ROYAL UNIBREW A/S

ANNUAL REPORT 2005

Royal Unibrew A/S is Scandinavia's second largest brewery group. The Group is headquartered in Faxe, Denmark, and comprises four Danish breweries, two Lithuanian breweries, two Polish breweries, a Latvian brewery and a Latvian soft drinks producer. The Danish breweries are Albani Bryggerierne, Ceres Bryggerierne, Faxe Bryggeri and Maribo Bryghus. The Lithuanian breweries are Tauras and Kalnapilis, in Latvia the Group owns the Lacplesa brewery and the soft drinks producer Cido and in Poland it owns the Brok and Strzelec breweries. In Norway, Royal Unibrew holds 25% of Hansa Borg Bryggerierne, which also produces some of the Group's products under licence. Furthermore, the Group's products are produced under licence in the Caribbean and Africa. Royal Unibrew has approx 2,200 employees worldwide and exports to approx 65 countries throughout the world.

Read more at www.royalunibrew.com

Albani BROK CERES CIDO FAXE Kalnapilis Lāčplēsis Maribo Bryghus STRZELEC TAURAS

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Cover: Royal Unibrew's new still water Egekilde. Launched in Denmark, January 2006.

SUPERVISORY BOARD

Steen Weirsøe, CEO (Chairman)

Tommy Pedersen, CEO (Deputy Chairman)

Henrik Brandt, CEO

Ulrik Bülow, CEO

Erik Christensen, Stores Manager (elected by the employees)

Jesper Frid, Specialist Worker (elected by the employees)

Erik Højsholt, Chairman

Søren Lorentzen, Specialist Worker (elected by the employees)

Michael Christian Olsen, Specialist Worker (elected by the employees)

Hemming Van, CEO

EXECUTIVE BOARD

Poul Møller, CEO

Connie Astrup-Larsen, International Director for Eastern and Central Europe

Povl Friis, Technical Director

Leif Rasmussen, Sales and Marketing Director

Ulrik Sørensen, CFO

AUDITORS

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab

Ernst & Young
Statsautoriseret Revisionsaktieselskab

HIGHLIGHTS 2005

Net revenue up by 11% to DKK 3.191 million (including organic growth of 4%)

Profit before tax of DKK 297 million, the best performance ever by the Group (+9% over 2004)

Consolidated profit after tax of DKK 224 million (+15% over 2004)

Financial ratios measured against the MACH II Plan:
Return on invested capital (ROIC): 11.2% (target: 10%)
Profit margin: 9.6%
EBIT margin: 9.8% (target: 10%)
Free cash flow before acquisitions: 7.9% (target: 7%)

Proposed increase of dividend by DKK 1 to DKK 10 per share (dividend rate 29%)

Realised share buy-back programme transferred almost DKK 100 million to shareholders

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Expected profit before tax for 2006 of DKK 310-350 million

Financial Highlights of Royal Unibrew A/S (Group)

	IFRS policies		Accounting policies 2004		
	2005	**2004**	**2003**	**2002**	**2001**
SALES (thousand hectolitres)	**5.8**	4.8	4.1	4.5	4.4
FINANCIAL HIGHLIGHTS (mDKK)					
Income Statement					
Net revenue	**3,191.0**	2,869.0	2,633.1	2,777.6	2,724.1
Operating profit	**307.6**	307.1	282.9	252.4	196.2
Profit before financial income and expenses	**312.6**	307.1	242.9	265.6	157.6
Net financials	**-15.5**	-35.6	-20.0	-31.4	-47.0
Profit before tax	**297.1**	271.5	223.0	234.3	110.6
Consolidated profit	**224.2**	194.9	152.7	157.4	73.5
Royal Unibrew A/S' share of profit	**224.6**	194.1	152.3	157.2	70.4
Balance Sheet					
Total assets	**3,217.8**	2,555.9	2,448.1	2,495.4	2,599.7
Equity	**1,171.4**	1,098.5	995.8	923.5	734.4
Net interest-bearing debt	**1,007.3**	693.5	621.1	794.8	1,012.0
Free cash flow	**252.2**	232.7	265.7	248.2	178.2
Per share					
Royal Unibrew A/S' share and diluted share of earnings per share (DKK)	**35.9**	30.6	23.8	25.0	11.4
Cash flow and diluted cash flow per share (DKK)	**61.2**	64.5	56.0	53.1	47.3
Dividend per share (DKK)	**10.0**	9.0	7.5	7.5	4.5
Closing price per share (DKK)	**532.0**	377.0	375.0	206.9	198.1
Employees					
Average number of employees	**2,202**	1,628	1,517	1,789	1,804
Key figures (mDKK)					
EBITDA	**499.2**	489.2	430.5	438.7	368.7
EBITA	**313.9**	308.2	257.3	279.4	171.1
EBIT	**312.6**	307.1	242.9	265.6	157.6
Key ratios (%)					
Return on invested capital (ROIC)	**11.2**	11.1	10.1	8.8	7.1
Profit margin	**9.6**	10.7	10.7	9.1	7.2
EBIT margin	**9.8**	10.7	9.2	9.6	5.8
Free cash flow as a percentage of net revenue	**7.9**	8.1	10.1	8.9	6.5
Net interest-bearing debt/EBITDA (times)	**2.0**	1.4	1.4	1.9	2.7
Equity ratio	**36.4**	43.0	41.1	37.3	30.6
Debt ratio	**86.0**	63.1	61.7	85.4	127.3
Asset turnover (times)	**1.0**	1.1	1.1	1.1	1.0
Return on net assets	**12.1**	13.4	12.7	10.8	8.4
Return on equity after tax	**19.8**	18.5	15.8	18.2	9.6

The calculation of ratios has been based on the guidelines issued by the Danish Society of Financial Analysts in 2005.

Definitions of key figures and ratios:

Net-interest bearing debt	Mortgage debt and debt to credit institutions less cash at bank and in hand, interest-bearing current investments and receivables.
Free cash flow	Cash flow from operating activities less net investments in property, plant and equipment and plus dividends from associates.
Earnings per share (DKK)	Royal Unibrew's share of the profit for the year/number of shares in circulation.
Cash flow per share (DKK)	Cash flow from operating activities/number of shares in circulation.
Diluted earnings respectively cash flow per share (DKK)	Royal Unibrew A/S' share of earnings and share of cash flows from operating activities, respectively/number of shares outstanding including "in-the-money" share options.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EBITA	Earnings before interest, tax and amortisation of goodwill.
EBIT	Earnings before interest and tax.
Return on invested capital after tax including goodwill (ROIC)	Operating profit net of tax as a percentage of average invested capital (equity + minority interests + net interest-bearing debt + provisions – fixed asset investments).
Profit margin	Operating profit as a percentage of net revenue.
EBIT margin	EBIT as a percentage of net revenue.
Free cash flow as a percentage of net revenue	Free cash flow as a percentage of net revenue.
Net interest-bearing debt/EBITDA	The ratio of net interest-bearing debt at year-end to EBITDA.
Equity ratio	Equity at year end as a percentage of total assets.
Debt ratio	Net interest-bearing debt at year-end as a percentage of year-end equity.
Asset turnover	Net revenue/total assets at year-end.
Return on net assets	Operating profit as a percentage of average operating assets. Operating assets comprise total assets less cash and cash equivalents, other interest-bearing assets and investments in associates.
Net return on equity	Consolidated profit after tax as a percentage of average equity.

OUR STRATEGY PROVED RIGHT

The past year has been both challenging and rewarding to Royal Unibrew. We emerge from 2005 with results that prove our strategy right. Our profit before tax for 2005 amounted to DKK 297 million, which is a 9.4% increase over 2004. It is also the best ever performance by the Company.

Our target for 2005 was to realise, as a minimum, a profit before tax of DKK 290 million. This target has been achieved. I am therefore pleased to announce that, at the coming Annual General Meeting, the Supervisory Board will propose an increase of dividend per share by DKK 1, making the total dividend DKK 10 per share.

