



Interim Report

1 January – 30 June 2015

18 August 2015

Higher result and cash flow despite the poor Q2 weather

- Market positions generally maintained
- Volume almost on par, net revenue down 2% to DKK 4,349m
- EBIT DKK 425m, up DKK 64m including one-off restructuring of DKK 50m in 2014
- EBIT-margin increased from 12.1% to 14.6%
- Free cash flow of DKK 399m
- DKK 474m cash returned to shareholders
- Sale of last piece of old brewery site in Aarhus confirmed for 2016
- Earnings Outlook 2015 confirmed in the upper half of the guided intervals



Increased profitability from margin improvement

VOLUME – HL (000)

Change

-0,9%

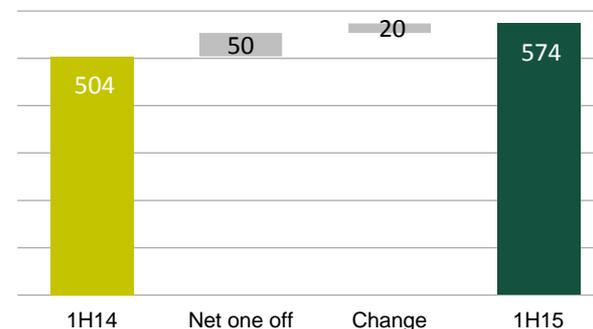


EBITDA - DKKM

Margin

16,8%

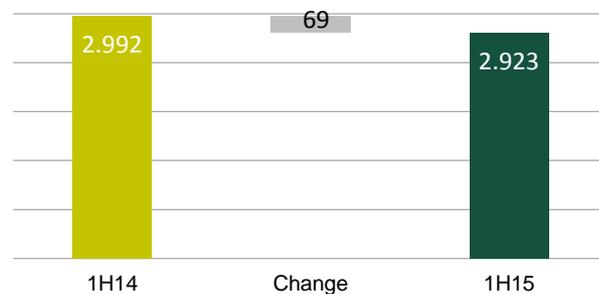
19,6%



NET REVENUE - DKKM

Change

-2,3%

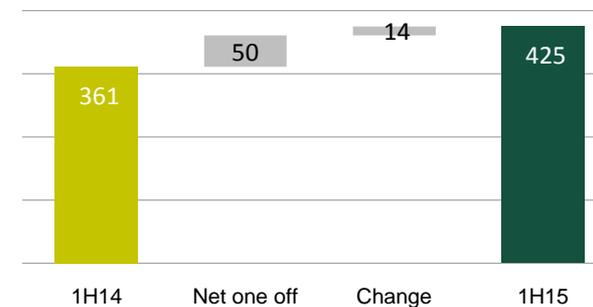


EBIT - DKKM

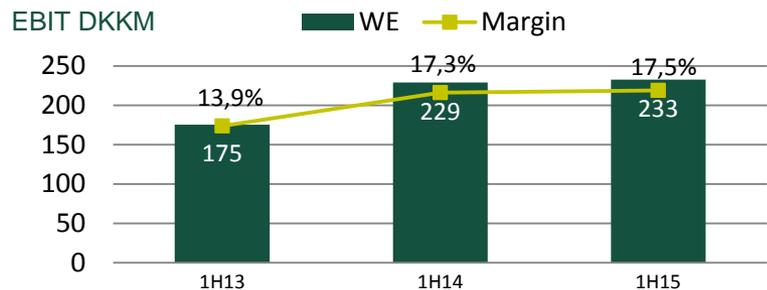
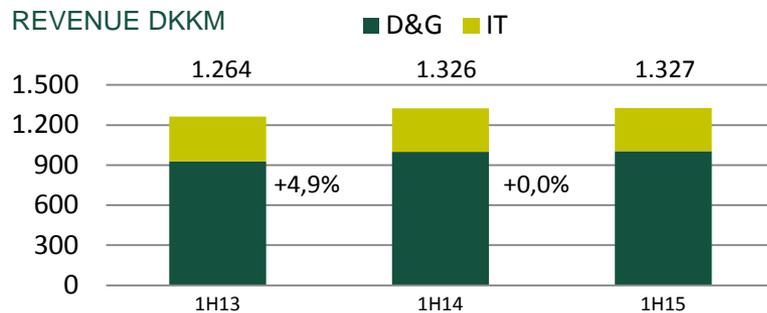
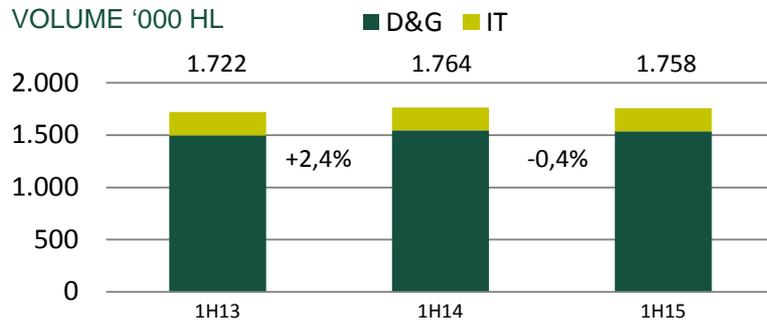
Margin

