



**Oy Sinebrychoff Ab**  
**Financial Accounts**  
**1.1.-31.12.2005**

(Translation)

**OY SINEBRYCHOFF AB**

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## OY SINEBRYCHOFF AB

### Review by the Board of Directors January - December 2005

#### The past financial period

Oy Sinebrychoff Ab's sales volumes during the financial period were 394,6 million litres (392,8). Sales to the domestic market increased by 0,8% (-1,4%) which corresponded to development of sales in the trade.

Oy Sinebrychoff Ab is market leader in brewery and soft drink products in Finland with 45,5% (45,4%) market share (source: Market share statistics by the Finnish Food and Drink Industries' Federation). The company maintained market leadership in beers with a market share of 45,4% (44,5 %), in ciders with a 51,8% (53,6 %) share, and in soft drinks with a 52,1% (53,3 %) share. In long drinks the market share was 31,5% (31,5 %) and in mineral waters 19,7% (17,1 %).

Gross investments were 27,6 MEUR (22,2 MEUR). The largest investment was a highly automated high bay warehouse to be built in Kerava. Turnover was 312,1 MEUR (322,5 MEUR), of which 2,9% originated from export. Operating profit was 39,4 MEUR (42,3 MEUR).

Key financial indicators are as follows:

Operating profit	12,63%	(13,11%)
ROE	22,22%	(18,07%)
ROI	22,44%	(21,14%)
Solvency rate	46,24%	(57,90%)

#### Major events since the closing of the financial period

There have been no major events.

#### Prospects for the upcoming financial year

The demand of beverages is estimated to remain stable provided that summer weather conditions are not exceptional. Growth in the share of cans is estimated to continue while also product range is expanding.

Sinebrychoff's objective is to strengthen its market position in key operational areas. Profitability is weakened by the general downward trend of retail prices and aggressive price competition. Also labour, distribution and energy costs will increase. The increase in costs will be compensated by increasing productivity.

#### Research and Development

The company aims at being the most innovative operator in trade both for products and packaging.

## Estimated risks in operation

The most significant risk is aggressive competition in the trade.

## Personnel issues

The company employed at year-end 1057 persons of which 25 % were women and 75 % men. The average years of service per person was ca. 10,5 years.

## Environmental issues

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. Since 1999, Sinebrychoff has adopted a certified environment programme based on ISO 14001. During the accounting period a new electronic follow-up system for non-conformities was adopted. During the accounting period, the amount of waste in relation to the amount of production was decreased both in Kerava and Pori due to increased efficiency in sorting waste materials. The organic load of sewage in the Pori plant was decreased due to increased efficiency.

## 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.

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

The Board of Directors consists of Kasper Madsen, Jørn P. Jensen, Aksel Thiele and Johan Furuholm (Chairman). The company's Managing Director was Johan Furuholm until 31.7.2005 and from 1.8.2005 Mikael Aro. Auditors elected by the Annual General Meeting were KPMG Wideri Oy with Mr. Nils Blummé, APA as Responsible Auditor and Mr. Juha Jokinen, APA as deputy auditor.

## Proposal for the Allocation of Profits

The company's distributable unrestricted equity was 27.205.421,13€, of which the profit for the financial period is 26.966.747,96€.

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

- 82,50 €/share to be paid as dividend, or a total of 26.948.378,50€
- To remain as equity 257.042,63€

**PROFIT AND LOSS ACCOUNT  
EUR**

		<b>1.1.2005-31.12.2005</b>	<b>1.1.2004-31.12.2004</b>
	Note		
<b>TURNOVER</b>	1.	<b>312 078 002,29</b>	<b>322 501 555,53</b>
Cost of goods sold		-203 523 349,93	-204 490 353,98
<b>GROSS MARGIN</b>		<b>108 554 652,36</b>	<b>118 011 201,55</b>
Sales and marketing expenses		-54 944 452,22	-60 250 781,42
Administrative expenses		-15 750 544,06	-15 857 066,22
Other operating income	2.	2 080 875,30	903 270,69
Other operating expenses	3.	-531 020,48	-525 900,29
<b>OPERATING PROFIT</b>		<b>39 409 510,90</b>	<b>42 280 724,31</b>
Financial income and expenses	7.	-1 389 853,28	-614 852,64
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>		<b>38 019 657,62</b>	<b>41 665 871,67</b>
Appropriations	8.	-561 960,39	-3 733 154,26
Income taxes	9.	-10 490 949,27	-11 482 696,77
<b>NET PROFIT</b>		<b>26 966 747,96</b>	<b>26 450 020,64</b>