WE HAVE REALISED THE MACH II PLAN

The price competition in Northern Europe, which intensified strongly in 2004, stabilised somewhat in Denmark and Norway in the first quarters of 2005; however, it intensified again in the last quarter of the year in Denmark. The German market was characterised by considerable pressure on prices throughout the year due to the unresolved issue concerning deposit on disposable containers. At the same time, EBIT was affected negatively by some DKK 25 million in 2005 as a result of our acquisitions in Latvia and Poland, respectively. In spite of this we still performed well primarily because we managed to keep focus on the targets established in our MACH II Strategic Plan. At the same time, we secured the future development perspectives of Royal Unibrew by establishing new areas of increased earnings in 2006 onwards.

The financial targets established in our MACH II Plan have in all material respects been achieved. The Company's ROIC and EBIT margin were both to be at least 10%, and the free cash flow was to be at least 7%. These targets have now been exceeded as regards ROIC and free cash flow, which are 11.2% and 7.9%, respectively. The EBIT margin is at 9.8%, which is just below the established target due to the acquisitions made in Poland and Latvia. Adjusting for these acquisitions, the EBIT margin will be well above the target of the Strategic Plan.

During 2005, we continued implementing our Strategic Plan and made significant progress: Royal Unibrew's revenue increased by 11% in the period partly due to organic growth and partly as a result of the acquisitions made. This means that we are still headed for revenue of some DKK 4.5 billion in 2007.

Our activities in the Baltic countries developed as planned, and the increasing results are expected to continue. Our entire organisation was developed, eg through recruiting in key areas to strengthen our key competencies and achieve operating synergies. At the same time, continued investments in the Group's main areas yielded satisfactory results. Our business excellence initiatives resulted in the expected savings of some DKK 15 million in the period, and the work on our new corporate identity continues externally and within the Group.

GROWTH IN MAIN MARKETS

Previous years' decline in beer sales in the Danish market continued in 2005 with a decline of some 3%; nevertheless, Royal Unibrew's branded beer sales increased by some 1%, and also in 2005 we won market shares in this segment. Especially the Royal products with a current market share of 8% and the Heineken brand contributed towards a positive development. Also in the soft drinks market, the Group won market shares in spite of an estimated market decline of 2-3% in 2005. The increase is primarily due to Pepsi Cola and Faxe Kondi in the light segment. Overall, developments in the Danish market were satisfactory.

In the rest of the Nordic countries, developments were also satisfactory primarily driven by Norway.

In the Italian market, total beer consumption increased by some 1.7%. Royal Unibrew's revenue increased by 5% due to a satisfactory development in sales of our main product Ceres Strong Ale as well as Ceres Top and Ceres Old 9.

In spite of the unresolved deposit issues, Royal Unibrew increased its sales in Germany by 7% due to, among other things, cross-border trade between Denmark and Germany developing satisfactorily.

Generally we are doing well in the Baltic countries where developments have been satisfactory as a considerable increase in profit before tax was realised compared to 2004. The total beer market in Lithuania grew in the period, and in Q1 2005 Kalnapilio-Tauro Grupé introduced price increases, after which the Group's market share represented some 23%. This result is both satisfactory and in accordance with plans. In Latvia our soft drinks business, Cido, showed good results and the Lacplesa Alus brewery won market shares throughout the year until technical problems in the autumn affected deliveries. These problems have now been solved and good synergies were created in the period by cooperation between Cido and Lacplesa Alus.

The acquisition of the Polish breweries Brok and Strzelec in April 2005 was an important element in the Group's Strategic Plan, which led to our activities increasing significantly in this market. The integration between the two businesses was realised as planned and will be further consolidated during 2006.

In the Caribbean, Africa and the UK, the primary markets for our malt drinks, developments were satisfactory – especially in the Caribbean and Africa with a 13% sales increase in the Caribbean and a doubling in Africa. In the UK, malt drinks sales is our primary activity and we hold an estimated 85% share of the malt drinks market.

LOOKING AHEAD

In 2006 we expect to see increasing sales primarily in the Danish, Latvian, Italian, Polish and German markets as well as in the malt drinks markets. Our net revenue is expected to increase by 7% (excluding new acquisitions), including 4% attributable to the increased level of activity in Poland. The businesses in Poland and Latvia are also expected to contribute to an increase of Royal Unibrew's EBIT margin and ROIC in 2006; furthermore, our business excellence initiatives are estimated to affect net profit positively by some DKK 20 million. Against this background, we expect our profit before tax for 2006 to be at the level of DKK 310-350 million.

Poul Møller
CEO

MACH II

MACH II, 2005 – 2007: VALE CREATION THROUGH PROFITABLE, INTERNATIONAL GROWTH

1. With due consideration of the above overall financial targets, ensuring revenue growth from some DKK 3 billion in 2004 to at least DKK 4.5 billion in 2007 through organic growth of 3% in the Company's focus areas and through acquisitions, alliances and partnerships in the growth areas: Northern Europe, Italy and the malt drinks markets. Within 3 years of being acquired, acquisitions must show two-digit ROIC and EBIT margin.

2. Further development of the activities in the Baltic countries to ensure two-digit ROIC and EBIT margin for the area by 2007.

3. Developing the core competencies of the Company to operating strong regional or national brands, while benefiting from Group synergies within purchasing, production, sales/distribution and management.

4. Increased investment in the Royal Beer, Kalnapilis, Cido, Ceres (Italy), Vitamalt and Faxe International brands through marketing, product innovation and development.

5. Business excellence initiatives to ensure continued enhanced efficiency. Activities to be carried out in 2005 are expected to yield a full-year effect in terms of savings of DKK 20 million in 2006.

6. Establishment of new international corporate identity through change of name to Royal Unibrew A/S and introduction of new slogan: "All your favourites" signalling Royal Unibrew's wide range of quality products.

SHAREHOLDER INFORMATION

SHARES

The Company's share capital at 31 December 2005 amounted to DKK 63,700,000 distributed on shares of DKK 10 each or multiples hereof. The shares are issued to bearer but may be registered to the holder in the Company's register of shareholders. The registrar is Nordea Bank Danmark A/S, Issuer Services HH, PO Box 850, DK-0900 Copenhagen C.

Each share of DKK 10 carries one vote. Any shareholder registered in the Company's register of shareholders is entitled to vote. However, no shareholder may on his own behalf or by proxy exercise voting powers for a share purchase of more than 10% of the share capital of the Company from time to time.

There are some 13,000 registered shareholders, including some 800 current or former employees of the Company. At 31 December 2005, the registered shareholders represented a total capital of 51,058 t.DKK equal to 80.15% of the share capital

The shares of Royal Unibrew were traded at a high of DKK 558.71 and a low of DKK 382.07 during the year.

TRADING CODES

Copenhagen Stock Exchange - DK0010242999
Reuters - RBREW.CO
Bloomberg - RBREW DC

Share-related ratios

Per share – DKK	**2005**	2004	2003	2002	2001
Royal Unibrew A/S' share and diluted share of earnings per share	**35.9**	30.6	23.8	25.0	11.4
Cash flow and diluted cash flow per share	**61.2**	64.5	56.0	53.1	47.3
Year-end price per share	**532.0**	377.0	375.0	206.9	198.1
Dividend per share	**10.0**	9.0	7.5	7.5	4.5

MIX OF SHAREHOLDERS

The following shareholders have, pursuant to section 28a of the Danish Companies Act, per 2 March 2006 reported shareholdings in excess of 5% of the share capital:

Shareholder	Investment %
FL Group	16.35
Sudurlandsbraut 12	
108 Reykjavik	
Island	
Julius Bär Investment Management LLC	9.07
330 Madison Avenue, Floor 12A	
New York 10017	
USA	
ATP	6.86
Kongens Vænge 8	
DK-3400 Hillerød	
Fåmandsforeningen LD c/o Fondsmæglerselskab af 2004 A/S	6.37
Vendersgade 28	
DK-1363 København K	

The shareholders of Royal Unibrew are as follows:

Shareholders	Investment (%)
Foreign investors	40.81
Danish institutional investors	29.13
Individual Danish investors	13.57
Employee shareholders	1.09
Non-registered	10.71
Royal Unibrew – treasury shares	4.69
Total	100.00

