

OY SINEBRYCHOFF AB

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OY SINEBRYCHOFF AB

Review by the Board of Directors January - December 2002

Corporate Structure

Oy Sinebrychoff Ab produces beer, other mild alcohol drinks, soft drinks and special drinks at its Finnish production facilities in Kerava and Pori. The company also produces and sells Coca-Cola products in Finland. Oy Sinebrychoff Ab is a subsidiary 100 % owned by Carlsberg Breweries A/S. In March the company sold its sales company Sinebrychoff Eesti AS in Tallinn. The subsidiary's turnover for January-March was 0,9 MEUR.

The past financial period

Oy Sinebrychoff Ab's sales volumes during the financial period were 407,2 million litres. Sales to the domestic market increased by 5,5 % which was clearly above trade average (3,3 %).

The company's market share for all beverages increased to 44,4 % (43,5 %). The company became market leader in beers with a market share of 44,0 % (42,8 %). Sinebrychoff carried on market leadership in ciders with a 53,3 % (54,1 %) share, and in soft drinks with a 49,1 % (47,5 %) share. In long drinks the market share was 28,9 % (30,9 %) and in mineral waters 21,8 % (21,9 %).

Gross investments were 26,7 MEUR (103,6 MEUR). The largest investments included the expansions of Kerava office premises and repacking lines.

The company's turnover was 329,5 MEUR (303,1 MEUR), of which 4 % originated from export. Operating profit was 45,1 MEUR (30,7 MEUR) with clearly improved profitability from previous year.

Since 1999, Oy Sinebrychoff Ab has adopted a certified environment programme based on ISO 14001. Environmental aspects are taken into account in the company's operations, the target being the prevention of environmental hazards and minimising the use of natural resources. The company is in favour of the reuse and recycling of e.g. packaging material. During the accounting period, the amount of waste in relation to the amount of production was decreased by increased recycling and sorting of waste materials. The organic load of sewage in the Kerava plant was decreased by the decrease of production losses.

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

At the Annual General Meeting held on 5th February 2002 Lars Pålsson, Tom von Weymarn, Finn Berg, Søren Lisbjerg and Bjørn Erik Næss were elected as Board Members. In December 2002 Kasper Madsen replaced Søren Lisbjerg as Board member. Lars Pålsson was Chairman of the Board.

The company's Managing Director is Johan Furuholm. Auditors elected by the Annual General Meeting were Ernst & Young with Mrs. Anna-Maija Simola, APA as Responsible Auditor, and Mr. Mikko Ryttilähti, APA as Deputy Auditor.

Major events since the closing of the financial period, and prospects for the upcoming financial year

There have been no major events since the closing of the financial period. Total demand of drinks is not expected to significantly change during the current financial year. The extremely high excise tax in Finland combined with the withdrawal of alcohol import restrictions create a threat to the development of sales for the domestic industry. Sinebrychoff's objective is nevertheless to further strengthen its market position in key operational areas. Profitability is expected to remain on the previous year's level.

Proposal for the Allocation of Profits

The company's distributable unrestricted equity was 80.595.791,00 €, of which the profit for the financial period is 28.012.858,68 €.

The Board proposes that the distributable unrestricted equity be used as follows:

- | | |
|--------------------------------------------------------|-----------------|
| - 108,19 €/share to be paid as dividend, or a total of | 35.339.938,93 € |
| - To remain as equity | 45.255.852,07 € |

PROFIT AND LOSS ACCOUNT
EUR

	Note	1.1.2002-31.12.2002	1.1.2001-31.12.2001
TURNOVER	1.	329 469 050,10	303 103 361,09
Cost of goods sold		-205 168 018,69	-190 894 531,28
GROSS MARGIN		124 301 031,41	112 208 829,81
Sales and marketing expenses		-67 082 059,99	-66 504 273,27
Administrative expenses		-15 023 751,05	-16 855 231,36
Other operating income	2.	2 872 525,04	1 855 066,86
OPERATING PROFIT		45 067 745,41	30 704 392,04
FINANCIAL INCOME AND EXPENSES	6.	-479 633,22	-2 305 450,25
PROFIT BEFORE APPROPRIATIONS AND TAXES		44 588 112,19	28 398 941,79
Appropriations	7.	-4 757 192,71	0,00
Income taxes	8.	-11 818 060,80	-5 261 340,76
NET PROFIT		<u>28 012 858,68</u>	<u>23 137 601,03</u>

BALANCE SHEET
EUR

5(20)

