



Annual Report

1 January – 31 December 2014

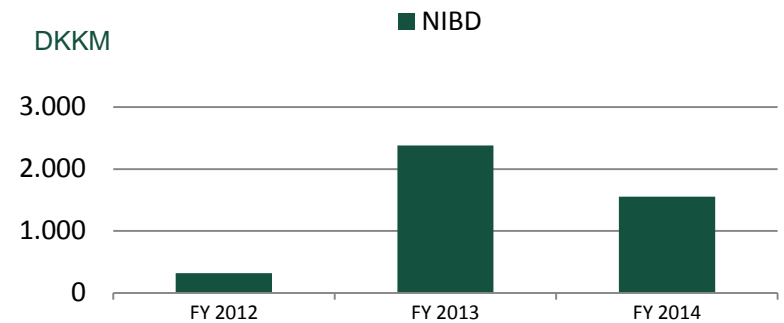
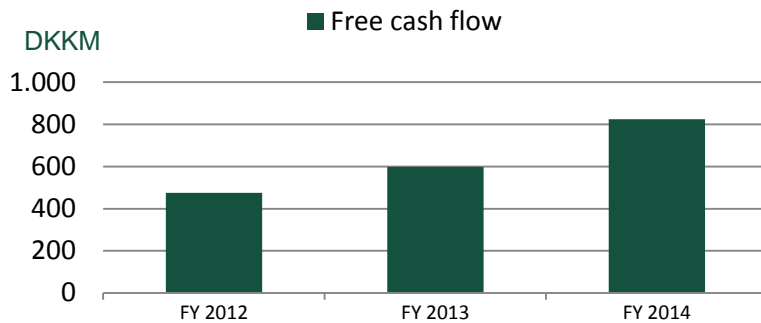
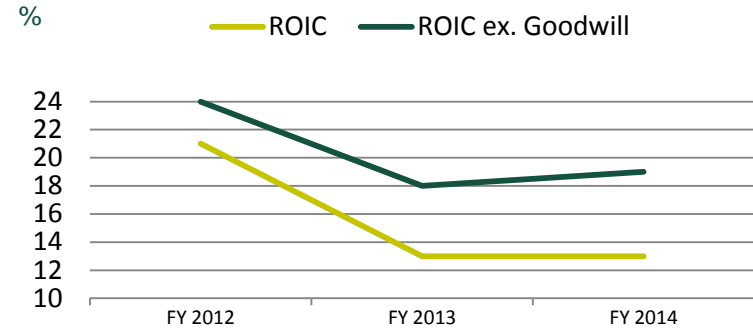
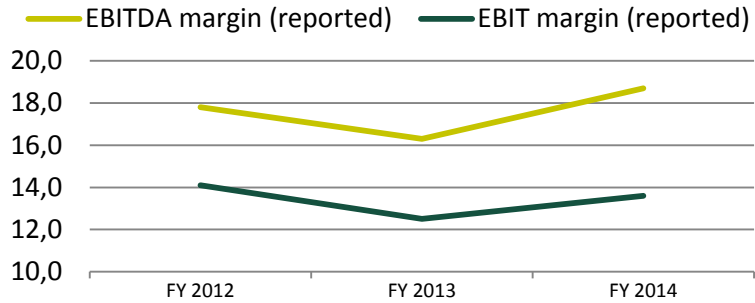
11 March 2015

Significant earnings increase and shareholder return via dividend and share buy-back