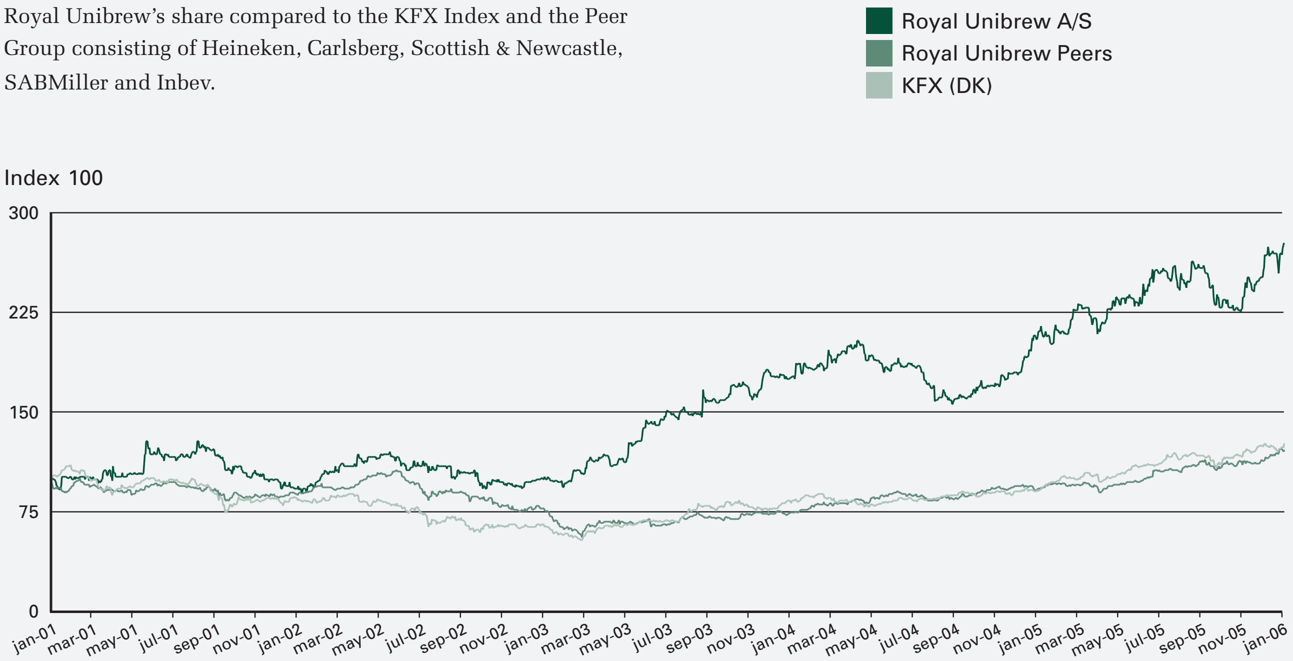
FINANCIAL CALENDAR 2006

Expected announcements of financial results:

27 April 2006:	Q1 Report 2006
29 August 2006:	Interim Report (H1) 2006
16 November 2006:	Q3 Report 2006

SHARE PERFORMANCE

Royal Unibrew's share compared to the KFX Index and the Peer Group consisting of Heineken, Carlsberg, Scottish & Newcastle, SABMiller and Inbev.



ANNUAL GENERAL MEETING AND SHAREHOLDERS' MEETINGS:

27 April 2006:	Annual General Meeting in Odense
02 May 2006:	Shareholders' meeting in Faxe
03 May 2006:	Shareholders' meeting in Aarhus

INVESTOR RELATIONS ACTIVITIES

In order to ensure, directly or indirectly, liquidity of the Royal Unibrew share, the Group strives at all times at having close relations to the share market by maintaining a level of information that meets the requirements of investors and analysts.

Royal Unibrew is still included in MidCap+ and is among the enterprises in the segment that participate more actively with news and Investor Relations information at the Plus Portal website of the Copenhagen Stock Exchange.

An Annual General Meeting and two annual meetings of shareholders are held. Furthermore, in 2005 an Extraordinary General Meeting was held on 4 May 2005 in Faxe in connection with the resolution to change the Company's name to Royal Unibrew.

Royal Unibrew holds both analyst and investor meetings in Denmark and abroad in connection with the publication of its Interim Report and Annual Report. Moreover, Royal Unibrew participated in the ABN Amro Small Cap Seminar on 7 January, the Enskilda Securities Nordic Seminar on 20 January, the CSFB Danish Companies Seminar in London on 2 February, the Handelsbanken Food Seminar in Helsinki on 18 March, the CSFB Global Beverage Conference in New York on 23 March, the Copenhagen Stock Exchange conference in London on "Investment Ideas in Denmark" on 1 December as well as the Danske Equities SmallCap/MidCap Seminar on 5 December.

Furthermore, in February 2005 Royal Unibrew organised a meeting for the press and analysts at which the Company's new MACH II Strategic Plan was introduced.

In 2005 Royal Unibrew made three webcasts in connection with the publication of the Annual Report 2004 and the H1 Report 2005, respectively, as well as at the Copenhagen Stock Exchange conference "Investment Ideas in Denmark" in London. All the webcasts are placed on Royal Unibrews website immediately after shooting.

The Brew Magazine, which is the shareholder magazine of Royal Unibrew, is usually issued 4 times a year and is sent to all registered shareholders and other stakeholders.

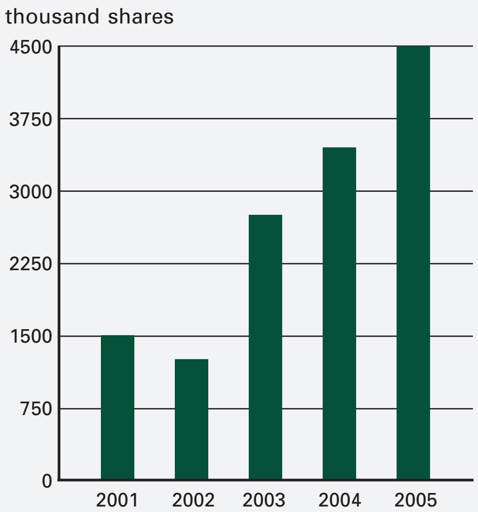
Royal Unibrew's external and internal communication must be open and timely. The Group's openness is limited only by the duties of disclosure imposed by the Copenhagen Stock Exchange and competitive considerations.

Royal Unibrew's communication policy should further analysts' and investors' possibilities of actual assessment and valuation of the Company and meet the information requirements of other stakeholders (see page 14).

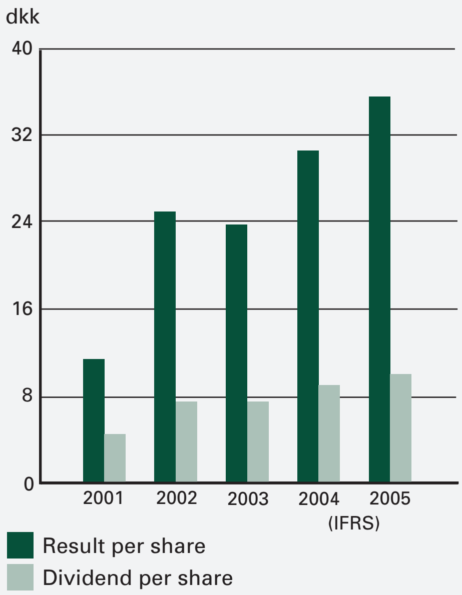
DISTRIBUTION OF PROFIT FOR THE YEAR

The Supervisory Board recommends to the Annual General Meeting an increase of the dividend by DKK 1.00 to DKK 10.00 per share of DKK 10, equal to a dividend rate of some 29%. The proposed dividend totals DKK 63.7 million. The Supervisory Board proposes that the remaining profit for the year of DKK 152.5 million be allocated to retained earnings.

VOLUME OF TRADE



RESULT AND DIVIDEND PER SHARE



In 2005 Royal Unibrew launched a share-buy back programme of some DKK 100 million, and upon expiry of this programme in January 2006 a total of 190,000 shares had been acquired (some 3% of the share capital). At the next Annual General Meeting of the Company on 27 April 2006, the Supervisory Board will propose that the share capital of the Company be reduced by a corresponding nominal amount. Taking into account the MACH II strategy and the Company's capital structure, the Supervisory Board will consider further share buy-backs in 2006.

The Supervisory Board still intends to propose distribution to the shareholders of annual dividend at the level of 25-40% of profit after tax for the year. However, dividend from time to time will be proposed with due regard to the Company's strategic plans and cash position.

