



COMPANY ANNOUNCEMENT NO 10/2015 – 28 APRIL 2015

# Interim Report for 1 January - 31 March 2015

## Developments in line with outlook

Earnings before interest and tax (EBIT) for Q1 2015 amounted to DKK 131 million (2014: DKK 43 million). As expected, EBIT were markedly higher than in Q1 2014 when the figure was affected by non-recurring costs of DKK 50 million for restructuring Hartwall. Moreover, the higher earnings for Q1 2015 were significantly positively affected by Easter sales, which were realised in Q1 in 2015, the full-year effect of the organisational change in Hartwall as well as a shift of marketing expenses towards Q2 2015. Net revenue for Q1 showed a 2% increase, and EBIT margin increased to 10.2% from 3.4% in 2014. Developments within the individual segments were on plan. Royal Unibrew generally maintained its market shares on branded products. Free cash flow amounted to a negative DKK 122 million, and, as expected, net interest-bearing debt increased in Q1, amounting to DKK 1.7 billion at the end of Q1. The outlook for 2015 is maintained.

"Developments in Q1 including the integration of Hartwall, are on plan, and the results are in line with our outlook. Our commercial focus is partly on launching a number of new interesting products, such as Royal Økologisk which meets the increasing consumer demands for organic products, partly on continued reinforcement of Hartwall's position in the Finnish market. Due to the positive overall development of Royal Unibrew, we initiated a DKK 350 million share buy-back programme in March 2015, under which share buy-backs of DKK 31 million had been made at the end of Q1. Furthermore, at the AGM dividend distribution of DKK 377 million will be proposed, corresponding to DKK 34 per share of DKK 10", says Henrik Brandt, CEO.

### Selected financial highlights and key ratios

mDKK	Q1 2015	Q1 2014	2014
Sales (thousand hectolitres)	1,899	1,847	8,974
Net revenue	1,290	1,267	6,056
EBITDA	204	110	1,130
EBITDA margin (%)	15.8	8.7	18.7
Earnings before interest and tax (EBIT)	131	43	826
EBIT margin (%)	10.2	3.4	13.6
Profit before tax	119	20	801
Free cash flow	-122	-254	824
Net interest-bearing debt	1,710	2,638	1,553
NIBD/EBITDA (running 12 months)	1.4	2.6*	1.4
Equity ratio (%)	43	31	40

\* Pro forma including Hartwall 1/4-22/8 2013

**HIGHLIGHTS**

Financial Highlights and Key Ratios

Management's Review

Financial Review

Outlook

Western Europe

Baltic Sea

Malt Beverages and Exports

**OUTLOOK**

The previously announced outlook is maintained as follows:

- Net revenue: DKK 5,900-6,100 million
- EBITDA: DKK 1,100-1,200 million
- EBIT: DKK 790-890 million

**FOR FURTHER INFORMATION ON THIS ANNOUNCEMENT:**

Henrik Brandt, President and CEO, tel +45 56 77 15 13

It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Wednesday, 29 April 2015, at 9.00 am by audiocast at one of the following dial-in numbers:

Danish participants dial: +45 32 72 80 18

US participants dial: +1 866 682 8490

International number: +44 (0) 145 255 5131

The presentation may also be followed at Royal Unibrew's website [www.royalunibrew.com](http://www.royalunibrew.com).

**FINANCIAL CALENDAR****2015**

17 August 2015 Interim Report for the period 1 January – 30 June 2015

25 November 2015 Interim Report for the period 1 January – 30 September 2015

The Interim Report has been prepared in Danish and English.

In case of discrepancy the Danish version shall prevail.

**FORWARD-LOOKING STATEMENTS**

This Interim Report 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.

## Profile

Royal Unibrew produces, markets, sells and distributes quality beverages. We focus on branded products within beer, malt beverages and soft drinks (energy drinks, mineral water and fruit juices) as well as cider and long drinks (RTD).

Royal Unibrew is a leading regional player in a number of markets in primarily Northern Europe, Italy and in the international malt beverage markets.

Our main markets comprise Denmark, Finland, Italy and Germany as well as Latvia, Lithuania and Estonia. The international malt beverage markets comprise a number of established markets in the Americas region and major cities in Europe and North America with high concentration of inhabitants from the Caribbean and African areas in which malt beverages are popular as well as emerging markets in for example Africa.

- In Denmark we are the second largest multi-beverage business with a number of strong brands.
- In Finland we are the second largest multi-beverage business with a number of strong brands, as well as international spirits and wine brands.
- In the Baltic countries we are among the leading multi-beverage businesses holding considerable market positions.
- In Italy we are among the market leaders in the super premium segment for beer with Ceres Strong Ale.
- In the international malt beverage markets we are among the market leaders in the premium segment, whereas the beer segment is covered by the Faxe brand.