12,1%

14,6%



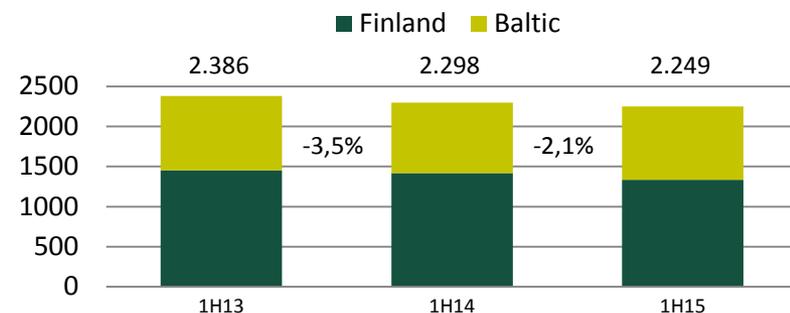
Western Europe – unchanged revenue and earnings growth



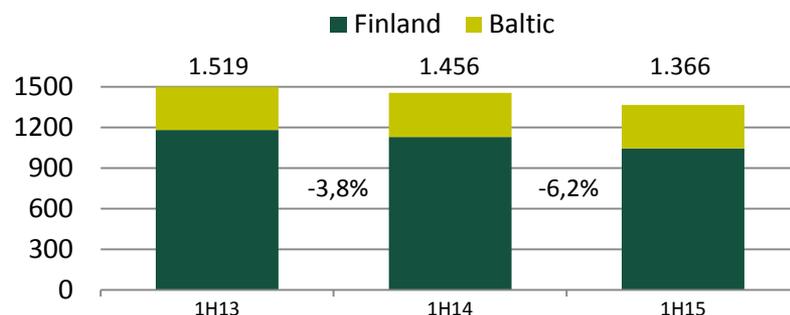
- **Denmark and Germany** market positions maintained in spite of tough comparison
- Strong commercial execution
- Consumption unchanged. Continued shift from non-branded products towards branded segment
- **Italy**, overall beer consumption stable supported by weather. Economy stopped declining, but no real impact on consumers
- Super-premium and premium beer segment flattish. Market position maintained.
- **Commercial initiatives** – focus on value creation, commercial execution, innovation, brand building, consumer activation
- Several innovations strengthening products portfolio. Launch of two new beer brands to penetrate the specialty beer segment in Denmark. Launch of organic beer under Royal brand

Baltic Sea – increased earnings in spite of poor weather and tough business environment