ANALYSTS

The following institutions monitor the development of Royal Unibrew:

Firm of analysts	Analyst
ABG Sundal Collier	Peter Kondrup
Carnegie	Julie Quist
Crédit Suisse	Swetha Ramachandran
Danske Equities	Søren Samsøe
Enskilda Securities	Niels Granholm-Leth
HSH Gudme	Michael K. Rasmussen
Sydbank	Lars Villadsen

CORPORATE GOVERNANCE

The Supervisory Board of Royal Unibrew regularly performs reviews of the Company's rules, policies and practice in relation to the Corporate Governance recommendations of the so-called Nørby Committee. In the opinion of the Supervisory Board, Royal Unibrew is, in all material respects, in compliance with the recommendations of the Committee.

SHAREHOLDER RELATIONS

Royal Unibrew is continuously developing and updating its website for shareholder information to ensure that shareholders and other stakeholders have access from time to time to updated information and can easily contact the Company's Shareholder Secretariat.

According to the Articles of Association of the Company, general meetings shall be convened at not less than 1 week's and not more than 4 weeks' notice. However, the Supervisory Board aims at convening general meetings of the Company at not less than 3 weeks' notice. It aims at formulating the notice convening the meeting and the agenda so as to give shareholders an adequate presentation of the business to be transacted at the general meeting. Proxies are limited to a specific general meeting and are formulated in such a way as to allow absent shareholders to give specific proxies for individual items of the agenda.

The Articles of Association of Royal Unibrew contain a restriction on voting according to which one single shareholder or a group of cooperating shareholders cannot vote for more than 10% of the total number of votes. The Supervisory Board does not consider this provision as a protection against a potential serious investor taking over control of the Company if this is in the interest of the shareholders, but it is assumed that the provision will, if required, prevent takeover of actual control on the basis of a minority and in this situation instead promote a total bid for a controlling interest in the Company.

The Supervisory Board will aim at safeguarding all shareholder interests and will not at its own initiative seek to counter a serious take-over attempt which could be in the interest of the shareholders by making decisions which prevent the shareholders from considering a potential take-over attempt.

STAKEHOLDERS

The key stakeholders of Royal Unibrew – in addition to its shareholders - are employees, consumers, customers, suppliers, the local community and society at large. Stakeholder relations are given high priority by Royal Unibrew and considerable resources are spent on keeping up and further developing these relations.

The overall visions, strategies and objectives are described in detail in this Annual Report on page 20.

TRANSPARENCY

Royal Unibrew believes that transparency and openness are crucial to shareholders' and other stakeholders' assessment of the Company and its prospects.

Royal Unibrew therefore wants to continuously develop its relations to shareholders and stakeholders through strengthening of communication with these groups. The Company's stock exchange announcements are issued in Danish and English and are also published on the Company's website. Meetings are held in Denmark and abroad, partly in connection with the Group's Interim and Annual Reports, and partly, as required, with the Company's investors, financial analysts and representatives of the press. The presentations made at these meetings are published on the Royal Unibrew website simultaneously with the presentation. Furthermore, in 2005 the Company held three webcasts.

Since 1 January 2000, the Group has published quarterly reports. International Financial Reporting Standards (IFRS) have been fully implemented as of 1 January 2005. The effect of the implementation of IFRS at 1 January 2005 is detailed in note 1.

The Danish breweries of Royal Unibrew publish annual environmental reports and green accounts describing their impact on the external environment and health & safety aspects.

COMMUNICATION POLICY

Royal Unibrew's external and internal communication must be open and timely. The Group's openness is limited only by the duties of disclosure imposed by the Copenhagen Stock Exchange and competitive considerations.

Externally, we wish to further analysts' and investors' possibilities of actual assessment and valuation of the Company and meet the information requirements of other stakeholders. At the same time, our external communication activities should ensure and enhance the Company's position and reputation as an international business with considerable regional competencies, a strong product portfolio and an attractive growth and investment potential.

Internally, our communication should strengthen a shared international corporate identity across national, regional and organisational differences. Therefore, our employees should be guaranteed insight into and understanding of Royal Unibrew's strategy, vision/mission, values and targeted reputation.

TASKS AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

The Supervisory Board handles overall strategic management, financial and managerial supervision of the Company as well as continuous evaluation of the work performed by the Executive Board.

The Supervisory Board performs its work in accordance with the Rules of Procedure of the Company governing the Supervisory and Executive Boards. These Rules of Procedure are reviewed and updated regularly by the full Supervisory Board.

COMPOSITION OF THE SUPERVISORY BOARD

When composing the Supervisory Board, we emphasise that the members have the competences required to solve the task. Candidates for the Supervisory Board are recommended for election by the general meeting supported by motivation in writing, based on the criteria laid down by the Supervisory Board which include knowledge of general management and of international issues and business operations, of sale and marketing of brands, of financing and of production and logistics issues.

At present, the Supervisory Board consists of 6 members elected by the general meeting and 4 members elected by the employees. When joining the Supervisory Board, the members elected by the employees are offered relevant training in serving on a board.

The Supervisory Board members meet for 4 annual ordinary board meetings, including one 2-day seminar primarily aimed at the Company's strategic situation and prospects. In addition, the Supervisory Board members meet when required. In 2005 the Supervisory Board held 7 meetings. Royal Unibrew does not have standing board committees, only ad-hoc committees.

The members of the Supervisory Board of Royal Unibrew are governed by an age limit of 65. A member of the Supervisory Board who changes his principal occupation during his term of office shall in principle be prepared to offer to resign if the rest of the Supervisory Board considers this advisable.

Regular evaluation of the work of the Supervisory Board is performed. The Executive Board and the cooperation between the Supervisory Board and the Executive Board are evaluated on an annual basis.

REMUNERATION OF SUPERVISORY BOARD AND EXECUTIVE BOARD

The members of the Supervisory Board are remunerated by a fixed annual amount for their continuing work on the Board. In connection with particularly comprehensive ad-hoc committee work, the Supervisory Board may, based on the scope of the work, determine a special remuneration. It is the aim that the remuneration of the Supervisory Board should match the level of comparable companies.

The Supervisory Board does not participate in incentive programmes, such as share option programmes, bonus pay, etc.

For 2005, fixed remuneration of DKK 1.8 million has been expensed in respect of the Supervisory Board. Other than that, no special remuneration has been paid. The annual remuneration of ordinary members of the Supervisory Board amounts to 150 t.DKK. The Chairman and Deputy Chairman receive fees that are 2.5 times and 1.5 times, respectively, higher than the ordinary fee.

Share option programmes have been established for the Executive Board and selected executives comprising the 2005 and 2006 financial years. Additionally, a bonus pay programme has been established for the management team (including the Executive Board) of Royal Unibrew, the sales organisations and selected employees.

RISK MANAGEMENT

The Supervisory Board continuously assesses the various risks with which an internationally operating enterprise like Royal Unibrew is faced.

The key risks are summarised by the following main areas:

- Financial risks (currency, interest rates, liquidity)
- Exposure hazard and third-party risks
- Credit risks (financial institutions and commercial receivables)
- Market risks (distribution of earnings)
- Environmental risks

Financial, credit and market risks are assessed in connection with the Company's strategy and budgeting procedures. Exposure hazard and third-party risks (insurance cover) are reviewed on an annual basis according to the Rules of Procedure for the Supervisory Board, whereas environmental risks are considered in connection with the Company's environmental reports. Furthermore, the Supervisory Board monitors the special risks that may result from the Company's involvement in the production and sale of alcoholic beverages.

Specifically for financial risks, reference is made to note 3 on page 53 of the Annual Report, and specifically for environmental risks, reference is made to page 16.

ENVIRONMENTAL ISSUES

Environmental work has high priority at Royal Unibrew A/S and environmental management is one of the most important tools in working with continuous improvements within resource utilisation, reduction of direct and indirect environmental impacts and as a tool in the event of environmental emergencies. The three largest Danish breweries, Ceres, Faxe og Albani, have introduced environmental management according to international environmental standards (ISO 14001 and EMAS).

2005 WAS A GOOD ENVIRONMENTAL YEAR AT ROYAL UNIBREW

The systematic environmental work generated through environmental management has indeed contributed to satisfactory results being achieved in the environmental area in 2005 - all environmental ratios have been improved except the ratio for heat consumption which is at status quo. In addition to good management, these results have been achieved through efficiency enhancing, investments in cleaner technology, in electricity, heat and water conserving measures; in the waste area, by minimisation of wastage and indirect environmental impact through enhanced environmental awareness and green purchases.

