The company pursues a policy of monitoring and managing this exposure centrally through financial transactions, and net debt is an important element in the company's hedging of exchange rate risks. The currency composition of net debt is based on considerations regarding the composition of assets and liabilities and the currencies.

The principles governing the management of exchange risks stipulate that this function is carried out by the company's Corporate Treasury department. The currency exposure in the individual Group companies is eliminated through intra-Group financial transactions and exposure is thus aggregated and managed centrally.

In 2001, only minor fluctuations were registered in the primary currencies involving exchange rate risks for the company.

Interest rate risks

The most significant interest rate exposure relates to interest-bearing debt, as the company did not hold any significant long-term, interest-bearing assets as at 31 December 2001.

The company's loan portfolio consists of listed bond loans (GBP 200m matures in 2013, GBP 250m matures in 2011 and CHF 100m matures in 2004), bilateral loan agreements and syndicated credit facilities primarily raised in currencies in which the company holds assets. The management of the interest rate exposure involves the use of interest rate instruments such as interest rate swaps and options as well as fixed and floating rate debt.

The long-term debt primarily consists of floating rate loans (67% in 2001 against 19% in 2000). As at 31 December 2001, the average term to maturity of the Group's loans was approximately 1.96 years. The DKK duration is DKK 225m, corresponding to the change in market value of external debt that a 1% change in interest rates would cause.

Liquidity risks

To the extent deemed expedient, the company pursues a policy of managing funding and placement of liquid funds centrally. Funding takes place based on the subsidiaries' investment and operational liquidity requirements. The subsidiaries' excess liquidity is equalised internally through intra-Group accounts. Local conditions may mean that subsidiaries' borrowing is not handled centrally.

Credit risks

The company monitors credit risks from central quarters. Guidelines stipulate that contracts can only be entered into with financial institutions with high debtor ratings. Cash at bank and in hand is deposited with banks with high credit rating and the company's trade debtors are distributed in such a manner that the Group's credit risk is not considered exceptional.

Carlsberg Breweries advances loans to the on-trade, particularly in the United Kingdom through Carlsberg-Tetley. These loans amounted to approx. DKK 1.4bn. The loans are subject to continuous control and supervision, and it is estimated that provisions made are sufficient to cover any loss.