference entered in equity	-83.6	-86.3		
Other undistributable items	-3.6			
Total distributable unrestricted equity	318.5	311.6	373.6	241.6

18
Subordinated loan

Terms of the subordinated loan:
Loan capital FIM 105,0 million. The loan is dated 29.12.1995, loan period 5 years. Interest 12 months Euribor +1%. If the balance sheet of the parent and the group from the latest accounting period provide full coverage of restricted equity and other non-distributable items, the loan capital may be returned. Interest may be paid only if the amount to be paid can be used in profit distribution according to the balance sheet of the company and group from the latest accounting period. There is no security for the loan. In a possible liquidation or bankruptcy of Oy Sinebrychoff Ab, receivables on the subordinated loan have lower priority than other commitments of Oy Sinebrychoff Ab, and equal preference to those commitments with equal terms.

19
Accumulated appropriations

Appropriations from the parent is made up of accumulated depreciation differences.

20
Mandatory provisions

		Group		**Parent**
	1999	**1998**	**1999**	**1998**
Pension liabilities	44.8	41.1	1.0	1.4
Bottles and crates to be redeemed	40.1	-	-	-
Other provisions	3.8	11.8	2.9	11.8
Total	88.7	52.9	3.9	13.2

21
Deferred tax receivables and liabilities

		Group		**Parent**
	1999	**1998**	**1999**	**1998**
Deferred tax receivables				
From depreciation of shares	36.8	-		
Deferred tax liabilities				
From approproations	34.1	34.1		
Included in the Balance Sheets				
of group companies	50.3	48.7		
Total	84.4	82.8		

22
Long-term liabilities

	Group			Parent
	1999	**1998**	**1999**	**1998**
Loans from financial institutions	222.9	327.3	209.3	280.0
Pension loans	50.6	67.5	50.6	67.4
Other long-term liabilities	22.0	81.0	22.0	44.0
Total long-term liabilities	295.5	475.8	281.9	391.4

Debts payable after 5 years

Loans from financial institutions	15.4	30.8	15.4	30.8

23
Short-term liabilities

	Group			Parent
	1999	**1998**	**1999**	**1998**
Loans from financial institutions	85.8	104.8	70.7	66.3
Pension loans	16.9	16.9	16.9	16.9
Advances received	0.3	0.3	-	-
Trade payables	263.3	160.7	145.5	95.0
Accrued expenses and deferred income	494.6	358.5	431.9	298.2
Other liabilities	66.1	116.7	132.3	67.9
Liabilities to group companies				
Trade payables	1.7	17.2	0.2	1.1
Accrued expenses and deferred income	5.8	2.9	-	-
Other short-term liabilities	121.0	52.0	0.2	80.1
Total short-term liabilities	**1,055.5**	**830.0**	**797.7**	**625.5**

23.1
Accrued expenses and deferred income

	Group			Parent
	1999	**1998**	**1999**	**1998**
Accrued expenses from group companies				
Interest periodization	5.8	2.7		
Other		0.2		
Total accrued expenses	5.8	2.9		
Holiday pay liability	43.4	38.1	19.2	16.5
Periodization of discounts	68.2	77.1	56.0	65.6
Royalties	17.3	14.9	12.6	10.0
Indirect taxes	198.4	165.6	198.4	165.6
Periodization of taxes	116.2	26.0	116.2	26.0
Other	51.1	36.8	29.5	14.5
Total deferred income	494.6	358.5	431.9	298.2

24
Guarantees, mortgages and other commitments

24.1
Mortgages given as collateral for liabilities

	Group		Parent	
	1999	1998	1999	1998
Pension loans	43.8	39.7	-	-
Mortgages given	13.3	12.7	-	-
Loans from financial institutions	200.9	293.2	187.3	245.9
Mortgages given	287.4	316.9	285.0	310.0
Total mortgages	300.7	329.6	285.0	310.0

24.2
Other guarantees

Mortgages in real estates	75.0	78.0	75.0	78.0

24.3
Guarantees and collaterals on behalf of group companies

Guarantees			17.0	15.0

24.4
Pension liabilities not included in the Profit and Loss or Balance Sheet

Uncovered liabilities of the company	0.3	0.3	0.3	0.3

24.5
Commitments on leasing contracts

Payable within one year	7.3	7.8	0.9	1.3
Payable after one year	10.3	0.7	0.7	0.7
Total	17.6	8.5	1.6	2.0

24.7
Other commitments and contracts

	Group			Parent
	1999	**1998**	**1999**	**1998**
Kerava city*), the build-up of water supply and sewage system	45.1	50.4	45.1	50.4
Commercial liabilities**)	125.9	28.9	106.2	2.3
Rent liabilities	77.2	27.2	-	-
Other liabilities	10.1	3.6	4.3	3.6

*) Oy Sinebrychoff Ab and the city of Kerava have agreed on the financing of the build-up of the water supply and sewage system for the Kerava production plant, that Oy Sinebrychoff Ab will be responsible for the installments and interests on the loans that Kerava city has raised for this purpose. The commitment includes the nominal value of future costs revaluated to closing date.

**) The commercial liabilities of the parent include the contracts made for the extension of Kerava distribution centre and the agreement between the parent and the European Bank of Reconstruction and Development concerning the jointly owned brewery in St. Petersburg.

The 1999 Financial Statements include the Consolidated and Parent Company Board of Director's Review, Profit and Loss Statements, Balance Sheets, Cash Flow Statements and Notes to the Financial Statements, which are hereby submitted to the Annual General Meeting.

Kerava, 12th January 2000

Michael C. Iuul
Chairman

Flemming Lindeløv

Nils Smedegaard Andersen

Tom v. Weymarn

Finn Berg

Johan Furuhjelm
Managing Director

The above Financial Statements have been prepared in accordance with good bookkeeping practices. The Auditors' Report has been submitted today.

Kerava, 12th January 2000

KPMG Wideri Oy Ab

Nils Blummé, APA

The following accounting records have been used in 1999:

Daily record, EDP sheets

General ledger, EDP sheets

Specifications of accounts receivable and payable

Accounts payable, EDP sheets

Accounts receivable, EDPsheets

List of fixed assets, EDP sheets