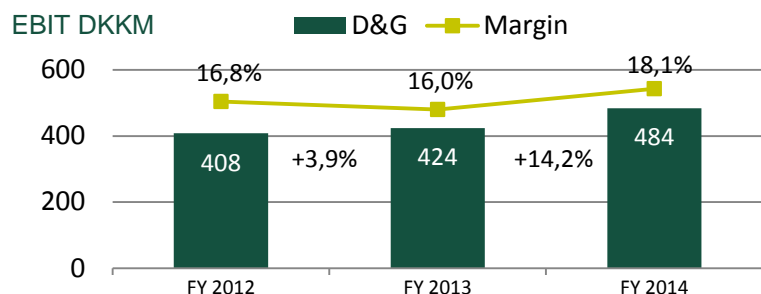
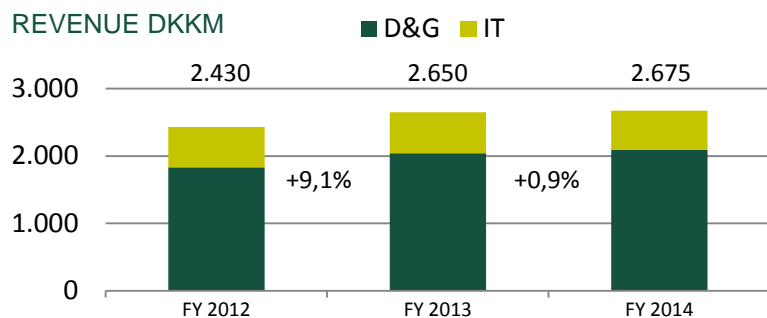
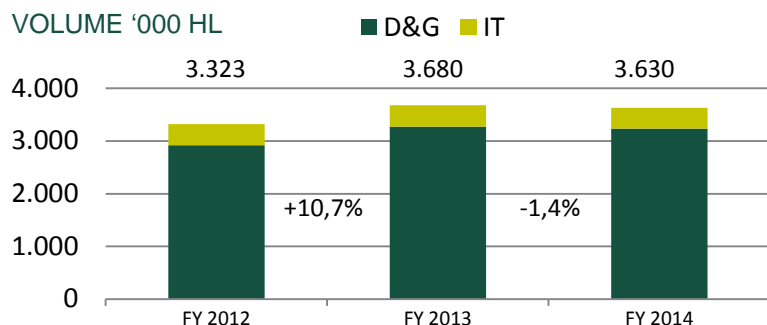
- Results, Free Cash-flow and EPS at all time high
- Market share generally maintained in spite of tough comparison
- Volume and Net revenue at DKK 6b – unchanged pro forma based
- EBIT of DKK 826m. Pro forma growth of DKK 111m
- Pro forma EBIT-margin increase from 11.8% to 13.6%
- Strong free cash flow of DKK 824m on increased earnings and property sale
- NIBD reduced by DKK 826m during the year to DKK 1,553m
- Pre-acquisition financial targets achieved and financial flexibility restored
- Launch of DKK 350m SBB program for 2015, dividend of DKK 377m proposed
- Share split 1:5 proposed to increase liquidity of the Royal Unibrew share



Significant improvement in important key figures



Western Europe – organic revenue & earnings growth



- **Denmark and Germany** market position improved. Consumption slightly increased on excellent high season weather.

Continued shift from non-branded products towards branded segment. Increasing consumer interest in specialties.

- **Italy**, overall beer consumption down on poor high season weather and weak macroeconomics

Super-premium and premium beer consumption decreasing. Market position marginally lower.

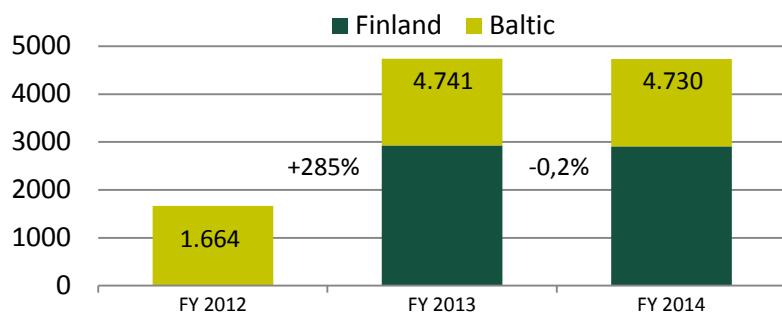
Consumer confidence and private consumption remaining under pressure by macro economic uncertainty.

- **Commercial initiatives** – focus on value creation, commercial execution and consumer activation.