Maribo Bryghus has for a number of years registered its key environmental consumption. These registrations combined with environmental action plans are key factors of the systematic efforts to optimise energy consumption and reduce emissions and discharges to the surrounding environment. The results achieved are presented in the green accounts of Maribo Bryghus for 2005.

In addition to reducing their resource consumption, Royal Unibrew's Lithuanian breweries, Tauras and Kalnapilis, focus

Three of Royal Unibrew's Danish breweries have obtained environmental certification under ISO 14001:2004; Faxe and Ceres were certified in 1999 and Albani in 2003. These three breweries are also registered under EMAS. EMAS is the EU regulation EEC No 761/2001 on voluntary participation by organisations in a Community eco-management and audit scheme. The breweries publish an environmental report annually.

on employee safety issues. Daily measurements and monitoring are important tools in the efforts to reduce resource consumption and emissions and discharges from the breweries.

Also the Lacplesa Alus brewery and the soft drinks producer Cido in Lativa have directed efforts at reducing emissions and discharges as well as resource consumption. Waste is now separated into several fractions with a view to recycling. Furthermore, environmental managers have been appointed to ensure compliance with national environmental legislation.

At the two newly acquired breweries in Poland, Brok og Strzelec, efforts were directed in 2005 at minimising waste water volumes, measured by both quality and volume. All environmental targets were achieved, action plans and follow-up being important tools in this process. Efforts are still directed at minimising waste water volumes and emissions.

At an overall level, the environmental impacts from the main activities of Royal Unibrew may be divided into direct and indirect environmental impacts:

DIRECT ENVIRONMENTAL IMPACTS

The direct environmental impacts are characterised by significant consumption of:

- Energy and water
- Packaging (glass, plastic, aluminium, cardboard and paper)
- Vegetable raw materials (malt/barley)
- Lye (NaOH) (cleaning of processing plant)

All Royal Unibrew breweries discharge waste water containing organic matter which is transformed and cleaned at municipal waste water treatment plants without problems.

The breweries have very efficient waste separation at source. More than 90 per cent of solid waste is now recycled or sold as by-products. The primary items recycled are fractions of glass, aluminium, iron, cardboard/paper and plastic. By-products are primarily mash and yeast cream.

As the breweries are situated in urban areas, noise is a significant environmental issue. Internally, particularly the prevention of unfortunate occurrences and accidents and place of work assessments are high-priority target areas.

INDIRECT ENVIRONMENTAL IMPACTS

Particularly the following impacts have been given high priority:

- Selection of packaging and container materials
- The weight of non-returnable containers
- The use of non-returnable containers in export markets
- Environmental impacts from distribution

Through open dialogue with its suppliers, Royal Unibrew works continuously to reduce its environmental impacts from the above factors.

ENVIRONMENTAL TARGETS FOR 2005-2007

In 2004, it was decided that over the above-mentioned period the breweries should focus on achieving environmental improvements in the following areas:

- Energy reduction
- Waste water reduction
- COD reduction
- Reduction of accidents

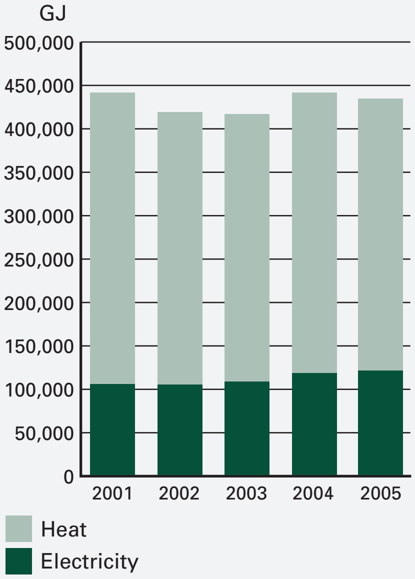
ADDITIONAL INFORMATION AND DOCUMENTATION ON ENVIRONMENTAL ISSUES OF ROYAL UNIBREW

Reference is made to Royal Unibrew's Environmental Report for 2005, which will be issued in April 2006, and to the Green Accounts 2005 of Maribo Bryghus. These reports provide detailed environmental information on the external and internal environmental work of Royal Unibrew A/S.

You may obtain copies of the Environmental Report and the Green Accounts by contacting Royal Unibrew A/S or by downloading them at our website (www.royalunibrew.com).

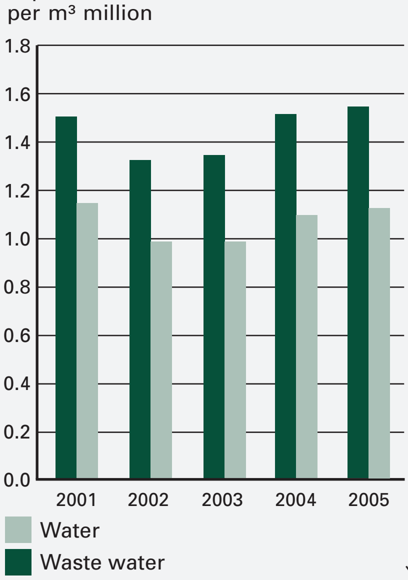
ENERGY CONSUMPTION 2001-2005

(4 production entities)

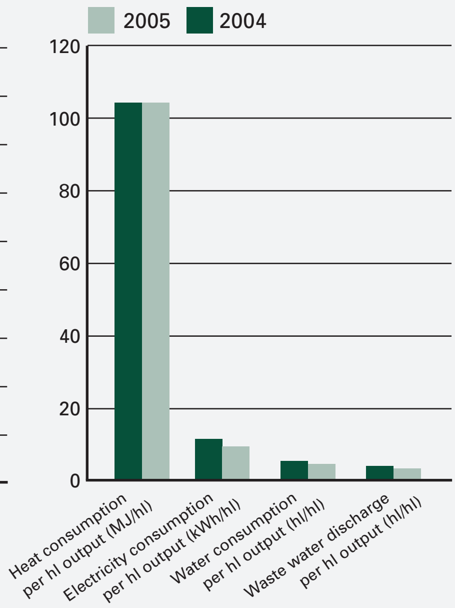


WATER CONSUMPTION AND WASTE WATER DISCHARGE LEVELS 2001-2005

(4 production entities)
per m³ million



ENVIRONMENTAL RATIOS PER HL 2004-2005 (4 production entities)



MANAGEMENT'S REVIEW

GENERAL

The primary activities of Royal Unibrew are to market, sell, distribute and produce quality beverages focusing on branded products primarily within beer, malt and soft drinks. The Group's products are sold in some 65 markets with special focus on Northern Europe (the Nordic countries, the Baltic countries, Northern Germany and Poland), Italy, Canada and the international malt drinks markets (the Caribbean, Africa and the UK). Royal Unibrew comprises the Albani, Ceres, Faxe and Maribo breweries in Denmark, Kalnapilis and Vilniaus Tauras in Lithuania as well as the soft drinks producer SIA "Cido Partikas Grupa" in Latvia. The Latvian brewery Lacplesa Alus A/S has been included in Royal Unibrew as of 1 February 2005, whereas the Polish breweries Brok and Strzelec through the subsidiary Royal Unibrew Polska Sp. z.o.o. have been included as of 26 April 2005.

It is the vision of Royal Unibrew to develop the Group with increasing profitability as being among the leading providers of beverages in Northern Europe and to develop profitable export markets outside this region.

The acquisition of the Brok and Strzelec breweries, which is an element in MACH II, the Company's strategic platform, secures Royal Unibrew four regional beer brands and two breweries in Poland as well as a 48% holding of shares of "Perla Browary Lubelskie S.A.", which has a strong base in the Lublin area.

In 2005 and 2006 (up until 20 January 2006), Royal Unibrew A/S acquired a total of 239,000 shares for treasury, including 190,000 shares under the share buy-back programme launched in 2005. The Company now holds a total number of 298,645 treasury shares (equal to some 4.7% of the Company's total share capital); 103,000 of these shares are expected to be used to cover the Company's share option scheme.