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# Financial Highlights and Key Ratios

	Q1 2015	Q1 2014	2014
Sales (thousand hectolitres)	1,899	1,847	9,033
<b>INCOME STATEMENT (mDKK)</b>			
Net revenue	1,290	1,267	6,056
EBITDA	204	110	1,130
EBITDA margin (%)	15.8	8.7	18.7
Earnings before interest and tax (EBIT)	131	43	826
EBIT margin (%)	10.2	3.4	13.6
Income after tax from investments in associates	1	-1	35
Other financial income and expenses, net	-13	-22	-60
Profit before tax	119	20	801
Net profit for the period	92	14	624
Parent Company shareholders' share of profit	92	14	624
<b>BALANCE SHEET (mDKK)</b>			
Non-current assets	5,641	5,800	5,664
Total assets	6,768	6,995	7,024
Equity	2,900	2,157	2,818
Net interest-bearing debt	1,710	2,638	1,553
Net working capital	-555	-567	-814
<b>CASH FLOWS (mDKK)</b>			
Operating activities	-96	-207	895
Investing activities	-27	-52	-69
Free cash flow	-122	-254	824
<b>SHARE RATIOS (DKK)</b>			
Earnings per share (EPS)	8.4	1.2	56.5
Cash flow per share	-8.7	-18.8	81.1
Dividend per share	0.0	0.0	34.0
Year-end price per share	1,166	902	1,087
<b>FINANCIAL RATIOS (%)</b>			
Free cash flow as a percentage of net revenue	-9	-20	14
Cash conversion	-133	-1,879	132
Net interest-bearing debt/EBITDA (current 12 month)	1.4	2.6*	1.4
Equity ratio	43	31	40

\* Pro forma including Hartwall 1/4-22/8 2013

Ratios comprised by the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.

# Management's review

## BUSINESS DEVELOPMENT

As expected, Royal Unibrew saw increased sales and revenue for Q1 2015, which is primarily due to Easter being earlier this year than in 2014. As expected, Finland and Italy are seeing consumer restraint, whereas Danish and Baltic consumers' consumption behaviour remains unchanged. Earnings before interest and tax (EBIT) amounted to DKK 131 million, which is DKK 88 million above EBIT for Q1 2014. The increase is primarily due to the 2014 figure including non-recurring costs of DKK 50 million for restructuring Hartwall, earlier Easter sales in 2015 and a shift of marketing expenses towards later quarters. Net profit for the period amounted to DKK 92 million, which is DKK 78 million above the 2014 figure.

Net revenue and earnings of a brewery business for the first quarter of the year do not reflect a proportional share of net revenue and results for the year. The period represents the winter season when sales and earnings are usually at a lower level than in the other quarters of the year. This also applies to Royal Unibrew. Q1 2015 was positively affected by Easter sales being included in Q1, unlike in 2014.

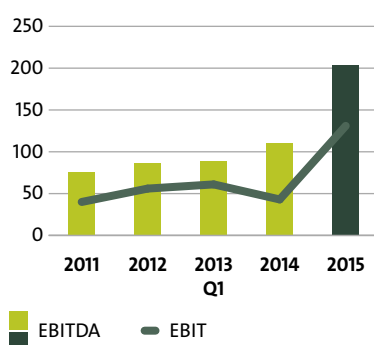
Generally, Royal Unibrew's branded products maintained their market shares. Sales volumes increased by 3% in Q1 2015 reflecting a positive development in Western Europe and the Baltic Sea segments, whereas sales in the Malt Beverages and Exports segment were below those of Q1 2014 due to inventory build-ups with distributors in 2014. Net

revenue for Q1 2015 was 2% above the 2014 figure.

As announced in Company Announcement No 2/2015 of 10 March 2015, we have initiated a share buy-back programme for the period to 1 March 2016 with a view to adjusting the capital structure of Royal Unibrew A/S. The maximum total share buy-back under the programme will represent a market value of DKK 350 million, and the programme will be carried out in accordance with the "Safe Harbour" provisions of Commission Regulation No 2273/2003 of 22 December 2003, the so-called "Safe Harbour" Regulation. At 31 March 2015, Royal Unibrew had bought back 26,450 shares representing a market value of DKK 31 million.

### EBITDA AND EBIT

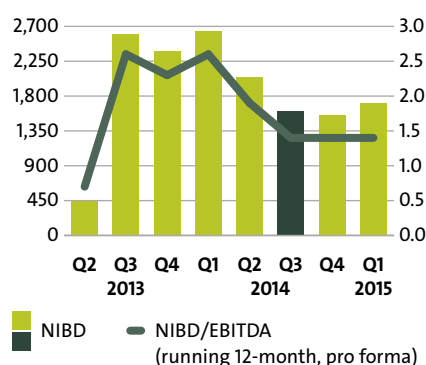
(mDKK)



### NIBD AND NIBD/EBITDA

(mDKK)

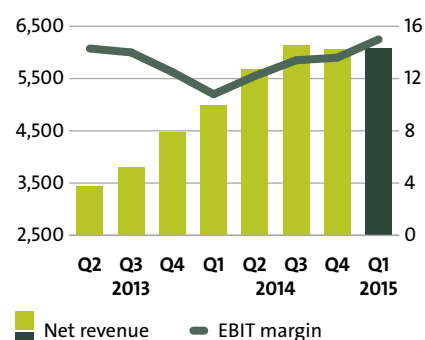
(times)



### RUNNING 12-MONTH

(mDKK)

(%)



# Financial review

## INCOME STATEMENT

Sales for Q1 2015 aggregated 1.9 million hectolitres of beer, malt beverages and soft drinks, which is 3% above the 2014 figure.