ASSETS	Note	31.12.2002	31.12.2001
NON-CURRENT ASSETS			
	9.		
Intangible assets	9.1	40 152 941,18	46 338 893,70
Tangible assets	9.2	195 513 023,37	198 892 765,32
Holdings in group undertakings	9.3	365 871,47	393 144,40
Other investments	9.4	93 965,38	95 310,85
TOTAL NON-CURRENT ASSETS		236 125 801,40	245 720 114,27
CURRENT ASSETS			
Inventories	12.	33 349 447,14	30 961 741,47
Long-term receivables		204,18	204,18
Short-term receivables	13.1	63 271 805,52	145 833 613,13
Cash and bank		1 415 223,10	416 875,66
TOTAL CURRENT ASSETS		98 036 679,94	177 212 434,44
TOTAL ASSETS		334 162 481,34	422 932 548,71
LIABILITIES			
SHAREHOLDERS' EQUITY			
	14.		
Share capital		41 203 561,21	41 203 561,21
Premium reserve		55 503 655,56	55 503 655,56
Revaluation reserve		336 375,85	336 375,85
Retained earnings		52 582 932,32	42 570 038,99
Net profit for the financial year		28 012 858,68	23 137 601,03
TOTAL SHAREHOLDERS' EQUITY		177 639 383,62	162 751 232,64
ACCUMULATED DEPRECIATION DIFFERENCE	15.	24 559 395,51	19 802 202,80
OBLIGATORY PROVISIONS	16.	474 100,00	493 883,84
LIABILITIES			
Long-term liabilities	18.	2 710 728,61	13 459 098,60
Short-term liabilities	19.	128 778 873,60	226 426 130,83
		131 489 602,21	239 885 229,43
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		334 162 481,34	422 932 548,71

CASH FLOW STATEMENT
TEUR

	31.12.2002	31.12.2001
Cash flow from operating activities		
Operating profit	45 068	30 704
Adjustments to operating profit	33 800	36 980
Change in working capital	82 356	20 737
Interests and other financial expenses paid	-5 706	-8 666
Dividends received	1	1
Interests received	5 545	6 393
Income taxes paid	-8 741	-9 185
Cash flow from operating activities	152 324	76 965
Cash flow from investments		
Investments on tangible and intangible assets	-26 732	-89 084
Sales returns of tangible and intangible assets	2 524	4 139
Sales returns of other long-term investments	0	45 343
Cash flow from investments	-24 208	-39 602
Cash flow before financing	128 116	37 363
Cash flow from financing		
Raisings of short-term loans	-94 551	27 668
Raisings of long-term loans	32	75
Repayments of long-term loans	-19 474	-33 673
Dividends paid	-13 125	-32 039
Cash flow from financing	-127 118	-37 969
Change in cash	998	-606
Cash as of 1.1.	417	1 023
Cash as of 31.12.	1 415	417

Notes to the Financial Statements

During the financial period Oy Sinebrychoff Ab has sold the 100 % shareholding in its subsidiary Sinebrychoff Eesti A/S. As the group structure was dissolved, no consolidated accounts were drawn.

Turnover

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

Valuation of fixed assets

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

Depreciation according to plan has been calculated as straight-line depreciations based on the economic life-span of the asset categories. The depreciation plan has been revised.

Depreciation periods according to plan are as follows:

Goodwill	10-20 years
Other long-term expenditures	3-10 years
Buildings	25-40 years
Constructions	20-25 years
Machinery	8-20 years
Equipment	3-8 years
Other tangible	5-30 years

Investments

Investments have been entered at acquisition cost. 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 purchase cost, a lower repurchase cost or likely sales cost. Inventories include, besides variable costs, their share of fixed purchasing and production costs.

Foreign currency denominated items

Receivables and payables in foreign currencies have been converted into Euro based on the European Central Bank exchange rate on the Balance Sheet date, exchange rate differences have been entered in the profit and loss statement.

Deferred tax income and liabilities

Deferred tax income and liabilities have not been shown in the Profit and Loss Account or Balance Sheet; the figures are presented in the Notes to the Financial Statements.

Research and development costs

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

Allocation of pension expenses

The pension insurances of the company personnel have been handled in external pension insurance companies. The pension payments and expenses for the financial period are based on calculations made by the pension insurance companies. The pension expenses are entered as cost for the year they arose.

Notes to the Financial Statements

1

Turnover by market area

	2002	2001
Finland	315 695	290 606
Scandinavian Countries	6 187	6 669
Russia	1 358	1 034
Other European Countries	4 037	4 082
Other	2 192	711
Total	329 469	303 103

2

Other operating income

	2002	2001
Profits on sale of fixed assets	1 982	133
Other	891	1 722
Total	2 873	1 855

3

Materials and services

	2002	2001
Materials and consumables		
Purchases during the financial year	110 583	102 239
Change in inventories	-421	-351
	110 162	101 889
 External services	 23 826	 22 919
	133 988	124 808

4.1

Personnel expenses

	2002	2001
Salaries and wages	39 159	37 119
Pension expenses	5 643	5 955
Other indirect employee costs	4 167	2 875
Total	48 969	45 949

4.2

Average number of personnel during the financial period

	2002	2001
Clerical employees	552	510
Workers	636	662
Total	1 188	1 172

4.4

Pension commitments for the management

The retirement age of the Managing Director is 62 years.