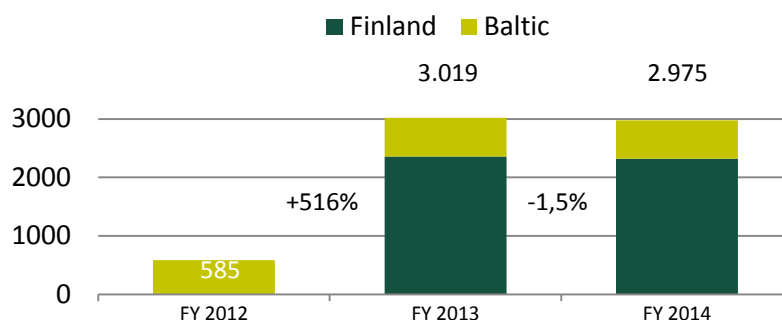
Several good innovations is strengthening the product portfolio.

Baltic Sea - earnings increase on efficiencies

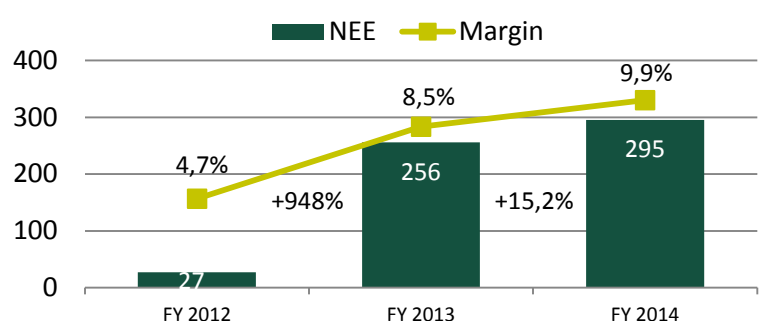
VOLUME '000 HL (2013 pro forma – incl. Hartwall)



REVENUE DKKM (2013 pro forma – incl. Hartwall)



EBIT DKKM (2013 pro forma – incl. Hartwall)



- **Finland** – weather adjusted consumption declining. Continued pressure on consumer confidence from unfavorable macro-economics.

Underlying On-trade consumption declining by a medium single-digit percentage, Off-trade down by a lower single-digit percentage.

Market share maintained following years of gradual decline.

Efficiency agenda ahead of time schedule.

Commercial agenda to take several years

Baltic consumption – macro economy at lower growth rates which impact consumer confidence.

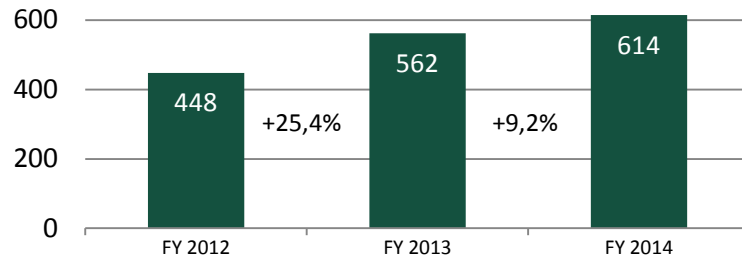
Market position marginally lower.

Whilst positive GNP grocery goods demand still subdued by high unemployment.

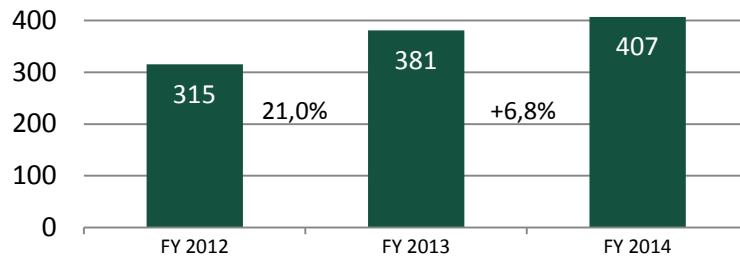
Commercial initiatives – strong innovation pipeline with several successful product launches. Entering water category in Lithuania.