Net revenue for Q1 2015 showed a 2% increase and amounted to DKK 1,290 million compared to DKK 1,267 million in 2014. Exchange rate developments affected net revenue for 2015 positively by approx DKK 7 million compared to 2014.

Q1 2014 figures included restructuring costs in Hartwall of DKK 50 million comprising production costs, sales and distribution expenses as well as administrative expenses of DKK 17 million, DKK 21 million and DKK 12 million, respectively. The below comments on cost developments from 2014 to 2015 exclude the development caused by restructuring costs being included only in 2014.

Gross profit for Q1 2015 was DKK 8 million above the 2014 figure and amounted to DKK 659 million compared to DKK 651 million in 2014. Gross margin was 0.4 percentage point below the 2014 margin and amounted to 51.0% compared to 51.4% in 2014. Net selling prices per volume unit were in 2015 DKK 6 per hectolitre lower, on average, than in 2014 due to a changed product and channel mix within the individual segments.

Sales and distribution expenses for Q1 2015 were DKK 21 million below the 2014 figure and amounted to DKK 451 million compared to DKK 472 million in 2014. Marketing expenses for Q1 2015 were lower as a larger share of the marketing activities than in 2014 has been scheduled for Q2 and Q3. At the same time, increased efficiency of distribution affected the cost level positively in Q1 as compared to 2014.

Administrative expenses for Q1 2015 were DKK 9 million below the 2014 figure and amounted to DKK 76 million compared to DKK 85 million in 2014. The effect of the restructuring affected the quarter-on-quarter development positively.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for Q1 2015 showed a DKK 94 million increase and amounted to DKK 204 million compared to DKK 110 million in 2014. Adjusted for restructuring costs in 2014, EBITDA showed a DKK 44 million increase on 2014 – both due to Easter sales and the above-mentioned shift of marketing activities and to efficiency measures which were in 2014 primarily realised after Q1.

Earnings before interest and tax (EBIT) for Q1 2015 amounted to DKK 131 million, which is DKK 88 million above EBIT for Q1 2014 when non-recurring restructuring

## DEVELOPMENTS IN ACTIVITIES FOR THE PERIOD 1 JANUARY – 31 MARCH 2015 (Q1) BROKEN DOWN ON MARKET SEGMENTS

	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	Group	
					2015	2014
Sales (thousand hectolitres)	791	956	152	-	1,899	1,847
Growth (%)	5.8	2.6	-9.3		2.8	48.1
Share of sales (%)	42	50	8	-	100	
Net revenue (mDKK)	593	593	104	-	1,290	1,267
Growth (%)	5.6	-0.8	-2.4		1.9	68.6
Share of net revenue (%)	46	46	8	-	100	
EBIT (mDKK)	83	36	22	-10	131	43
EBIT margin (%)	14.0	6.0	21.4		10.2	3.4

costs in Hartwall affected EBIT negatively by DKK 50 million.

EBIT margin for Q1 2015 was 10.2% compared to 7.3% in 2014 (excluding restructuring costs).

Net financials for Q1 2015 showed a net expense of DKK 12 million, which is DKK 11 million below the 2014 figure. Interest expenses were DKK 9 million lower due to the lower interest-bearing debt, and income after tax from investments in associates showed a DKK 2 million improvement on the 2014 figure.

Profit before tax for Q1 2015 was DKK 99 million above the 2014 figure and amounted to DKK 119 million compared to DKK 20 million in 2014.

Tax on the profit for Q1 2015 was an expense of DKK 26 million. The tax has been calculated on the basis of the expected full-year tax rate excluding income after tax from investments in associates, respectively.

The net profit for Q1 2015 amounted to DKK 92 million, which is DKK 78 million above the net profit of DKK 14 million realised in 2014.

## BALANCE SHEET

Royal Unibrew's balance sheet at 31 March 2015 amounted to DKK 6,768 million, which is DKK 255 million below the 31 December 2014 figure. The reduction of the balance sheet total is primarily due to lower cash holdings. Due to increased production and sales activity, in-

ventories and trade receivables increased by approx DKK 225 million. Oppositely, cash at bank and in hand was reduced by approx DKK 450 million due to the negative free cash flow for the period and the reduction of drawdown on credit facilities. The value of non-current assets was approx DKK 20 million lower as depreciation and amortisation exceeded investments in the period.

The equity ratio was 3 percentage points higher than at the end of 2014 and represented 43% of the balance sheet total. Equity at the end of March 2015 amounted to DKK 2,900 million compared to DKK 2,818 million at the end of 2014 and was increased in Q1 2015 by the positive comprehensive income of DKK 111 million for the period and by the value of the share-based remuneration of the Executive Board and was reduced by share buy-backs of DKK 31 million. The comprehensive income comprises the profit for the period of DKK 92 million, positive exchange rate adjustments of foreign group enterprises of DKK 18 million and a positive development in the value of hedging instruments of DKK 1 million.

Net interest-bearing debt for Q1 2015 increased by DKK 157 million and amounted to DKK 1,710 million at 31 March 2015 compared to DKK 1,553 million at the end of 2014. The increase in net interest-bearing debt was as expected and is related to the seasonally-related negative cash flow and to share buy-backs.