5

Depreciation and write-offs

	2002	2001
Depreciation on tangible and intangible assets	35 579	37 080
Total	35 579	37 080

5.1

Depreciation by function

	2002	2001
Purchasing and production	18 381	16 966
Sales and marketing	13 549	16 407
Administration	3 649	3 707
Total	35 579	37 080

6

Financial income and expenses

	2002	2001
Dividend income		
From other companies	1	1
Total dividend income	1	1
Interest income from long-term financial assets		
From group companies	3 758	3 750
Total income from long-term financial assets	3 759	3 751
Other interest income and financial income		
From group companies	881	2 298
From other companies	196	220
	1 077	2 519
Interest income from long-term financial assets and other interest income and financial income, total	4 836	6 269
Interest expenses and other financial expenses		
To group companies	-4 584	-5 276
To other companies	-732	-3 299
	-5 316	-8 575
Total financial income and expenses	-480	-2 306
The item 'Interest and financial income' includes exchange profits (net)	-18	-11

7

Appropriations

	2002	2001
Difference between planned depreciations and tax depreciations	-4 757	-

8

Deferred taxes

	2002	2001
Change in deferred tax income		
From shelf depreciations	147	-1 562
From obligatory provisions	-6	-1 227
	141	-2 789
Change in deferred tax liabilities		
From appropriations	1 379	-

Calculated tax income or liabilities have not been presented in the Profit and Loss Account or Balance Sheet.

Fixed assets

	Acquisition cost					Accum. depreciation according to plan					Book value		
	1.1.	Exchange rate diff.	Increase 1.1.-31.12.	Decrease 1.1.-31.12.	Transfer to other items	31.12.	1.1.	Exchange rate diff.	Increase 1.1.-31.12.	Decrease 1.1.-31.12.		Revaluations	31.12.
Intangible rights	31 224			50		31 174	5 040		3 623	50		8 613	22 560
Goodwill	20 966					20 966	2 097		2 097			4 193	16 773
Other long-term expenditures	7 636		403	550		7 490	6 351		769	450		6 670	819
9.1 TOTAL INTANGIBLE ASSETS	59 827		403	600		59 630	13 488		6 489	500		19 477	40 153
Land	16 054		202			16 256							16 256
Revaluations	336					336							336
Buildings and constructions	105 712		6 214	212	2 521	114 235	33 626		4 322	171		37 777	76 458
Machinery and equipment	211 832		18 168	5 237	3 502	228 264	108 095		24 597	4 660		128 032	100 232
Other tangible assets	911		344		45	1 300	300		171			470	829
Work-in-progress	6 068		1 401		-6 068	1 401							1 401
Prepaid fixed assets													
9.2 TOTAL TANGIBLE ASSETS	340 913		26 328	5 449	0	361 793	142 020		29 090	4 831		166 280	195 513
9.3 Shares in group companies	27			27									
9.3 Shares in associated companies	3					3							3
9.4 Other shares and securities	95			1		94							94
9.3 Loans receivable, associated companies	363												
TOTAL FINANCIAL ASSETS	488			29		460							460
9. TOTAL FIXED ASSETS	401 229		26 731	6 078	0	421 882	155 509		35 579	5 331		185 757	236 126

The book value of machinery and equipment in production activity was 78.603 TEUR in 31.12.2002.

10

Revaluations

	Value	Revaluations	Liquidation of revaluations	Value
	1.1.2002	1.1. - 31.12.2002	1.1. - 31.12.2002	31.12.02
Land and water areas, Pori	336	-	-	336

11 14 (20)

Share of ownership in other companies

Nimi	Place of residence	Number of shares	Nominal value (one share)	Ownership	Book value (TEUR)
<u>Associated companies</u>					
Kiinteistö Oy Palokorvenkatu 13	Kerava	735	1,68	49%	1
Kiinteistö Oy Santaniitynkatu 20	Kerava	735	1,68	49%	1
Total					3
<u>Other shares and holdings</u>					
Suomen Palautuspakkaus Oy	Helsinki	200	168,19	16,66%	34
Others					60
Total					94

12
Inventories

	2002	2001
Materials and consumables	4 412	3 992
Work in progress	1 119	941
Finished goods	27 818	26 029
Total	33 349	30 962

13
Receivables

13.1
Short-term receivables

	2002	2001
Trade receivables	58 441	66 771
Receivables from group companies		
Trade receivables	823	1 310
Loan receivables	-	70 898
Prepaid expenses and accrued income	210	783
Total	1 033	72 990
Prepaid expenses and accrued income	3 798	6 072
Total	3 798	6 072
Total short-term receivables	63 272	145 834

