



News release

29 June 2016

CARLSBERG UK ANNOUNCES PROPOSAL TO OUTSOURCE SECONDARY LOGISTICS

Carlsberg UK will no longer provide portering services itself and proposes to transfer its remaining secondary logistics operations to DHL Tradeteam during 2017 and 2018.

This follows a forward-looking strategic review of its supply chain operations, aimed at creating a sustainable long-term solution in terms of service and cost.

The review was part of a company-wide transformation programme, which commenced in November 2015, aiming to create a business that is agile and responsive and focused on brewing premium quality beer brands for its consumers and customers.

It is clear that the review and subsequent proposal to outsource will impact employees directly involved with portering and secondary logistics activities. Carlsberg UK will now be engaging in consultation on the potential impact of this for its employees. All existing portering contracts will be honoured until expiry.

DHL Tradeteam will now take some time to finalise its organisation and network design for its future integrated business and at that point Carlsberg UK will communicate the implications for its business. Integration is expected to be completed no later than March 2018.

DHL Tradeteam is one of the most experienced third party logistics providers in the UK and has a comprehensive network of operations, providing excellent local and national drinks delivery solutions. The proposed outsourcing will further enhance its network, ensuring a strong proposition that will support Carlsberg UK and its customers.

Julian Momen, Chief Executive Officer, Carlsberg UK, commented: "The review and subsequent proposal have been given the considerable time and care they warrant. Our intention to outsource our secondary logistics to a specialist logistics provider in DHL Tradeteam is taken with a long-term view of the market to ensure a sustainable solution in terms of service and cost for our business and our customers.

"We recognise this is a significant change for our business and in particular our employees. Our focus over the coming months will be on providing all potentially affected employees with the support they require. In the longer term this transformation will build a sustainable business focused on our core offering, which is brewing premium quality beers and building brands."

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About Carlsberg UK

Carlsberg UK currently has around a 12% share of the UK beer market through brands including Carlsberg, Carlsberg Export, Grimbergen, Poretti, Tuborg, Tetley's and Somersby Cider as well as having the UK license for San Miguel and Mahou. To find out more about the company, its brands and sustainability programme, visit: www.wearecarlsberg.co.uk.

About Porterage

Porterage is a logistics solution that allows major multiple operators to consolidate deliveries from their different drinks suppliers through a single provider. Carlsberg UK has offered porterage services itself for over 20 years.