Malt Beverages and Exports – continued solid growth

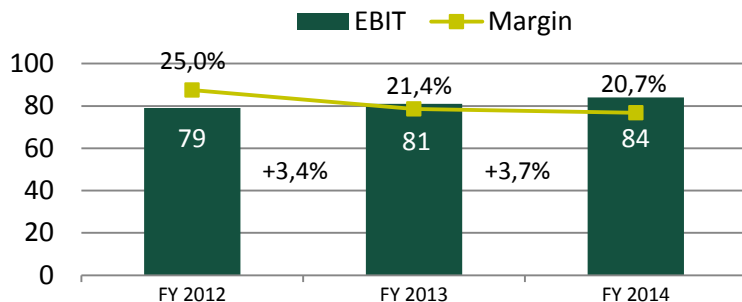
VOLUME '000 HL (2012 pro forma - excl. Impec)



REVENUE DKKM (2012 pro forma - excl. Impec)



EBIT DKKM (2012 pro forma - excl. Impec)



- **Increased penetration** – solid revenue growth in spite of difficult macroeconomic and FX situation in some emerging markets.
- **Good results of expanded product offerings** – increasing export of beer
- **Commercial initiatives** – leverage on existing markets and distributors. Marketing and organizational investment continues as planned. Focus on brand building and positions.
- **Mid-term guidance unchanged**

Significant earnings increase

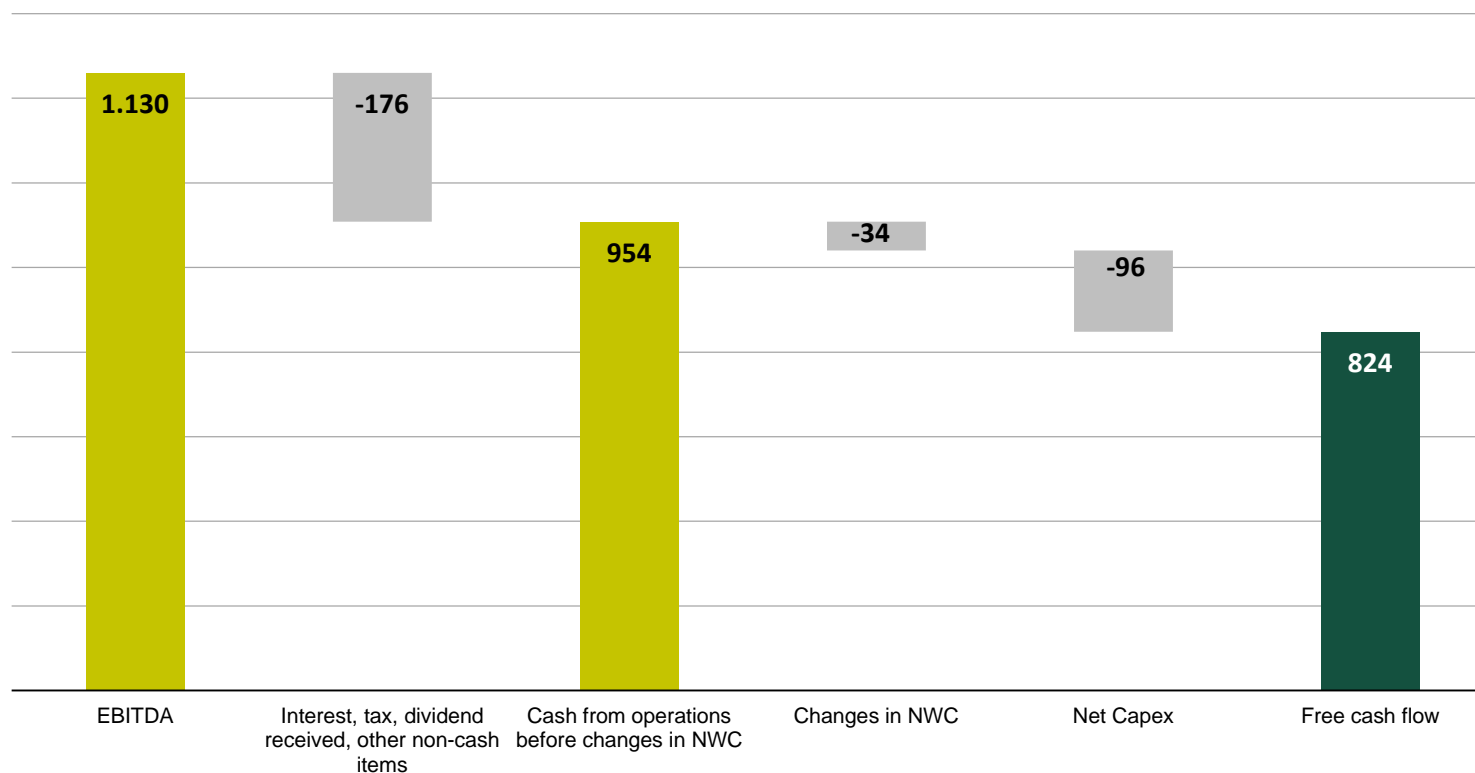
DKK m	FY 2014	Pro forma FY 2013	Change <i>pro forma</i>	Reported FY 2013	Change <i>reported</i>
P&L ITEMS:					
Net revenue	6,056	6,050	6	4,481	1,575
<i>Gross margin</i>	52.0%	52.8%	-0.8%	51.0%	+1.0%
EBIT	826	715	111	560	266
<i>EBIT margin</i>	13.6%	11.8%	+15.3%	12.5%	+8.8%
Profit before tax	801			548	253
Consolidated profit	624			480	144
BALANCE SHEET ITEMS:					
Net interest bearing debt	1,553			2,379	-826
Net working capital	-814			-834	20
Total assets	7,024			6,925	99
Equity	2,818			2,133	685
<i>Equity ratio</i>	40.0%			30.8%	29.9%