**BALANCE SHEET  
EUR**

5(17)

<b>ASSETS</b>		<b>31.12.2005</b>	<b>31.12.2004</b>
	Note		
<b>NON-CURRENT ASSETS</b>	10.		
Intangible assets	10.1	23 192 608,56	28 400 108,28
Intangible assets	10.2	178 841 006,63	174 766 790,57
Holdings in group undertakings	10.3	365 871,47	365 871,47
Other investments	10.4	91 694,83	91 694,83
<b>TOTAL NON-CURRENT ASSETS</b>		<b>202 491 181,49</b>	<b>203 624 465,15</b>
<b>CURRENT ASSETS</b>			
Inventories	11.	37 452 024,75	33 470 397,16
Long-term receivables		0,00	1 290,70
Short-term receivables	12.1	28 241 373,51	51 280 786,45
Cash and bank		592 792,87	730 959,77
<b>TOTAL CURRENT ASSETS</b>		<b>66 286 191,13</b>	<b>85 483 434,08</b>
		<b>268 777 372,62</b>	<b>289 107 899,23</b>
<b>LIABILITIES</b>		<b>31.12.2005</b>	<b>31.12.2004</b>
	Note		
<b>SHAREHOLDERS' EQUITY</b>	13.		
Share capital	13.1	41 203 561,21	41 203 561,21
Premium reserve	13.2	55 503 655,56	55 503 655,56
Revaluation reserve	13.3	0,00	0,00
Retained earnings	13.4	238 673,17	43 854 434,03
Net profit for the financial year	13.5	26 966 747,96	26 450 020,64
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>123 912 637,90</b>	<b>167 011 671,44</b>
<b>ACCUMULATED DEPRECIATION DIFFERENCE</b>	14.	<b>32 715 354,38</b>	<b>32 153 393,99</b>
<b>OBLIGATORY PROVISIONS</b>	15.	<b>548 000,00</b>	<b>725 000,00</b>
<b>LIABILITIES</b>	17.		
Long-term liabilities	17.1	0,00	0,00
Short-term liabilities	17.2	111 601 380,34	89 217 833,80
<b>TOTAL LIABILITIES</b>		<b>111 601 380,34</b>	<b>89 217 833,80</b>
		<b>268 777 372,62</b>	<b>289 107 899,23</b>

**CASH FLOW STATEMENT**  
**TEUR**
**1.1.2005-31.12.2005**      **1.1.2004-31.12.2004**
**Cash flow from operating activities**

Operating profit	39 410	42 281
Adjustments to operating profit	26 129	29 400
Change in working capital	2 624	3 751
Interests and other financial expences paid	-1 485	-718
Dividends received	1	4
Interests received	93	129
Income taxes paid	-10 757	-11 826

**Cash flow from operating activities**
**56 015**      **63 021**
**Cash flow from investments**

Investments on tangible and intangible assets	-27 593	-22 183
Sales returns of tangible and intangible assets	2 596	2 530

**Cash flow from investments**
**-24 997**      **-19 653**
**Cash flow from financing**

Repayments of short-term loans	40 265	-13 799
Repayments of long-term loans	-1 355	-1 355
Dividends paid	-70 066	-28 546

**Cash flow from financing**
**-31 156**      **-43 700**

Change in cash      -138      -332

Cash as of 1.1.      731      1 063

**Cash as of 31.12.      593      731**

## Change in working capital :

Change in short-term receivables	2 665	7 597
Change in inventory	-3 982	2 517
Change in short-term payables	<u>3 941</u>	<u>-6 363</u>
	2 624	3 751

## Notes to the Financial Statements

The parent company of Oy Sinebrychoff Ab is Carlsberg Breweries A/S, domiciled in Copenhagen. Carlsberg Breweries A/S is part of the Carlsberg A/S group, address 1, Valby Langgade, DK-2500 Valby.