MACH II

MACH II

Under the theme ”value creation through profitable, international growth”, Royal Unibrew launched MACH II, its new Strategic Plan for the period 2005-2007, in February 2005 (cf Announcement BG02/2005 of 24 February 2005). The overall financial targets of the Group for the period 2005-2007 remain unchanged from previously:

• Return on invested capital (ROIC)	≥ 10%
• EBIT margin	≥ 10%
• Free cash flow (before acquisitions)	≥ 7% of net revenue

Furthermore, a target has been established of a 50% net revenue growth over the 3 years of the MACH II period to some DKK 4.5 billion at the end of the period.

MACH II has the following main elements:

- With due consideration of the above overall financial targets, ensuring revenue growth from some DKK 3 billion in 2004 to at least DKK 4.5 billion in 2007 through organic growth of 3% in the Company's focus areas and through acquisitions, alliances and partnerships in the growth areas: Northern Europe, Italy and the malt drinks markets. Within 3 years of being acquired, acquisitions must show two-digit ROIC and EBIT margin.
- Further development of the activities in the Baltic countries to ensure two-digit ROIC and EBIT margin for the area by 2007.
- Developing the core competencies of the Company to operating strong regional or national brands, while benefiting from Group synergies within purchasing, production, sales/distribution and management.
- Increased investment in the Royal Beer, Kalnapilis, Cido, Ceres (Italy), Vitamalt and Faxe International brands through marketing, product innovation and development.
- Business excellence initiatives to ensure continued enhanced efficiency. Activities to be carried out in 2005 are expected to yield a full-year effect in terms of savings of DKK 20 million in 2006.
- Establishment of new international corporate identity through change of name to Royal Unibrew A/S and introduction of new slogan: ”All your favourites” signalling Royal Unibrew's wide range of quality products.

MACH II STATUS

In 2005 the work of implementing Royal Unibrew's MACH II Strategic Plan continued and significant progress was made:

- Revenue went up by 11% in the period partly due to organic growth (4 percentage points) and partly as a result of the acquisitions made (7 percentage points).
- Activities in the Baltic countries developed as planned and profit is expected to continue to increase in the area.
- The organisation was developed through eg recruiting in key areas with a view to strengthening core competencies and achieving operating synergies.
- Investments in the Group's primary areas continued with satisfactory results. Royal Beer in Denmark holds a still increasing market share (currently some 8%) headed for the targeted market share of 10-15%, and Royal Export is the market leader in the strong beer segment. Similarly, the Ceres products increased their market share.
- The business excellence initiatives launched yielded the expected savings of some DKK 15 million in 2005, and the staff adjustment made in August 2004 had the expected effect in the period.
- The work on the new corporate identity culminated with the change of name at 4 May 2005, and the project is expected to continue externally and within the Group.

ACCOUNTING POLICIES

This Annual Report is the first annual report to be presented under IFRS. Reference is made to note 1 on page 42 of the Annual Report.

RESULTS 2005

In 2005 the Royal Unibrew Group achieved a profit before tax of DKK 297.1 million, which is in line with the expectations for 2005 expressed in the H1 Report 2005 (cf Announcement RU24/2005 of 24 August 2005).

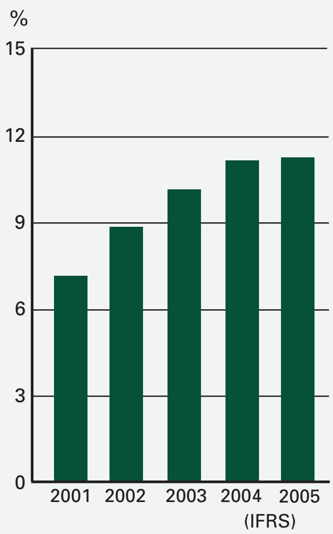
The results achieved in 2005 were affected by the acquisitions of the Lacplesa Alus A/S brewery in Latvia and the Polish breweries Brok and Strzelec realised in H1. On an overall estimate, EBIT (earnings before interest and tax) was affected negatively by a total of some DKK 25 million from these acquisitions in 2005.

Following the extremely bad summer weather in 2004, the summer of 2005 was average weatherwise. The strongly intensified price competition in Northern Europe in 2004 stabilised somewhat in Denmark and Norway in the first quarters of the year, whereas Germany still experienced considerable pressure on prices. In the last quarter of the year, pressure on prices increased again in Denmark. The German market continued to be affected by the unresolved issue concerning deposit on disposable containers, which meant that canned beer sales in 2005 remained at a low level.

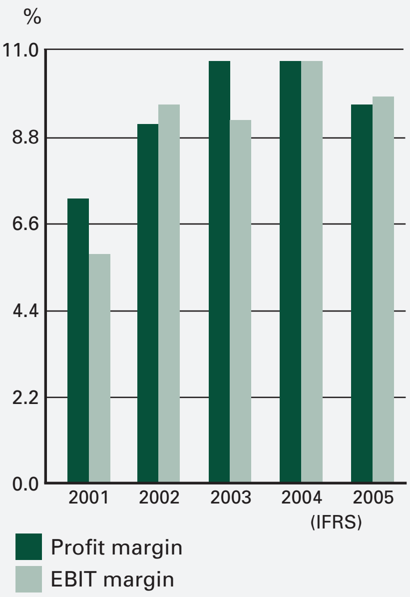
Measured against the main targets of the MACH II Strategic Plan, the results were as follows in 2005:

	Actual 2005 %	Target %
Return on invested capital (ROIC)	11.2	≥ 10
EBIT margin	9.8	≥ 10
Free cash flow as a % of net revenue	7.9	≥ 7
Total net revenue growth over 3 years (per year)	11.2	≈ 14.5%

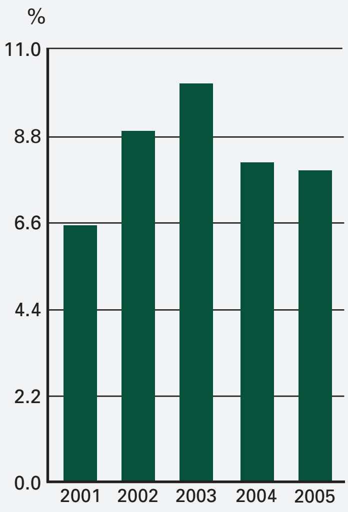
RETURN ON INVESTED CAPITAL



PROFIT MARGIN EBIT MARGIN



FREE CASH FLOW AS % OF NET REVENUE



As evidenced, the Group managed in 2005 to exceed the MACH II targets established as regards ROIC and free cash flow, whereas the EBIT margin was slightly below the targeted level. Adjusted for the effect of the acquisitions made in 2005, the EBIT margin will also be well above the MACH II Plan target.

Total group sales in 2005 aggregated 5.8 million hectolitres of beer, malt and soft drinks, which is a 21.3% increase over 2004. Some 11 percentage points of the increase were attributable to the businesses acquired in Latvia in 2004 and 2005, whereas the Polish activities acquired in 2005 caused an increase of some 6 percentage points. Accordingly, organic volume growth accounted for some 4 percentage points.

Beer and malt drinks sales aggregated 4.0 million hectolitres, which is a 16% increase over 2004, whereas soft drinks sales (including mineral water and fruit juices, etc) aggregating 1.8 million hectolitres increased by 35%. Net revenue amounting to DKK 3.2 billion in 2005 increased by some 11% over 2004. Some 5 percentage points of the increase are attributable to the acquired Latvian companies, whereas the acquisition of Brok-Strzelec in Poland increased net revenue by some 2 percentage points (included for 8 months in the 2005 financial statements). Accordingly, organic growth in the Royal Unibrew Group in 2005 was 4%, primarily driven by revenue growth in Germany, Italy, Denmark and certain malt drinks markets.

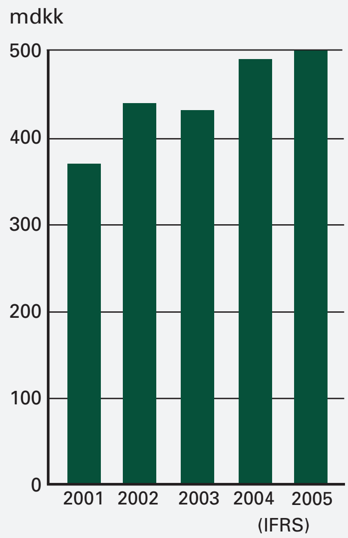
Gross profit for the year amounting to DKK 1.6 billion increased by 7% over 2004. The gross margin was 50.4% and thus 1.8 percentage points lower than in 2004. Gross margin in 2005 was adversely affected by the acquisition of Lacplesa Alus A/S and the Brok-Strzelec activities (an estimated negative effect of 0.6 percentage points) and by a shift in the product mix in the cross-border trade between Denmark and Germany towards less expensive products. Furthermore, the gross margin in 2004 was positively affected by the net effect of the change of deposit prices introduced in Denmark in Q1 2004 (cf Announcement BG15/2004 of 27 April 2004). Both gross profit and gross margin were positively affected in 2005 by the process optimisation activities implemented in 2004.