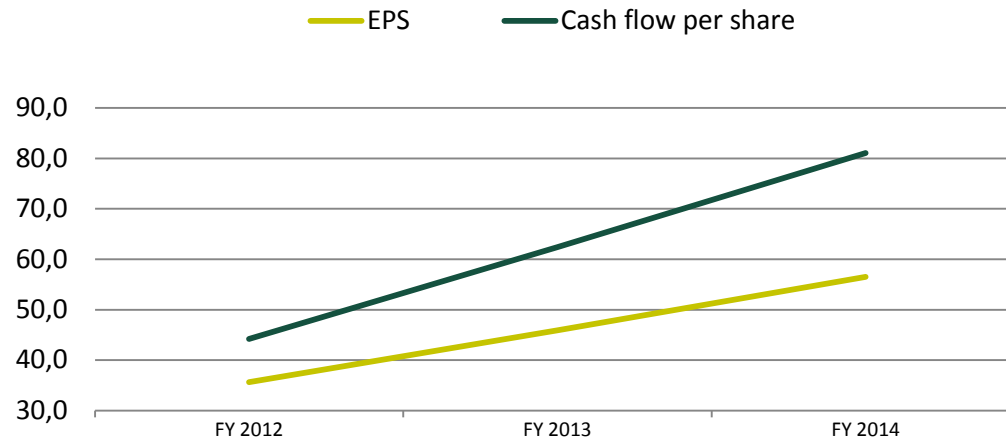
Free cash flow – significantly higher on increased earnings and additional property sale

CASH FLOW – DKKM

2013: 732 -150 582 91 -75 598



Shareholder distribution



- Dividend of DKK 377m which is a record DKK 34 per share, will be proposed at the AGM
- A share buy- back program under safe harbor worth DKK 350m initiated for a maximum of 12 month period

Selected 2015 outlook assumptions

- Continued decline in consumption in Finland, Denmark and Italy also driven by excellent weather in 2014. Overall stable beverages consumption in the Baltic.
- Market positions maintained
- Unchanged to slightly declining net selling prices
- Input cost prices for major raw materials basically unchanged
- Restructuring cost in 2014 in Finland of one-time nature will reduce cost in Q1 2015 as well as full year effects of efficiency gains will reduce cost in particular in Q1 2015.
- Sales and marketing cost is expected to increase.
- Gross investments of DKK 230-250m.
- Tax rate at 22-23%

Outlook 2015

DKKM	Outlook 2015	Realized 2014	Pro forma 2013*
Net revenue	5.900 – 6.100	6.056	6.050
EBITDA	1.100 – 1.200	1.130	1.015
EBIT	790 – 890	826	730

* Including Hartwall full year 2013 excluding DKK 15m transaction cost.