### 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.

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.

**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.

**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.

## Notes to the Financial Statements

All figures in '000 EUR

1

Turnover by market area

	<b>2005</b>	<b>2004</b>
Finland	303 125	313 433
Other European Countries	6 129	7 807
Other Countries	2 824	1 262
<b>Total</b>	<b>312 078</b>	<b>322 502</b>

2

Other operating income

	<b>2005</b>	<b>2004</b>
Profits on sale of fixed assets	1 640	505
Other	441	398
<b>Total</b>	<b>2 081</b>	<b>903</b>

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Other operating expenses

	<b>2005</b>	<b>2004</b>
Loss on sale of fixed assets	-330	-66
VAT and excise tax from previous years		-251
Other	-201	-209
<b>Total</b>	<b>-531</b>	<b>-526</b>

4

Materials and services

	<b>2005</b>	<b>2004</b>
<b>Materials and consumables</b>		
Purchases during the financial year	-108 362	-104 123
Change in inventories	341	-591
	-108 021	-104 714
External services	-22 838	-22 127
<b>Total materials and services</b>	<b>-130 859</b>	<b>-126 841</b>

5.1

Personnel expenses

	<b>2005</b>	<b>2004</b>
Wages and salaries	-41 837	-41 443
Pension expenses	-6 905	-6 424
Other indirect employee costs	-4 256	-4 021
<b>Total</b>	<b>-52 998</b>	<b>-51 888</b>

5.2

Average number of personnel during the financial period

	<b>2005</b>	<b>2004</b>
Clerical employees	543	556
Workers	572	609
<b>Total</b>	<b>1 115</b>	<b>1 165</b>

## 5.3

## Pension commitments for the management

The retirement age of the Managing Director is 62 years.

## 6

## Depreciation and write-offs

	<b>2005</b>	<b>2004</b>
Depreciation on tangible and intangible assets	-27 439	-29 839
<b>Total</b>	<b>-27 439</b>	<b>-29 839</b>

## 6.1

## Depreciation by function

	<b>2005</b>	<b>2004</b>
Purchasing and production	-17 626	-18 268
Sales and marketing	-6 246	-8 065
Administration	-3 567	-3 506
<b>Total</b>	<b>-27 439</b>	<b>-29 839</b>

## 7

## Financial income and expenses

	<b>2005</b>	<b>2004</b>
<b>Dividend income</b>		
From other companies	1	4
<b>Total dividend income</b>	<b>1</b>	<b>4</b>
<b>Other interest income and other financial income</b>		
From group companies	0	50
From others	260	190
<b>Total interest income and other financial income</b>	<b>260</b>	<b>240</b>
<b>Interest expenses and other financial expenses</b>		
From group companies	-841	0
From other companies	-810	-859
<b>Total interest expenses and other financial exp.</b>	<b>-1 651</b>	<b>-859</b>
<b>Total financial income and expenses</b>	<b>-1 390</b>	<b>-615</b>
<b>The item 'interest and financial income' includes exchange profits (net)</b>	<b>152</b>	<b>3</b>

## 8

## Appropriations

	<b>2005</b>	<b>2004</b>
Difference between planned depreciation and tax depreciation	-562	-3 733

9  
Deferred taxes

	2005	2004
<b>Change in deferred tax income</b>		
From shelf depreciation	256	85
From obligatory provisions	-46	39
<b>Total change in deferred tax income</b>	210	124
<b>Change in deferred tax liabilities</b>		
<b>From appropriations</b>	<b>146</b>	<b>118</b>

Calculated tax income or liabilities has not been presented in the Profit and Loss Account or Balance Sheet. The decrease of the tax rate from 29% to 26% has been taken into account in the change in 2004.