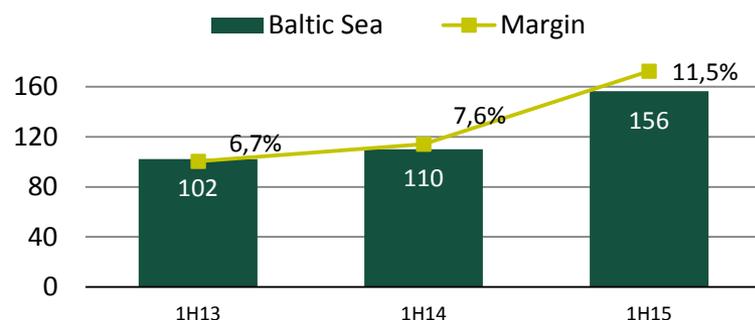
VOLUME '000 HL (2013 pro forma – incl. Hartwall)



REVENUE DKKM (2013 pro forma – incl. Hartwall)



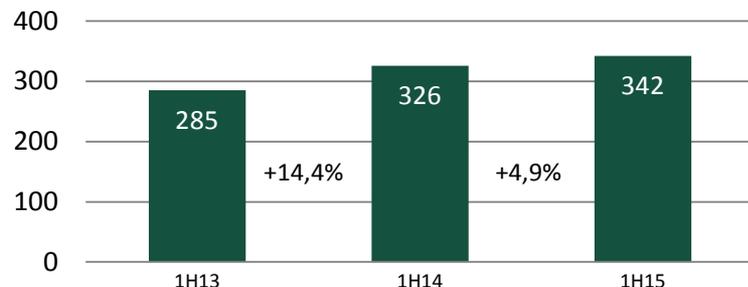
EBIT DKKM (2013 pro forma – incl. Hartwall)



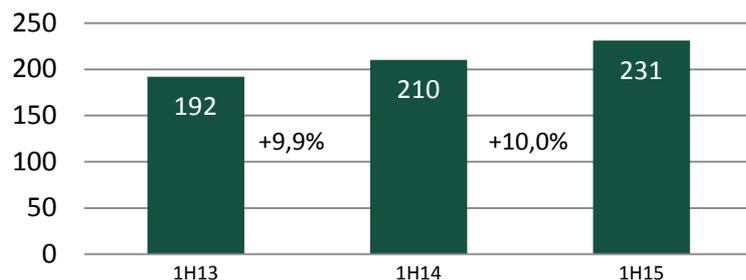
- **Finland** – continued unfavorable macro-economics and low consumer confidence
- Declining GDP and deflation
- Consumption of branded products declined by low to mid-single digit percentage. Down in On-Trade as well as Off-trade
- Market positions impacted by campaign phasing
- Commercial agenda in multi-year progress. Efficiency drive from structural to continuous improvements
- **Baltic consumption** – stable supported by declining beer prices in general
- Market position maintained
- Strong innovation agenda supporting positively

Malt Beverages and Export – development in line with plans

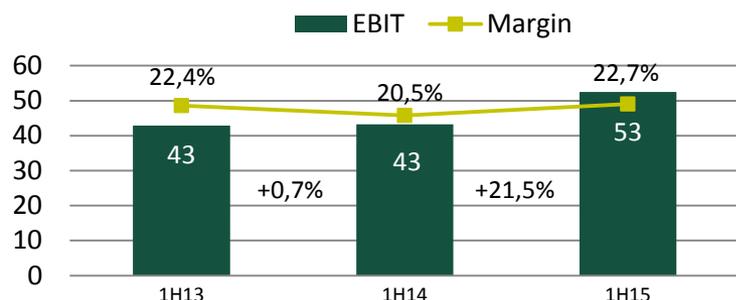
VOLUME '000 HL



REVENUE DKKM



EBIT DKKM



- **Purchasing power** under pressure in some export markets on weakened FX and lower price on natural resources
- **Growth potential maintained** – good development in consumer off-take
- **Commercial initiatives** – leverage on existing markets and distributors. Deeper penetration and higher rotation
- Marketing investment continues as planned. Focus on brand building and positions.
- **Mid-term guidance unchanged** – average annual top line growth of 10-15%, EBIT-margin of 20%