Funds tied up in working capital showed a negative DKK 555 million at the end of March 2015 (31/3 2014: a negative DKK

567 million) compared to a negative DKK 814 million at the end of 2014. Funds tied up in working capital thus increased by DKK 259 million in Q1 2015 (2014: an increase of DKK 267 million). Funds tied up in inventories, trade receivables and trade payables increased by DKK 281 million (2014: DKK 245 million) due to the higher activity preceding Easter, whereas the other elements of working capital decreased by DKK 22 million (2014: an increase of DKK 22 million). All entities continue their strong focus on managing inventories, trade receivables and trade payables.

## CASH FLOW STATEMENT

Cash flow from operating activities for Q1 2015 amounted to a negative DKK 96 million (2014: a negative DKK 207 million) comprising the profit for the period adjusted for non-cash operating items of DKK 206 million (2014: DKK 112 million), negative working capital cash flow of DKK 255 million (2014: a negative DKK 267 million), net interest paid of DKK 14 million (2014: DKK 22 million) and taxes paid of DKK 33 million (2014: DKK 30 million). The development in working capital was as expected and at the Q1 2014 level.

Free cash flow for Q1 2015 amounted to a negative DKK 122 million compared to a negative DKK 254 million in 2014. The DKK 132 million increase in free cash flow comprised DKK 120 million higher operating cash flow and dividend from associates and DKK 12 million lower investments in property, plant and equipment.

## OUTLOOK

Royal Unibrew maintains the outlook for 2015 as previously announced (see Company Announcement No 1/2015 of 10 March 2015) as follows:

mDKK	Outlook 2015	Actual 2014	Pro forma actual 2013*
Net revenue (mDKK)	5,900-6,100	6,056	6,050
EBITDA (mDKK)	1,100-1,200	1,130	1,015
EBIT (mDKK)	790-890	826	730

\* Pro forma actual has been calculated with Hartwall's realised net revenue and results for the full year before deduction of transaction costs of DKK 15 million.

The outlook for Royal Unibrew's financial development in 2015 has been prepared taking into account a number of circumstances, including how the Company's markets are expected to be affected by the general economic activity, fiscal measures and the general uncertainty

experienced by consumers in several of Royal Unibrew's main markets, which affects their consumption behaviour. Moreover, the outlook has been prepared taking into account the development in material expense categories as well as

the effect of initiatives completed and initiated.

The key assumptions of the financial development in 2015 are described in the Annual Report for 2014.



# Developments in individual market segments

## Western Europe

### WESTERN EUROPE

	Q1 2015	Q1 2014	% change	2014
Sales (thousand hectolitres)	791	747	6	3,630
Net revenue (mDKK)	593	562	6	2,674
EBIT (mDKK)	83	65		484
EBIT margin (%)	14.0	11.6		18.1

The **Western Europe** segment comprises primarily the markets for beer and soft drinks in Denmark and Germany as well as Italy. Western Europe accounted for 42% of group sales for Q1 2015 and for 46% of net revenue (2014: 40% and 44%, respectively).

Sales in Western Europe for Q1 2015 went up by 6% compared to the same

period of 2014. Royal Unibrew generally maintained its market shares on branded beer and soft drinks. Like sales, net revenue was 6% above the 2014 figure. As compared to 2014, sales were positively affected by Easter sales being realised in March in 2015.

Earnings before interest and tax (EBIT) for Q1 2015 increased by DKK 18 million from

DKK 65 million in 2014 to DKK 83 million in 2015. The development is primarily attributable to the higher sales. EBIT margin increased by 2.4 percentage points to 14% and was positively affected by a favourable product mix development and lower production costs per unit, due to eg the high production prior to Easter.

### DENMARK AND GERMANY

	Q1 2015	Q1 2014	% change	2014
Sales (thousand hectolitres)	692	650	6	3,236
Net revenue (mDKK)	448	416	8	2,093

For **Denmark and Germany** it is estimated that Danish consumption of beer and soft drinks remained unchanged compared to the same period of 2014. As Easter sales were in Q1 in 2015, it is, however, difficult to make a full compari-

son of market developments from 2014 to 2015.

Royal Unibrew's sales for Q1 2015 increased by 6% from 2014, and net revenue increased by 8%. The earlier Easter sales in 2015 than in 2014 affected sales

positively. The higher net revenue per volume unit was due to a change in both channel and product mix including the continued shift in consumption towards cans. It is assessed that Royal Unibrew has maintained its market shares on branded beer and soft drinks.

## ITALY

	Q1 2015	Q1 2014	% change	2014
Sales (thousand hectolitres)	99	97	2	394
Net revenue (mDKK)	145	146	-1	581

The market situation in **Italy** remains marked by economic uncertainty resulting in consumer restraint, which is not expected to change in the short term. It is estimated that, as expected, consumption of premium and super premium beer continued to decline in Q1 2015.

Royal Unibrew's sales for Q1 2015 showed a 2% increase, whereas net revenue decreased by 1% due to a shift towards products with lower selling prices. Sales for the period were positively affected by Easter sales, whereas inventory build-ups with distributors in late 2014 affected Q1

2015 negatively. It is assessed that Royal Unibrew has maintained its market shares in the premium and super premium segments.