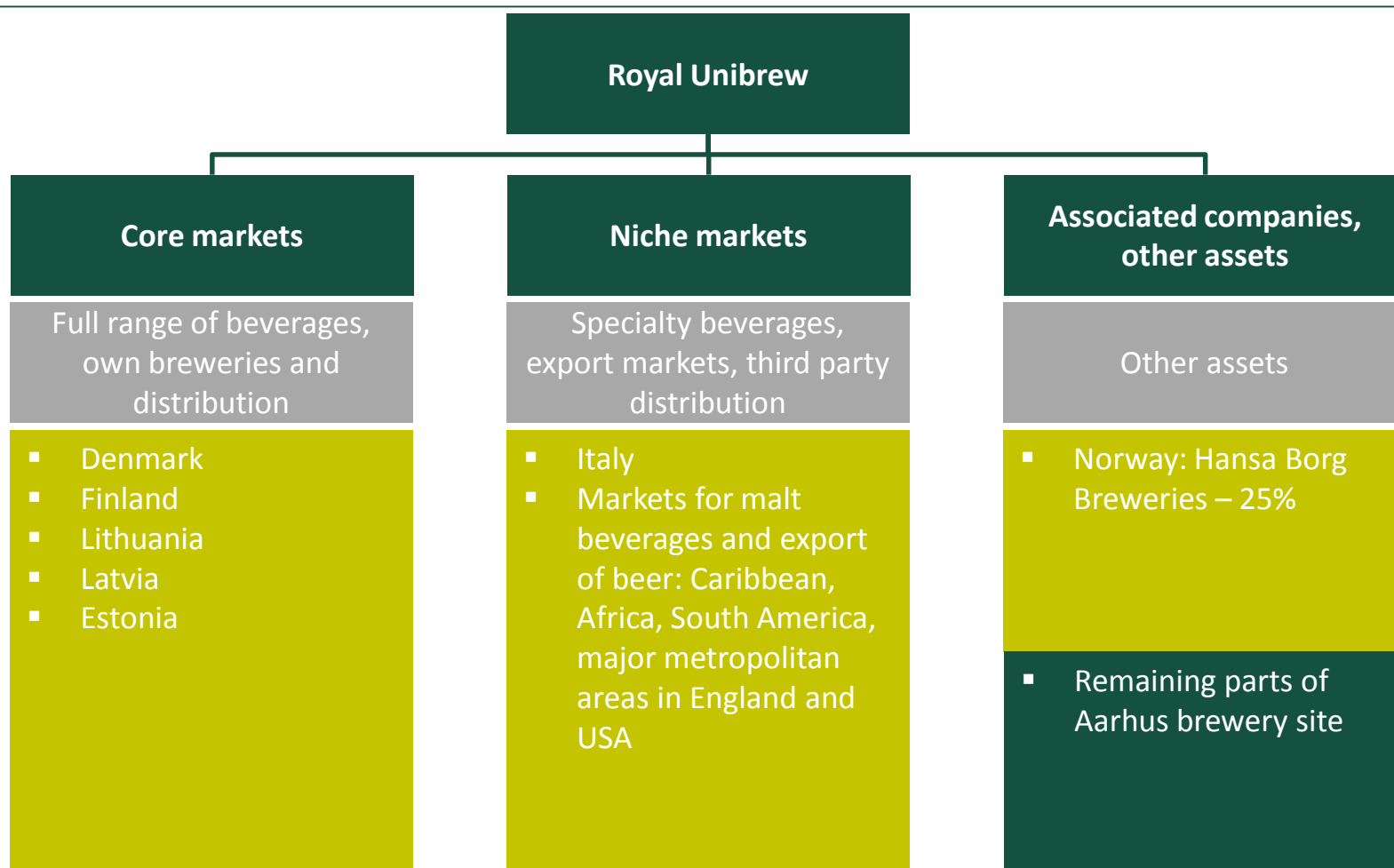


Q&A

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.