Improved financial performance

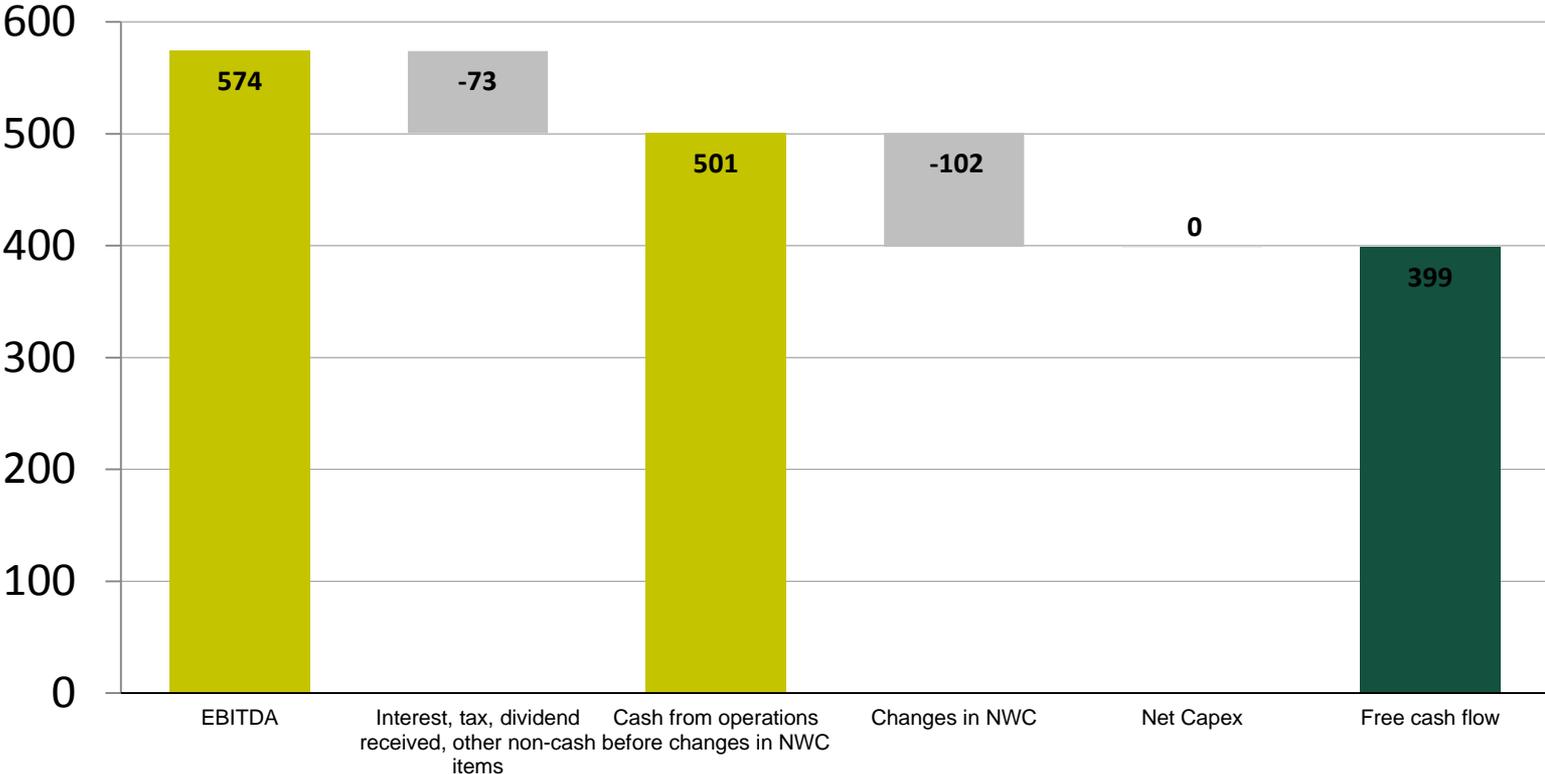
| DKKM | 1H15 | 1H14 | Change | FY14 |
|-----------------------------|--------------|-------|--------|-------|
| P&L ITEMS: | | | | |
| Net revenue | 2,923 | 2,992 | -69 | 6,056 |
| Gross margin | 52.9% | 52.1% | 1.6% | 52.0% |
| EBIT | 425 | 361 | 64 | 826 |
| EBIT margin | 14.6% | 12.1% | 20.6% | 13,6% |
| Profit before tax | 413 | 343 | 70 | 801 |
| Consolidated profit | 322 | 266 | 56 | 624 |
| BALANCE SHEET ITEMS: | | | | |
| Net interest bearing debt | 1,627 | 2,042 | -415 | 1,553 |
| Net working capital | -721 | -756 | 35 | -814 |
| Total assets | 6,910 | 7,282 | -372 | 7,024 |
| Equity | 2,724 | 2,440 | 284 | 2,818 |
| Equity ratio | 39.4% | 33.5% | 17.6% | 40,1% |