Operating profit (EBIT) amounted to DKK 308 million in 2005, which is at the 2004 level. Other than the effect from gross profit for the year, operating profit was affected by an 8% increase in sales and distribution expenses over 2004 primarily due to increased sales and marketing expenses (+8%), increasing carriage expenses (+19%) as well as increasing payroll expenses (+16%). The Group's administrative expenses increased by 8%, which was less than the increase in both net revenue and gross margin. Furthermore, the item "other operating income" decreased by some DKK 13 million due to certain contributions and distributions from collegiate organisations, etc terminating as of 2005.

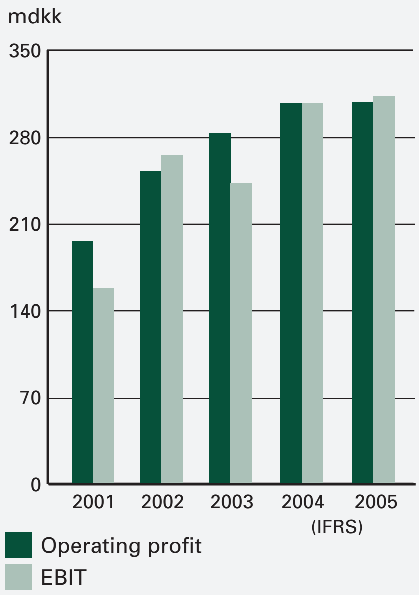
Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to DKK 499.2 million compared to DKK 489.2 million in 2004.

Special items related to the reversal in 2005 of impairment charges and provisions made in 2003 in connection with the closure of the Randers brewery.

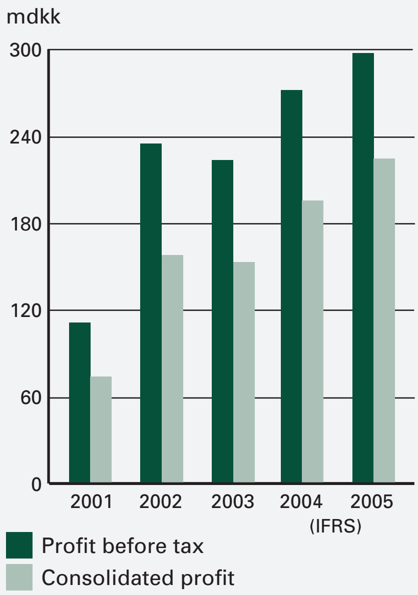
EBITDA



OPERATING PROFIT
EBIT



PROFIT BEFORE TAX
CONSOLIDATED PROFIT



Income before tax from investments in associates went up considerably compared to 2004 amounting to DKK 26 million compared to DKK 3 million in 2004. This increase is primarily due to improved performance by Hansa Borg Bryggerierne ASA and to the acquisition in H1 2005 of 48% of the shares of Perla Browary Lubelskie S.A.

The Group's net interest expenses increased by some DKK 3 million due to the acquisitions realised in 2005.

The profit before tax of the Royal Unibrew Group for 2005 amounted to DKK 297 million compared to DKK 271 million in 2004, equal to an increase of 9.4%.

Consolidated profit (after tax) increased by DKK 29 million to DKK 224 million, equal to an increase of 15%.

DEVELOPMENTS IN SALES AND REVENUE FROM 2004 TO 2005 WERE AS FOLLOWS:

Developments 2004-2005	Western Europe (including misc. revenue)		Eastern Europe		Rest of the world		Royal Unibrew total	
	Growth	Total	Growth	Total	Growth	Total	Growth	Total
Sales (thousand hectolitres)	4.4%	3,586	73.1%	1,907	24.7%	291	**21.3%**	**5,784**
Net revenue (mDKK)	4.0%	2,371	60.7%	577	5.7%	243	**11.2%**	**3,191**

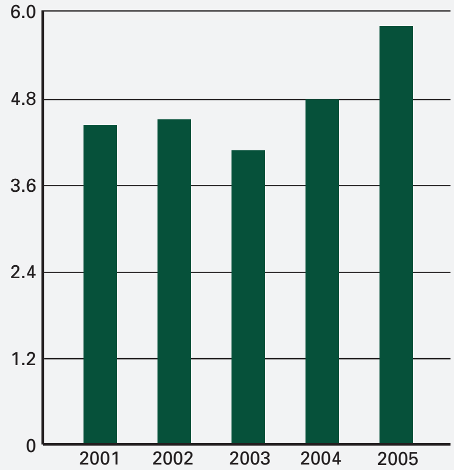
DEVELOPMENTS IN INDIVIDUAL MARKET SEGMENTS

The developments in the Group's activities for 2005 break down as follows on segments:

	Western Europe	Eastern Europe	Rest of the world	Unallocated	Group
Sales (million hectolitres)	3.6	1.9	0.3	-	**5.8**
Net revenue (mDKK)	2,371	577	243	-	**3,191**
EBIT (mDKK)	337	-15	23	-32	**313**
EBIT margin (%)	14.2	-2.7	9.5		**9.8**
Assets (mDKK)	2,151	663	143	261	**3,218**
Liabilities (mDKK)	648	195	26	1,177	**2,052**

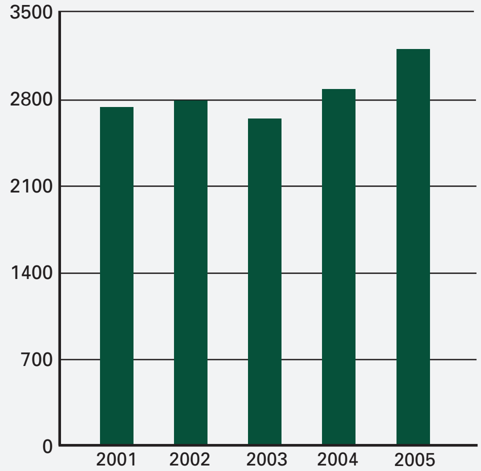
SALES

million hectolitres



NET REVENUE

mdkk



WESTERN EUROPE

Western Europe	2005	2004	% change
Sales (million hectolitres)	3.6	3.5	4
Net revenue (mDKK)	2,371	2,280	4
EBIT (mDKK)	337	331	2
EBIT margin (%)	14.2	14.5	-2

In 2005, Royal Unibrew increased its market shares in its key markets in Western Europe:

Western Europe	Actual 2005		Growth over 2004	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue %	Sales %
Denmark	1,159	1,766	2	-2
Italy	683	501	5	4
Germany	352	982	5	12
The UK	66	69	9	5
Tax Free	52	125	25	48
France	23	35	-4	-2
Other markets	36	108	-5	19
Total Western Europe	**2,371**	**3,586**	**4**	**4**

In **Denmark** total beer sales are estimated to have continued the declining trend from recent years showing a decline of some 3% in 2005. During the year, Royal Unibrew's branded beer sales in Denmark increased by some 1%, which meant that the Group won market shares in this segment also in 2005.

The Royal products continued strengthening their position and market shares in 2005, and the Heineken brand developed satisfactorily.

The Maribo products showed decline primarily due to a retail chain contract that was not renewed.

In Q4 of the year, price competition on branded beer intensified again as campaign prices fell to new levels.

The decline in the soft drinks market in **Denmark** is estimated at 2-3% in 2005, whereas Royal Unibrew's branded products achieved a minor increase in market share for the year as a whole, following market share losses in the two first quarters of the year. The increase is primarily attributable to Pepsi Cola and in H2 also to Faxe Kondi, both brands driven by light varieties, which have seen high double-digit growth. In 2005 Royal Unibrew's total soft drinks sales in Denmark amounted to 0.8 million hectolitres, which is a 1.2% decline.

It is estimated that illegal import and distribution of soft drinks in Denmark continue to result in considerable losses to the industry (and the Danish state).