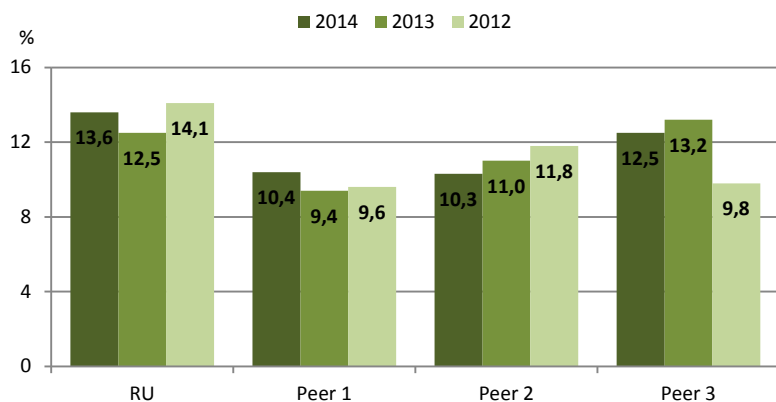
Royal Unibrew after acquisition of Hartwall



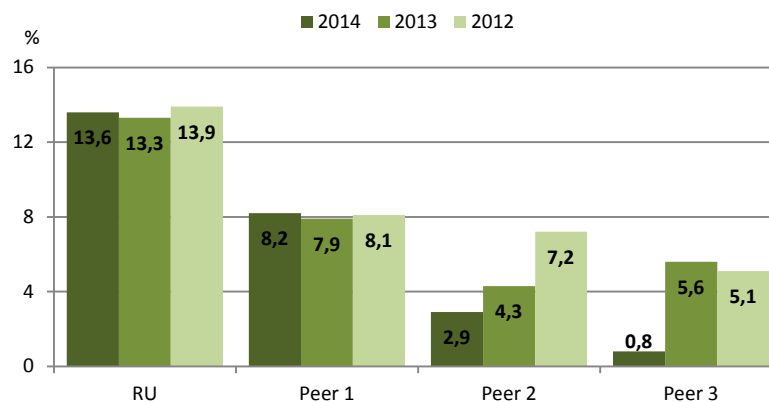
Royal Unibrew is a leading regional brewery group

Solid performance to peers*

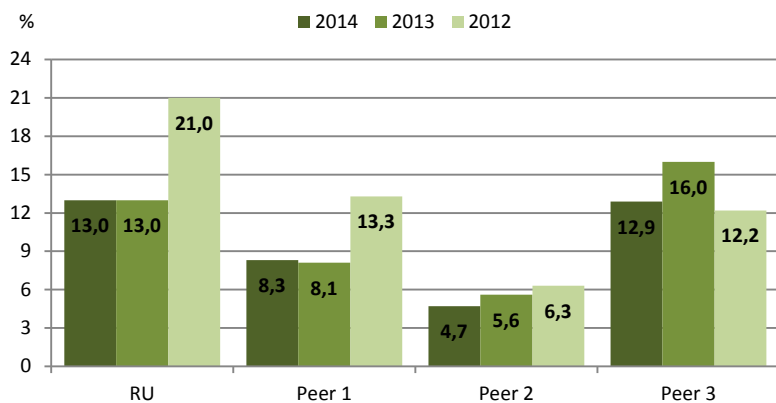
EBIT MARGIN (COMPARABLE REGION)**



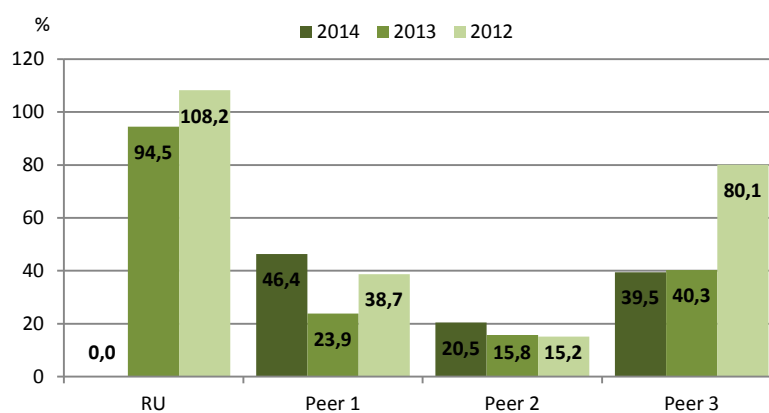
FREE CASH FLOW – % OF REVENUE



RETURN ON INVESTED CAPITAL***



CASH RETURN TO SHAREHOLDERS



* Based on FY2013 and FY2014 results on comparable basis

** RU proforma 2013 EBIT margin 12,0%

*** Based on average invested capital vs. previously on year end figures

Financial targets confirmed

	August 2014 revised Targets	Post acquisition Targets**	Pre 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