Continued strong free cash flow performance

CASH FLOW – DKKM

1H14: 504 -51 453 -69 -44 340



Outlook 2015 confirmed and specified

| DKKM | Specified outlook 2015 | Original outlook 2015 | Realized 2014 |
|-------------|------------------------|-----------------------|---------------|
| Net revenue | 5.950 – 6.050 | 5.900 – 6.100 | 6.056 |
| EBITDA | 1.150 – 1.200 | 1.100 – 1.200 | 1.130 |
| EBIT | 840 – 890 | 790 – 890 | 826 |

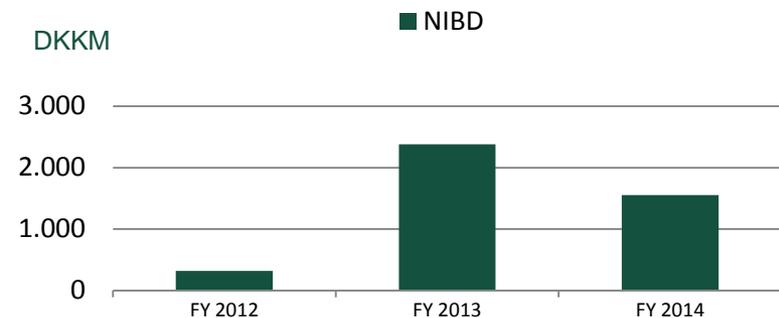
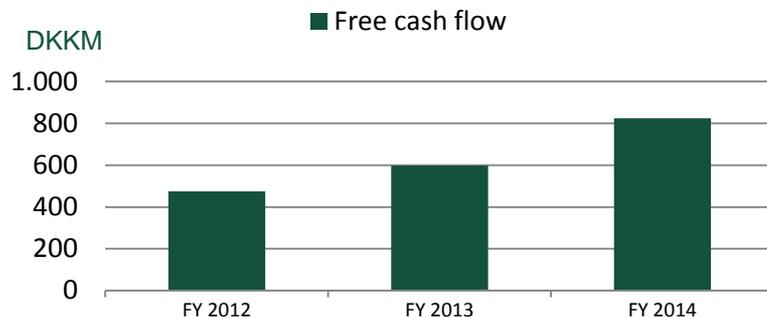
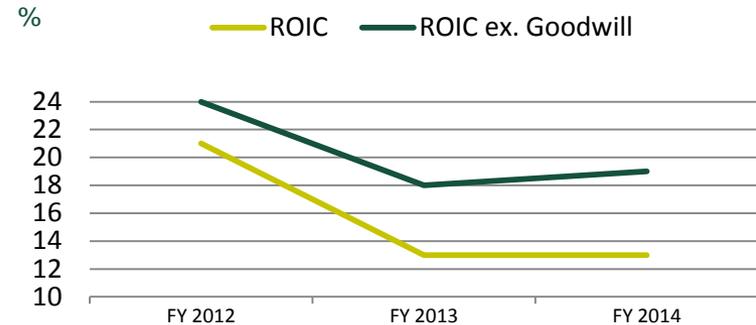
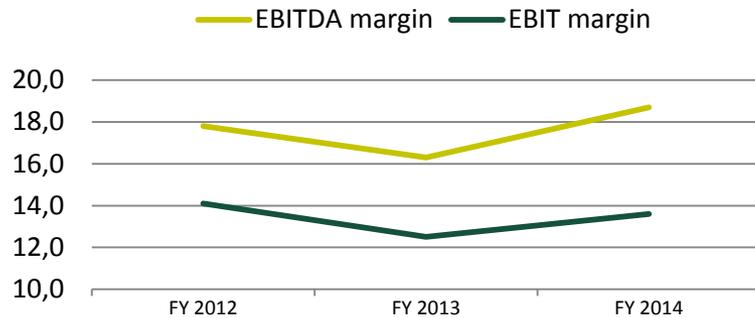