13.2
Prepaid expenses and accrued income

	2002	2001
Accrued income from group companies		
Interest periodization	44	783
Other	166	-
Total	210	783
Prepaid expenses	1 695	729
Other	2 103	5 342
Total	3 798	6 072

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Changes in shareholders' equity

	2002	2001
Share capital 1.1.	41 204	41 204
Share capital 31.12.	41 204	41 204
Premium fund 1.1.	55 504	55 504
Premium fund 31.12.	55 504	55 504
Revaluation fund 1.1.	336	336
Revaluation fund 31.12.	336	336
Profit carried forward 1.1.	65 707	42 570
Dividends	-13 125	-
Profit carried forward 31.12.	52 582	42 570
Net income	28 013	23 137
Total shareholders' equity	177 639	162 751

Distributable unrestricted equity

Profit carried forward	52 582	42 570
Profit for the financial period	28 013	23 138
Total distributable unrestricted equity	80 595	65 708

15

Accumulated appropriations

Appropriations are made up of accumulated depreciation differences.

16

Obligatory provisions

	2002	2001
Pension liabilities	474	494
Total	474	494

17

Deferred tax assets and liabilities

	2002	2001
Deferred tax assets		
From shelf depreciations	294	147
From change in obligatory provisions	137	143
Total	431	290
Deferred tax liabilities		
From appropriations	7 122	5 743

18

Long-term liabilities

	2002	2001
Loans from financial institutions	2 711	10 831
Pension loans	-	2 628
Total long-term liabilities	2 711	13 459

19

Short-term liabilities

	2002	2001
Loans from financial institutions	4 890	11 111
Pension loans	2 628	2 836
Trade payables	18 239	23 867
Accrued expenses and deferred income	20 040	19 994
Other liabilities	43 704	40 367
Liabilities to group companies		
Trade payables	209	101
Accrued expenses and deferred income	69	150
Other short-term liabilities	39 000	128 000
Total short-term liabilities	128 779	226 426

19.1

Accrued expenses and deferred income

Accrued expenses from group companies	2002	2001
Interest accrual	69	150
Total accrued expenses	69	150
Holiday pay liability	5 887	5 387
Discounts	10 675	12 045
Other	3 478	2 562
Total deferred income	20 040	19 994

20

Guarantees, mortgages and other commitments

20.1

Liabilities; mortgages given as collateral

	2002	2001
Pension loans	2 629	5 464
Mortgages given	10 091	10 091
Loans from financial institutions	360	10 529
Mortgages given	5 887	14 296
Total mortgages	15 978	24 387

20.2

Other given collateral

	2002	2001
Mortgages	10 932	10 932

20.3

Commitments on leasing contracts

	2002	2001
Payable during next accounting period	1 076	795
Payable after one year	661	766
Total	1 737	1 561

20.4

Liabilities pertinent to §33 of the Act on Value-Added Tax

	2002	2001
Liabilities pertinent to §33 of Act on Value-Added Tax	6 467	5 274

20.5

Other commitments and contracts

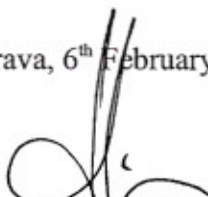
	2002	2001
Kerava city*), the build-up of water supply and sewage system	5 832	6 747
Commercial liabilities**)	23 119	23 212
Rent liabilities	322	942
Other liabilities	6 026	1 603

*) 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.

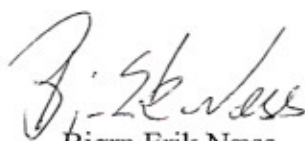
**) The commercial liabilities of the company include the contracts made on raw materials and the equipment for repacking lines.

The 2002 Financial Statements include the Board of Director's Review, Profit and Loss Statement, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, which are hereby submitted to the Annual General Meeting.

Kerava, 6th February 2003



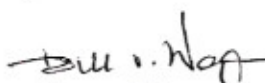
Lars Pålsson
Chairman



Bjørn Erik Næss



Kasper Madsen



Tom v. Weymarn



Finn Berg



Johan Furuholm
Managing Director

The above Financial Statements have been prepared in accordance with generally accepted accounting principles in Finland. Our Auditors' Report has been issued today.

Kerava, February 2003

Ernst & Young Oy
Authorised Public Accounting Firm

Anna-Maija Simola, APA

The following accounting records have been used in 2002

:

Daily record, EDP sheets

General ledger, EDP sheets

Specifications of accounts receivable and payable

Accounts payable, EDP sheets

Accounts receivable, EDP sheets

List of fixed assets, EDP sheets