## Baltic Sea

## BALTIC SEA

	Q1 2015	Q1 2014*	% change	2014*
Sales (thousand hectolitres)	956	933	3	4,730
Net revenue (mDKK)	593	598	-1	2,975
EBIT (mDKK)	36	-32		295
EBIT margin (%)	6.0	-5.4		9.9

\* including restructuring costs of DKK 50 million

The **Baltic Sea** segment primarily comprises the markets for beer, fruit juices and soft drinks in Finland and the Baltic countries (Lithuania, Latvia and Estonia) and in Finland also wine and spirits brands. For Q1 2015 Baltic Sea accounted for 50% of group sales and for 46% of net revenue (2014: 51% and 47%, respectively).

Sales for Q1 2015 showed a 3% increase, whereas net revenue decreased by 1% compared to the same period of 2014. The sales development was positively affected by Easter sales in 2014 not being realised until in Q2.

Earnings before interest and tax (EBIT) were DKK 68 million above the 2014 figure, which was negatively affected by

non-recurring costs of DKK 50 million for restructuring Hartwall. On a comparable basis, EBIT thus went up by DKK 18 million and EBIT margin by 3 percentage points. The effect of the restructuring of Hartwall in 2014 and the shift in marketing expenses affected the earnings development from Q1 2014 to 2015 positively.

## FINLAND

	Q1 2015	Q1 2014	% change	2014
Sales (thousand hectolitres)	581	571	2	2,910
Net revenue (mDKK)	462	464	0	2,321

As expected, the Finnish market for beer, soft drinks, wine and spirits products has been declining due to negative economic growth, low consumer confidence and realised as well as expected fiscal measures. As Easter sales were in Q1 in 2015, it is, however, difficult to make a comparison of market developments from 2014 to 2015. It is estimated that

on-trade consumption has decreased by a medium single-digit percentage rate, whereas off-trade consumption showed a smaller decrease.

Royal Unibrew's sales for Q1 2015 were positively affected by the shift of Easter sales from Q2 to Q1. It is estimated that the market shares on branded products

have been maintained. In spite of the higher sales, net revenue remained unchanged due to the changed mix between on-trade and off-trade.

The integration with the Royal Unibrew Group and the efforts to reinforce Hartwall's position in Finland are progressing as planned.

## BALTIC COUNTRIES

	Q1 2015	Q1 2014	% change	2014
Sales (thousand hectolitres)	375	362	4	1,820
Net revenue (mDKK)	131	134	-1	654

As expected, consumption in the Baltic market was stable. It is estimated that Royal Unibrew has generally maintained its market shares on branded products.

As expected, Royal Unibrew's sales for Q1 2015 showed an increase compared to 2014 due to Easter sales being realised in March. Beer prices generally declined

late in 2014 and have remained at the same level in 2015, which is the reason for lower net sales per volume unit in 2015 than in 2014.

## Malt Beverages and Exports

### MALT BEVERAGES AND EXPORTS

	Q1 2015	Q1 2014	% change	2014
Sales (thousand hectolitres)	152	167	-9	614
Net revenue (mDKK)	104	107	-2	407
EBIT (mDKK)	22	18		84
EBIT margin (%)	21.4	16.5		20.7

The **Malt Beverages and Exports** segment comprises the export and licence business for malt beverages and beer exports to other markets. For Q1 2015 both sales and net revenue represented 8% of group sales and revenue (2014: 9% and 9%, respectively).

Sales for Q1 2015 declined by 9% and net revenue by 2%. Exchange rate developments affected net revenue positively by approx DKK 7 million. Eliminated for exchange rate developments, net revenue declined by DKK 10 million in 2015 corresponding to 9%.

Sales in the segment are characterised by large volumes being exported to distributors at a time, which means that inventory changes should be taken into account when comparing periods. This is also relevant when comparing the development from Q1 2014 to 2015 due to inventory build-ups with distributors in Q1 2014 and a shift in licence sales.

Earnings before interest and tax (EBIT) for Q1 2015 amounted to DKK 22 million, which is DKK 4 million above the 2014 figure. Exchange rate developments affected earnings positively by DKK 6 million. Adjusted for these, EBIT were DKK 2 million below the 2014 figure, and EBIT margin for Q1 2015 was 16.5% as

in 2014. As planned, investments were made in Q1 2015, as in 2014, in sales and marketing.

In the **Americas** a shift from licence business towards export business was seen from Q1 2014 to 2015, which along with the exchange rate developments contributed towards double-digit net revenue growth.

As expected, the business in **EMEA** was negatively affected in Q1 2015 by the macroeconomic development in the economies relying on raw materials and the development in the local currencies of a number of markets in Africa.

# Management's Statement

The Executive Board and the Board of Directors have presented the Interim Report of Royal Unibrew A/S. The Interim Report has today been considered and adopted.

The Interim Report, which has not been audited or reviewed by the Company's independent auditors, was prepared in accordance with IAS 34 "Interim Finan-

cial Reporting" as adopted by the EU and additional Danish disclosure requirements for listed companies.

In our opinion, the Interim Financial Statements give a true and fair view of the financial position of the Group at 31 March 2015 as well as of the results of the Group operations and cash flows for the period 1 January – 31 March 2015.

In our Opinion, Management's Review gives a true and fair account of the development in the activities and financial circumstances of the Group, of results of operations for the period and of the overall financial position of the Group, and a description of the key risks and uncertainties facing the Group.