Q&A

DISCLAIMER:

This announcement contains forward-looking statements. Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking statements include, without limitation, statements regarding our business, financial circumstances, strategy, results of operations, financing and other plans, objectives, assumptions, expectations, prospects, beliefs and other future events and prospects. We undertake no obligation, and do not intend to publicly update or revise any of these forward-looking statements, unless prescribed by law or by stock exchange regulations.

FY 2014: Significant improvement in important key figures



Financial targets

| | August 2014 revised Targets | Post Hartwall acquisition Targets** | Pre Hartwall acquisition Targets* |
|--------------|-----------------------------|-------------------------------------|-----------------------------------|
| Earnings | EBIT margin 14% | EBIT margin 13% | EBIT margin 14% |
| Equity ratio | Minimum 30% | Minimum 30% | Minimum 30% |
| NIBD/EBITDA | Maximum 2.5x | Maximum 2.5x | Maximum 2.5x |

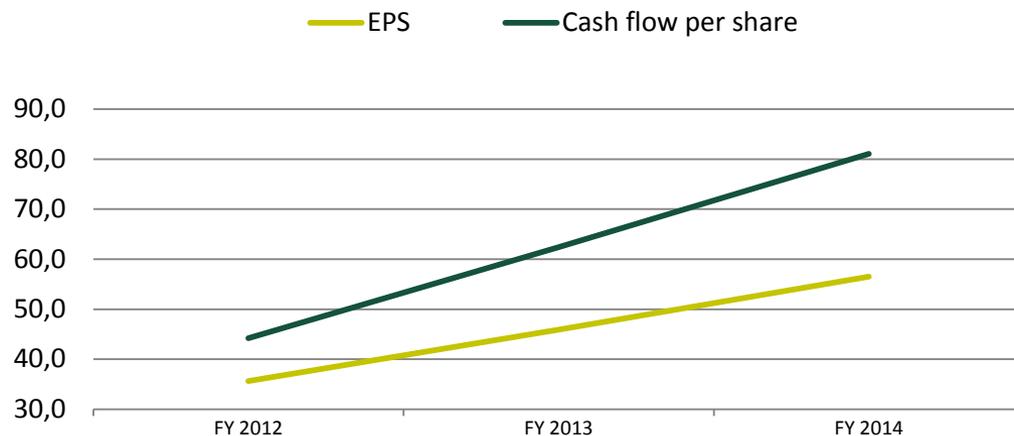
Dividends and share buy-backs resumed in 2015 after accelerated debt reduction during 2014