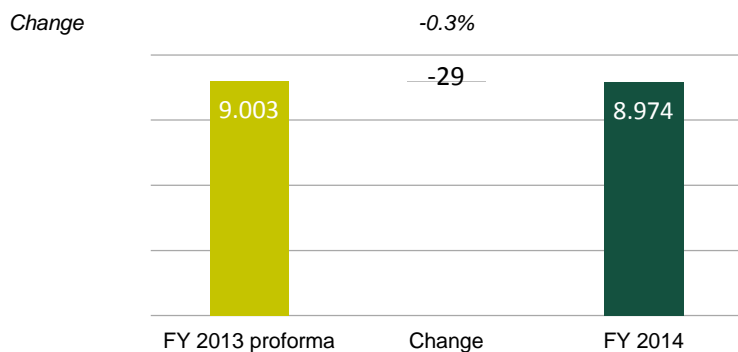
Dividends range 40-60% of the result

* Basically no amortization

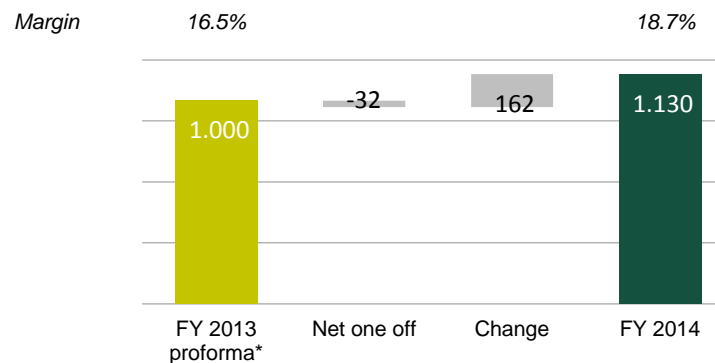
** Amortization from the acquisition decreased EBIT-margin by appr. 50bp

Unchanged pro forma volume and revenue – significant earnings increase

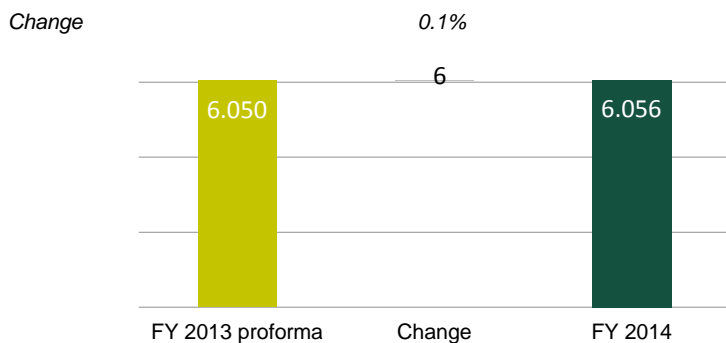
VOLUME – HL (000)



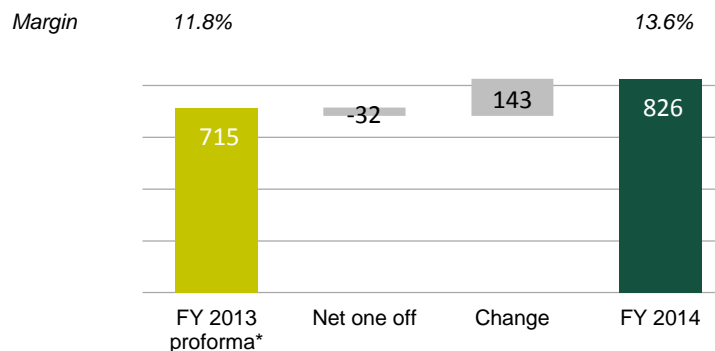
EBITDA - DKKM



NET REVENUE - DKKM



EBIT - DKKM



*net of transaction costs DKK 15m

Hartwall integration in good progress

Strengthening Hartwalls position as a leading Finnish multi-beverage company

- Increasing agility and customer/market orientated organization
 - Organizational adaptation in progress according to the Change Plan
- Improved efficiency
 - Ahead of schedule
- Focus on the commercial agenda and execution
 - Aim is to create a market leading beverage company in Finland