Faxe, 28 April 2015

## EXECUTIVE BOARD

Henrik Brandt  
President & CEO

Lars Jensen  
CFO

Johannes F.C.M. Savonije  
COO

## BOARD OF DIRECTORS

Kåre Schultz  
Chairman

Walther Thygesen  
Deputy Chairman

Martin Alsø

Ingrid Jonasson Blank

Jørgen-Anker Ipsen

Kirsten Liisberg

Søren Lorentzen

Jens Due Olsen

Karsten Mattias Slotte

Jais Valeur

Hemming Van

# Income Statement

(DKK '000)	Q1 2015	Q1 2014	2014
<b>Net revenue</b>	<b>1,290,407</b>	<b>1,266,728</b>	<b>6,055,898</b>
Production costs	-631,657	-633,186	-2,906,089
<b>Gross profit</b>	<b>658,750</b>	<b>633,542</b>	<b>3,149,809</b>
Sales and distribution expenses	-451,350	-493,083	-1,987,350
Administrative expenses	-76,248	-97,391	-336,241
<b>EBIT</b>	<b>131,152</b>	<b>43,068</b>	<b>826,218</b>
Income after tax from investments in associates	877	-1,154	34,808
Financial income	278	0	8,174
Financial expenses	-13,756	-22,104	-68,596
<b>Profit before tax</b>	<b>118,551</b>	<b>19,810</b>	<b>800,604</b>
Tax on the profit for the period	-26,400	-6,300	-176,439
<b>Net profit for the period</b>	<b>92,151</b>	<b>13,510</b>	<b>624,165</b>
Earnings per share (DKK)	8.4	1.2	56.5
Diluted earnings per share (DKK)	8.4	1.2	56.2

# Statement of Comprehensive Income

(DKK '000)	Q1 2015	Q1 2014	2014
<b>Net profit for the period</b>	<b>92,151</b>	<b>13,510</b>	<b>624,165</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to the income statement:</i>			
Value and exchange adjustments of foreign group enterprises	18,182	4,682	-14,184
Value adjustment of hedging instruments, beginning of year	32,677	46,039	46,039
Value adjustment of hedging instruments, end of year	-32,226	-43,048	-32,677
Tax on other comprehensive income	0	0	-2,336
<b>Other comprehensive income after tax</b>	<b>18,633</b>	<b>7,673</b>	<b>-3,158</b>
<i>Items that may not be reclassified to the income statement:</i>			
Revaluation of non-current assets			70,000
Tax on revaluation of non-current assets			-16,100
Actuarial loss on pension schemes			-2,791
Tax on actuarial loss on pension schemes			558
<b>Total</b>	<b>0</b>	<b>0</b>	<b>51,667</b>
<b>Total comprehensive income</b>	<b>110,784</b>	<b>21,183</b>	<b>672,674</b>

# Assets

(DKK '000)	31/3 2015	31/3 2014	31/12 2014
<b>NON-CURRENT ASSETS</b>			
Goodwill	1,457,224	1,431,483	1,451,828
Trademarks	1,237,655	1,237,028	1,233,341
Distribution rights	204,424	216,671	206,768
Customer relations	46,091	59,627	49,310
<i>Intangible assets</i>	<i>2,945,394</i>	<i>2,944,809</i>	<i>2,941,247</i>
Project development properties	239,770	292,219	238,439
Other property, plant and equipment	2,305,673	2,404,998	2,331,310
Investments in associates	131,888	133,375	136,249
Other fixed asset investments	17,899	24,120	16,768
<b>Non-current assets</b>	<b>5,640,624</b>	<b>5,799,521</b>	<b>5,664,013</b>
<b>CURRENT ASSETS</b>			
Inventories	350,482	395,528	312,041
Receivables	712,344	659,109	536,320
Corporation tax	0	35,711	0
Prepayments	23,203	21,061	20,011
Cash at bank and in hand	41,469	83,596	491,453
<b>Current assets</b>	<b>1,127,498</b>	<b>1,195,005</b>	<b>1,359,825</b>
<b>Assets</b>	<b>6,768,122</b>	<b>6,994,526</b>	<b>7,023,838</b>

# Liabilities and Equity

(DKK '000)	31/3 2015	31/3 2014	31/12 2014
<b>EQUITY</b>			
Share capital	110,985	110,985	110,985
Other reserves	935,659	935,008	917,142
Retained earnings	1,476,192	1,110,642	1,412,875
Proposed dividend	377,349	0	377,349
<b>Equity</b>	<b>2,900,185</b>	<b>2,156,635</b>	<b>2,818,351</b>
Deferred tax	432,645	457,646	431,774
Mortgage debt	1,009,574	1,169,918	1,012,807
Credit institutions	650,947	1,016,910	859,108
Other payables	28,116	15,194	24,713
<b>Non-current liabilities</b>	<b>2,121,282</b>	<b>2,659,668</b>	<b>2,328,402</b>
Mortgage debt	14,128	35,420	164,480
Credit institutions	76,520	499,658	7,649
Trade payables	756,962	788,218	810,529
Corporation tax	14,790	0	22,156
Other payables	884,255	854,927	872,271
<b>Current liabilities</b>	<b>1,746,655</b>	<b>2,178,223</b>	<b>1,877,085</b>
<b>Liabilities</b>	<b>3,867,937</b>	<b>4,837,891</b>	<b>4,205,487</b>
<b>Liabilities and equity</b>	<b>6,768,122</b>	<b>6,994,526</b>	<b>7,023,838</b>