Dividends range 40-60% of the result

* Basically no amortization

** Amortization from the acquisition decreased EBIT-margin by approx. 50bp

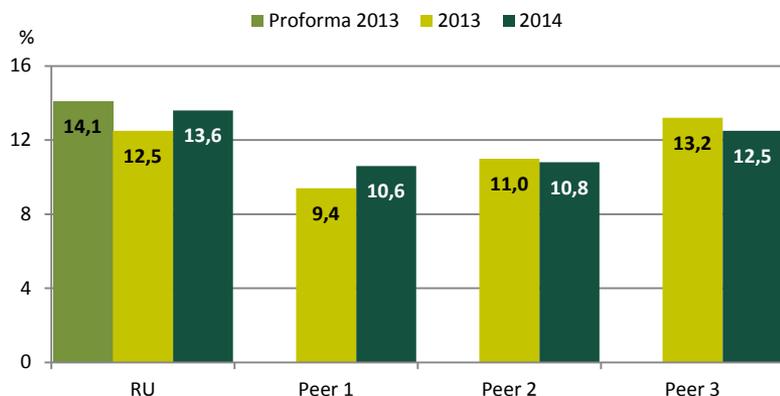
FY 2014: Shareholder distribution



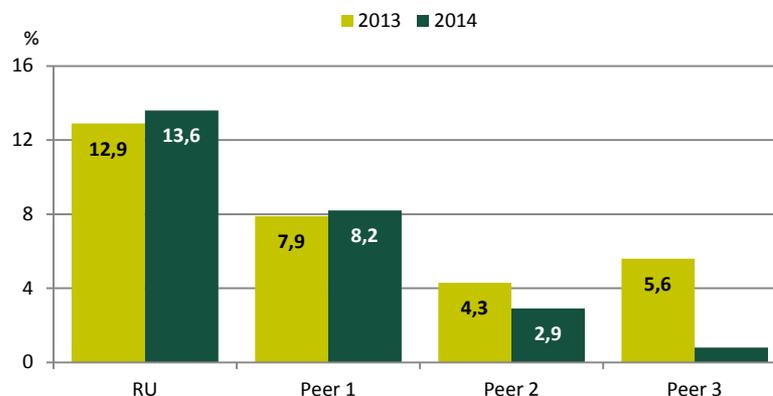
- Dividend of DKK 377m which is a record DKK 34 per share to be proposed on AGM
- A Share buy-back program under safe harbor worth DKK 350m initiated for a maximum of 12 month period
- Share buy-back as per 30.6.15: 415,065 shares bought at a total value of DKK 100m

FY 2014: Solid performance to peers*

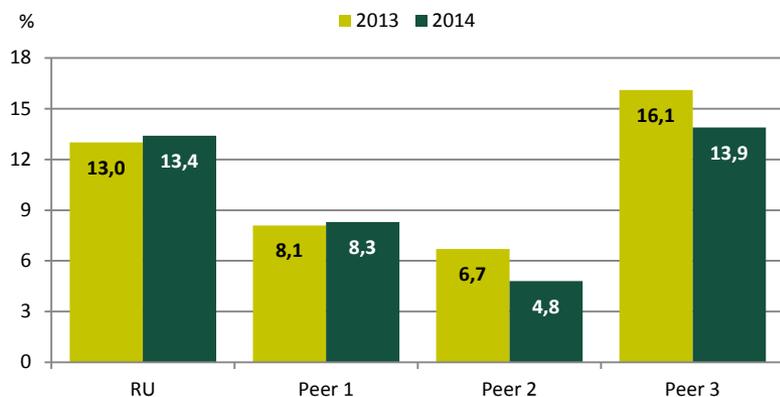
EBIT MARGIN (COMPARABLE REGION)



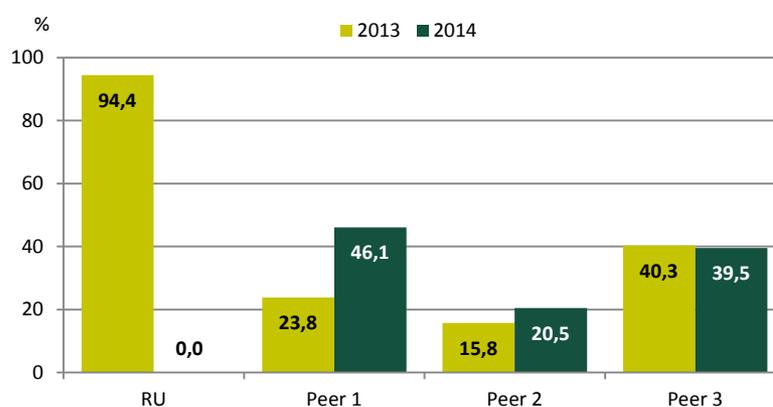
FREE CASH FLOW – % OF REVENUE



RETURN ON INVESTED CAPITAL



CASH RETURN TO SHAREHOLDERS



* Based on FY2013 and FY2014 results on comparable basis

Hartwall integration pillars

Strengthening Hartwall's position as a leading Finnish multi beverage company

- Increasing agility and customer/market orientated organization
- Improved efficiency
- Focus on the commercial agenda and execution