10. Fixed assets

10.1 Intangible assets

	Intangible rights	Goodwill	Other long-term expenditures	Total
Acquisition cost 1.1.2005	21 073	31 117	3 980	56 170
Increase	22		361	383
Decrease	-841		-157	-998
Transfer to other items			112	112
<b>Acquisition cost 31.12.2005</b>	<b>20 254</b>	<b>31 117</b>	<b>4 296</b>	<b>55 667</b>
Accumulated depreciation and revaluation 1.1.2003	-10 793	-13 462	-3 515	-27 770
Accumulated depreciation from decrease and transfer	517		157	674
Depreciation from financial period	-1 968	-2 942	-468	-5 378
<b>Accumulated depreciation 31.12.2005</b>	<b>-12 244</b>	<b>-16 404</b>	<b>-3 826</b>	<b>-32 474</b>
<b>Book value 31.12.2005</b>	<b>8 010</b>	<b>14 713</b>	<b>470</b>	<b>23 193</b>

10.2	Tangible assets					Total
	Land	Buildings and Constructions	Machinery and equipment	Other tangible assets	Work in progress	
Acquisition cost 1.1.2005	15 041	112 613	227 638	1 745	10 449	367 486
Increase		567	8 692	203	17 747	27 209
Decrease	-142	-1 329	-1 219	-53	-69	-2 812
Transfer to other items		1 388	6 949		-8 448	-111
<b>Acquisition c. 31.12.05</b>	<b>14 899</b>	<b>113 239</b>	<b>242 060</b>	<b>1 895</b>	<b>19 679</b>	<b>391 772</b>
Accumulated depreciation and revaluation 1.1.2005		-43 115	-148 733	-872		-192 720
Accumulated depreciation from decrease and transfer		1 008	790	50		1 848
Depreciation from financial period		-4 331	-17 572	-156		-22 059
<b>Accumulated depreciation 31.12.2005</b>		<b>-46 438</b>	<b>-165 515</b>	<b>-978</b>		<b>-212 931</b>
<b>Book value 31.12.2004</b>	<b>14 899</b>	<b>66 801</b>	<b>76 545</b>	<b>917</b>	<b>19 679</b>	<b>178 841</b>
Book value of production machinery and equipment						
31.12.2005			65 594			
31.12.2004			67 358			

## 10.3

## Share of ownership in other group companies

## Associated companies

Name	Number of shares	Nominal value	Ownership	Book value
Kiinteistö Oy Palokorvenkatu 13	735	1,68	49%	1
Kiinteistö Oy Santaniitynkatu 20	735	1,68	49%	1

**Loan receivables from associated companies**

Kiinteistö Oy Palokorvenkatu 13, Kerava	198
Kiinteistö Oy Santaniitynkatu 20, Kerava	165

**Total** **366**

## 10.4

## Other investments

Suomen Palautuspakkaus Oy, Helsink	200	168,19	16,66%	34
Other				58
<b>Total</b>				<b>92</b>

## 11

## Inventories

	2005	2004
Materials and consumables	4 436	4 095
Work in progress	1 011	1 031
Finished goods	32 005	28 345
<b>Total</b>	<b>37 452</b>	<b>33 471</b>

12  
Receivables

12.1  
Short-term receivables

	<b>2005</b>	<b>2004</b>
<b>Trade receivables</b>	<b>25 310</b>	<b>25 923</b>
<b>Receivables from group companies</b>		
Trade receivables	404	303
Loan receivables	0	20 639
Prepaid expenses and accrued income	198	468
<b>Total</b>	<b>602</b>	<b>21 410</b>
<b>Prepaid expenses and accrued income</b>	<b>2 329</b>	<b>3 948</b>
<b>Total short-term receivables</b>	<b>28 241</b>	<b>51 281</b>

12.1.1  
Prepaid expenses and accrued income

	<b>2005</b>	<b>2004</b>
<b>Accrued income from group companies</b>		
Interest periodisation	0	0
Other	198	468
<b>Total</b>	<b>198</b>	<b>468</b>
<b>Accrued income from other companies</b>		
Prepaid expenses	758	1 690
Other	1 571	2 258
<b>Total</b>	<b>2 329</b>	<b>3 948</b>
<b>Major items in accrued income</b>		
Marketing periodisations	608	2 268
Tax periodisation	630	366
Insurance	265	1 078
Other	1 024	704
<b>Total</b>	<b>2 527</b>	<b>4 416</b>