# Cash Flow Statement

(DKK '000)	Note	Q1 2015	Q1 2014	2014
Net profit for the period		92,151	13,510	624,165
Adjustments for non-cash operating items	3	114,267	98,597	515,677
		<b>206,418</b>	<b>112,107</b>	<b>1,139,842</b>
Change in working capital:				
Receivables		-175,542	-151,860	-29,751
Inventories		-37,490	-64,794	18,533
Payables		-41,142	-50,051	-22,967
<b>Cash flow from operating activities before financial income and expenses</b>		<b>-47,756</b>	<b>-154,598</b>	<b>1,105,657</b>
Financial income		278		1,669
Financial expenses		-14,792	-22,170	-60,759
<b>Cash flow from ordinary activities</b>		<b>-62,270</b>	<b>-176,768</b>	<b>1,046,567</b>
Corporation tax paid		-33,766	-30,257	-151,126
<b>Cash flow from operating activities</b>		<b>-96,036</b>	<b>-207,025</b>	<b>895,441</b>
Dividends received from associates		8,697		24,346
Sale of property, plant and equipment		3,164	1,632	135,278
Corporation tax paid				-24,500
Purchase of property, plant and equipment		-38,054	-48,478	-206,310
<b>Free cash flow</b>		<b>-122,229</b>	<b>-253,871</b>	<b>824,255</b>
Purchase/sale of intangible assets and fixed asset investments		-1,134	-5,258	2,005
<b>Cash flow from investing activities</b>		<b>-27,327</b>	<b>-52,104</b>	<b>-69,181</b>
<i>Debt financing:</i>				
Proceeds from increased drawdown on credit facilities			447,168	425,788
Repayment on credit facilities		-297,308	-348,513	-1,004,674
<i>Shareholders:</i>				
Acquisition of shares for treasury		-31,425		
<b>Cash flow from financing activities</b>		<b>-328,733</b>	<b>98,655</b>	<b>-578,886</b>
<b>Change in cash and cash equivalents</b>		<b>-452,096</b>	<b>-160,474</b>	<b>247,374</b>
Cash and cash equivalents at 1 January		491,453	243,962	243,962
Exchange adjustment		2,112	108	117
<b>Cash and cash equivalents at 31 March</b>		<b>41,469</b>	<b>83,596</b>	<b>491,453</b>



# Statement of Changes in Equity for the period 1 January - 31 March 2015

(DKK '000)	Share capital	Share premium account	Revaluation reserves	Translation reserve	Hedging reserve	Total other reserves	Retained earnings	Proposed dividend for the year	Total
Equity at 31 December 2014	110,985	855,839	126,616	-32,636	-32,677	917,142	1,412,875	377,349	2,818,351
<b>Changes in equity in 2015</b>									
Net profit for the year						0	92,151		92,151
Other comprehensive income				18,066	451	18,517	116		18,633
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,066</b>	<b>451</b>	<b>18,517</b>	<b>92,267</b>	<b>0</b>	<b>110,784</b>
Acquisition of shares for treasury						0	-31,425		-31,425
Share-based payments						0	2,475		2,475
<b>Total shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-28,950</b>	<b>0</b>	<b>-28,950</b>
<b>Total changes in equity 1/1 – 31/3 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,066</b>	<b>451</b>	<b>18,517</b>	<b>63,317</b>	<b>0</b>	<b>81,834</b>
<b>Equity at 31 March 2015</b>	<b>110,985</b>	<b>855,839</b>	<b>126,616</b>	<b>-14,570</b>	<b>-32,226</b>	<b>935,659</b>	<b>1,476,192</b>	<b>377,349</b>	<b>2,900,185</b>

The share capital at 31 March 2015 amounts to DKK 110,985,000 and is distributed on shares of DKK 10 each.

Equity at 31 December 2013	110,985	855,839	136,505	-18,970	-46,039	927,335	1,094,657	0	2,132,977
<b>Changes in equity in 2014</b>									
Net profit for the year						0	13,510		13,510
Other comprehensive income				4,682	2,991	7,673			7,673
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,682</b>	<b>2,991</b>	<b>7,673</b>	<b>13,510</b>	<b>0</b>	<b>21,183</b>
Share-based payments						0	2,475		2,475
<b>Total shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,475</b>	<b>0</b>	<b>2,475</b>
<b>Total changes in equity 1/1 – 31/3 2014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,682</b>	<b>2,991</b>	<b>7,673</b>	<b>15,985</b>	<b>0</b>	<b>23,658</b>
<b>Equity at 31 March 2014</b>	<b>110,985</b>	<b>855,839</b>	<b>136,505</b>	<b>-14,288</b>	<b>-43,048</b>	<b>935,008</b>	<b>1,110,642</b>	<b>0</b>	<b>2,156,635</b>

# Notes to the Interim Report

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES; ACCOUNTING ESTIMATES AND JUDGEMENTS

The Interim Report is presented in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies are unchanged from those applied in the Annual Report for 2014, to which reference is made.

The Annual Report for 2014 provides the total description of accounting policies significant to the Financial Statements.

### ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial reporting requires that Management make accounting estimates and judgements which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The key estimates made by Management in applying the Group's accounting policies and the key uncertainties relating to the estimates are the same when preparing the interim financial reporting as when preparing the Annual Report at 31 December 2014.

# Notes to the Interim Report

## NOTE 2 – SEGMENT REPORTING

The Group's results break down as follows on segments:

### Q1 2015

(mDKK)	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	Total
Net revenue	593.3	593.1	104.0		1,290.4
Earnings before interest and tax (EBIT)	82.9	35.7	22.3	-9.7	131.2
Share of income from associates	0.9				0.9
Other financial income and expenses	-0.2	-4.3	-0.1	-8.9	-13.5
Profit/loss before tax for the period	83.6	31.4	22.2	-18.6	118.6
Tax on the profit/loss for the period				-26.4	-26.4
Net profit for the period					92.2
EBIT margin, %	14.0	6.0	21.4		10.2

### Q1 2014

(mDKK)	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	Total
Net revenue	562.1	598.0	106.6		1,266.7
Earnings before interest and tax (EBIT)	65.2	-32.0	17.5	-7.6	43.1
Share of income from associates	-1.2				-1.2
Other financial income and expenses	0.0	-4.1	-0.1	-17.9	-22.1
Profit/loss before tax for the period	64.0	-36.1	17.4	-25.5	19.8
Tax on the profit/loss for the period				-6.3	-6.3
Net profit for the period					13.5
EBIT margin, %	11.6	-5.4	16.4		3.4

### 2014

(mDKK)	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	Total
Net revenue	2,674.6	2,974.8	406.5		6,055.9
Earnings before interest and tax (EBIT)	483.7	295.3	83.9	-36.7	826.2
Share of income from associates	34.8				34.8
Other financial income and expenses	-0.7	-15.4	-0.2	-44.1	-60.4
Profit/loss before tax for the period	517.8	279.9	83.7	-80.8	800.6
Tax on the profit/loss for the period				-176.4	-176.4
Net profit for the period					624.2
EBIT margin, %	18.1	9.9	20.7		13.6

# Notes to the Interim Report

## NOTE 3 – CASH FLOW STATEMENT

(DKK '000)	Q1 2015	Q2 2014	2014
<b>Adjustments for non-cash operating items</b>			
Financial income	-278	0	-8,174
Financial expenses	13,756	22,104	68,596
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	75,737	66,568	304,719
Tax on the profit for the period	26,400	6,300	176,439
Income from investments in associates	-877	1,154	-34,808
Profit and loss on sale of property, plant and equipment	-2,946	-4	-995
Share-based remuneration and payments	2,475	2,475	9,900
<b>Total</b>	<b>114,267</b>	<b>98,597</b>	<b>515,677</b>

# Financial Highlights and Key Ratios for 1 january - 31 march 2011-2015

	2015	2014	2013	2012	2011
Sales (thousand hectolitres)	1,899	1,847	1,247	1,160	1,280
<b>Income Statement (mDKK)</b>					
Net revenue	1,290.4	1,266.7	751.3	752.6	745.0
EBITDA	203.9	109.5	88.5	86.5	75.7
EBITDA margin (%)	15.8	8.7	11.8	11.5	10.2
Earnings before interest and tax (EBIT)	131.2	43.0	61.4	56.2	39.8
EBIT margin (%)	10.2	3.4	8.2	7.5	5.3
Income after tax from investments in associates	0.9	-1.2	-1.1	-1.0	-6.2
Other financial income and expenses, net	-13.5	-22.1	-5.7	-9.2	-12.7
Profit before tax	118.6	19.8	54.6	46.0	20.9
Net profit for the period	92.2	13.5	41.4	34.0	12.5
Parent Company shareholders' share of profit	92.2	13.5	41.4	33.5	12.6
<b>Balance Sheet (mDKK)</b>					
Non-current assets	5,640.6	5,799.5	1,972.1	2,300.4	2,398.6
Total assets	6,768.1	6,994.5	2,872.8	3,030.9	3,098.4
Equity	2,900.2	2,156.6	1,338.1	1,332.0	1,323.9
Net interest-bearing debt	1,709.7	2,638.3	401.1	632.6	814.9
Net working capital	-555.2	-567.4	-86.7	-144.6	-68.4
<b>Cash Flows (mDKK)</b>					
Operating activities	-96.0	-207.0	-18.8	74.2	-15.7
Investing activities	-27.3	-52.1	-10.4	-28.6	-29.5
Free cash flow	-122.2	-253.9	-29.9	45.6	-27.9
<b>Share Ratios (DKK)</b>					
Earnings per share (EPS)	8.4	1.2	3.9	3.2	1.1
Cash flow per share	-8.7	-18.8	-1.8	7.0	-1.4
Dividend per share	0.0	0.0	0.0	0.0	0.0
Year-end price per share	1,166	902	516	388	363
<b>Financial Ratios (%)</b>					
Free cash flow as a percentage of net revenue	-9.5	-20.0	-4.0	6.1	-3.7
Cash conversion	-132.6	-1,879.1	-72.2	134.1	-223.2
Net interest-bearing debt/EBITDA (running 12 month)	1.4	2.6*	0.7	1.0	1.4
Equity ratio	42.9	30.8	46.6	43.9	42.7

\* Pro forma including Hartwall 1/4-22/8 2013

Ratios comprised by the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.