13  
Changes in shareholders' equity

		<b>2005</b>	<b>2004</b>
13.1	Share capital 1.1./ 31.12.	41 204	41 204
13.2	Premium fund 1.1./ 31.12.	55 504	55 504
	Profit carried forward 1.1.	70 304	72 400
	Dividends	-70 066	-28 546
13.3	Profit carried forward 31.12.	238	43 854
13.4	Net income	26 967	26 450
	<b>Total shareholders' equity</b>	<b>123 913</b>	<b>167 012</b>

## Distributable unrestricted equity

	<b>2005</b>	<b>2004</b>
Profit carried forward	239	43 854
Profit for the financial period	26 967	26 450
<b>Total distributable unrestricted equity</b>	<b>27 206</b>	<b>70 304</b>

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## Accumulated appropriations

Appropriations are made up of accumulated depreciation differences.

15

## Obligatory provisions

	<b>2005</b>	<b>2004</b>
Pension liabilities	548	725
<b>Total</b>	<b>548</b>	<b>725</b>

16

## Deferred tax assets and liabilities

	<b>2005</b>	<b>2004</b>
<b>Deferred tax assets</b>		
From shelf depreciation	782	526
From change in obligatory provisions	142	188
<b>Total</b>	<b>924</b>	<b>714</b>
<b>Deferred tax liabilities</b>		
<b>From appropriations</b>	<b>8 506</b>	<b>8 360</b>

Deferred tax assets and liabilities have not been presented in the Profit and Loss Account or Balance Sheet. The reduction in tax rate to 26 % has been taken into account in 2004.

17

## Liabilities

17.1

## Short-term liabilities

	<b>2005</b>	<b>2004</b>
Loans from financial institutions	0	1 355
Trade payables	34 266	25 473
Accrued expenses and deferred income	22 539	26 243
Other liabilities	34 471	35 072
<b>Liabilities to group companies</b>		
Trade payables	699	1 075
Loans from group companies	19 626	0
<b>Total short-term liabilities</b>	<b>111 601</b>	<b>89 218</b>

## 17.1.1

## Accrued expenses and deferred income

	<b>2005</b>	<b>2004</b>
Holiday pay liability	6 048	6 159
Discounts	13 767	15 269
Other	2 724	4 815
<b>Total deferred income</b>	<b>22 539</b>	<b>26 243</b>

## 18

## Guarantees, mortgages and other commitments

## 18.1

## Commitments on leasing contracts

	<b>2005</b>	<b>2004</b>
Payable during the next accounting period	1 527	1 275
Payable after one year	2 815	1 264
<b>Total</b>	<b>4 342</b>	<b>2 539</b>

## 18.2

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

	<b>2005</b>	<b>2004</b>
Liabilities pertinent to §33 of the <b>Act on Value-Added Tax</b>	<b>5 841</b>	<b>6 416</b>

## 18.3

## Other commitments and contracts

	<b>2005</b>	<b>2004</b>
Kerava city*), the build-up of water supply and sewage system	3 853	4 419
Commercial liabilities**)	27 081	52 492
Rent liabilities	2 104	1 376
Other liabilities	3 743	4 071
Liabilities on behalf of third parties	2 786	0

\*) 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, high bay warehouse and the new canning line. The considerable decrease in commercial liabilities is due to the progress of investments and the transfer of several supply contracts to the parent company.



Signatures for the Board of Directors' Review and Financial Statements

Kerava, 9<sup>th</sup> February 2006

Johan Furuhjelm  
Chairman

Jørn P. Jensen

Aksel Thiele

Kasper Madsen

Mikael Aro  
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 2006

KPMG Oy AB  
Authorised Public Accounting Firm

Nils Blummé, APA

The following accounting records have been used in 2005:

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