The increase in total beer consumption in **Italy** is estimated at some 1.7% in 2005, whereas the Group's sales and revenue increased by 4% and 5%, respectively; the Group thus succeeded in increasing its market share over the year. The main product Ceres Strong Ale developed satisfactorily in terms of sales. Furthermore, the sales increase was driven by both Ceres Top boasting growth of some 20% and Ceres Old 9, which was launched during 2005.

Over the past year, **the German market** continued to be affected by the unresolved deposit issue, which meant difficult conditions for beverages in disposable containers. In spite of this, the Group's sales increased by 7% during the year. Cross-border trade between Denmark and Germany developed satisfactorily, however with a shift of sales towards products in lower price segments.

In **the UK** the positive development in malt drinks sales, which is the key activity in this market, continued in 2005 as the Group's market share is estimated at some 85% of the malt drinks market in the UK.

The **Tax Free** market continued growing but was, like the cross-border trade between Denmark and Germany, affected by a shift in sales towards less expensive product categories.

The **other markets** in Western Europe generally developed satisfactorily.

EASTERN EUROPE

Eastern Europe	2005	2004	% change
Sales (million hectolitres)	1.9	1.1	73
Net revenue (mDKK)	577	359	61
EBIT (mDKK)	-15	2	-800
EBIT margin (%)	-2.7	0.6	-550

Sales and revenue in the region went up by 73% and 61%, respectively, in 2005 primarily driven by the acquisitions made: Cido in mid 2004, Lacplesa Alus in early 2005 and Brok-Strzelec in the spring of 2005. The addition of the Cido products (soft drinks, mineral water, fruit juices, etc) affected sales more strongly than revenue due to the marketable value of the products being lower than that of beer products.

Adjusted for the acquisitions made in 2005 (Lacplesa Alus and Brok-Strzelec) and the integration and other non-recurring expenses, estimated at a total of some 25 million, the EBIT in Eastern Europe amounted to DKK 10 million compared to DKK 2 million in 2004.

The Baltic countries saw a considerable increase in profit before tax in 2005 compared to 2004, and developments are considered satisfactory.

Eastern Europe	Actual 2005		Growth over 2004	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue %	Sales %
Lithuania	209	623	-1	-1
Latvia	270	938	122	137
Poland	88	322	382	491
Other markets	10	24	14	10
Total Eastern Europe	**577**	**1.907**	**61**	**73**

The increase in the total beer market in **Lithuania** in 2005 is estimated at 3-4% driven primarily by low-price brands and private labels. Price increases were introduced at the end of Q1 2005, and sales by Kalnapilio-Tauro Grupé declined by just below 1%. The Group's market share declined slightly during the year representing some 23%. Lithuania continued to perform satisfactorily and in accordance with plans.

In Latvia sales of the Cido products, primarily fruit juices, mineral water as well as carbonated and non-carbonated soft drinks, developed satisfactorily and market positions were strengthened or defended both in Latvia and in the export markets in Lithuania and Estonia resulting in satisfactory earnings developments.

Throughout the year, Lacplesa Alus A/S won market shares until technical problems in the autumn resulted in delivery problems, which have now been solved.

The integration between Cido and Lacplesa Alus was realised as planned.

The level of activities increased considerably in **Poland** in 2005 due to the acquisition of the Brok and Strzelec breweries in late April 2005. The integration of these activities with the former Polish organisation of Royal Unibrew progressed as planned during 2005, but Poland recorded a loss for the year due to, among other things, the integration, adjustment and development of the Brok-Strzelec activities acquired.

REST OF THE WORLD

Rest of the world	2005	2004	% change
Sales (million hectolitres)	0.3	0.2	25
Net revenue (mDKK)	243	230	6
EBIT (mDKK)	23	19	24
EBIT margin (%)	9.5	8.0	19

Sales to the rest of the world segment primarily comprise malt drinks.

Developments in 2005 were characterised by satisfactory sales growth both in the main market in the Caribbean and in the other important malt drinks market, Africa.

Net revenue increased less than sales, which is primarily due to the Group's distribution company in the Caribbean, Impec Holding SAS, closing a subsidiary in French Guyana in 2005, which resulted in reduced revenue originating from products distributed on behalf of companies outside the Royal Unibrew Group and therefore did not affect own-produced sales volumes. Performance development in the segment was satisfactory.

Rest of the world	Actual 2005		Growth over 2004	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue %	Sales %
The Caribbean	166	144	-1	13
USA/Canada	32	42	4	2
Africa	24	50	56	118
The Middle East	21	55	31	39
Other regions	-	-	-50	-48
Total rest of the world	**243**	**291**	**6**	**25**

In **the Caribbean** malt drinks sales developed satisfactorily in 2005 with a sales increase of 13%. The termination of own distribution in French Guyana, as mentioned above, resulted in a decline in revenue from third-party products of some DKK 20 million. The underlying organic growth in net revenue in the Caribbean thus represented 12% in 2005.

USA and Canada continued showing stable, positive developments in 2005.

Sales in **Africa** more than doubled in 2005, primarily driven by licence production of the Vitamalt brand in, among other places, Ghana. Furthermore, Vitamalt exports developed satisfactorily.

Developments in **the Middle East** were highly satisfactory in 2005 in spite of this region not being one of Royal Unibrew's target areas.

BRAND AND PRODUCT DEVELOPMENT

Recent years' dynamic development within brand and product development was in 2005 intensified in all key markets of Royal Unibrew.

Indeed, the MACH II Strategic Plan focuses on growth through intensified brand and product development. Firstly, through higher market investment in the strategic brands of Royal Unibrew, which already in the first year of MACH II increased by some 10%, whereas, for the remaining 2 years, market investment is expected to be additionally increased by some 25%. Secondly, through an increased number of innovations managed through a so-called Brand Board on which Management is represented.

New key developments in 2005 include:

Having in 2004 successfully launched the Royal brand in Denmark's largest segment, Lager and Classic, Royal Unibrew introduced Royal Red in the summer of 2005. Royal Red is a refreshing and soft beer with a touch of ripe Danish berries and fruits. It has a magnificent red colour, and the wish to create a new summer tradition was received so well that Royal Red remains in the product range throughout the year.

In 2006, another new product will be introduced in the Royal series: Royal Weiss, a new and interesting wheat beer, which will be launched in early spring.

In Lithuania, Royal Unibrew's strategic brand, Kalnapilis, following several years of intensive work on new products, a new campaign and a new design, consolidated its position as a strong market runner-up with further growth potential.
In 2005 a new dark beer type, Kalnapilis Black, was launched, and several new products are planned for launch in future years.

In Lithuania, the first step towards a position in the soft drinks market was made by launching UpSide, a soft drink with a taste and positioning similar to those of Faxe Kondi in Denmark.

In the international malt drinks markets, Vitamalt reinforced its position as the leading premium brand through the launch of a high-profile product called Vitamalt Plus. In the Plus variety, the good features of Vitamalt have been further strengthened through a higher content of vitamins, ginseng and aloe vera.

The already leading position of the Ceres brand in the Italian strong beer market was reinforced by launching the Ceres Old 9 product. A full-bodied and palatable beer, which has received wide distribution and recognition among Italian beer connoisseurs.

In the strongly increasing light market for soft drinks, Faxe Kondi Light was introduced in the spring of 2005. The new product immediately became the market leader in its taste segment, and the strongly increasing sales is one of the primary reasons for Royal Unibrew's increasing market share in the Danish light market.

Towards the end of 2005, several years of development work on natural spring and mineral water was concluded as Royal Unibrew's new spring water, Egekilde, was ready for launch on 1 January 2006. The Egekilde spring has its source deep down under old oak trees, and for centuries the water from the spring has been gently cleaned and filtered through the calcareous subsoil in the area.

As a totally new feature for spring water, Egekilde is available in both a still and a sparkling variety and a lemon touch variety.

INTELLECTUAL CAPITAL

Employees are a key asset to the development of Royal Unibrew, and therefore all group enterprises focus on developing existing employees and attracting new talent.

In connection with the MACH II Strategic Plan and the growth targets of the Plan, the Group's organisation was strengthened in key areas in 2005. This development is expected to continue in 2006.

The employees of Royal Unibrew possess crucial knowledge of the many markets and customer categories serviced by the Group, including supply and distribution issues within the product categories. This knowledge secures our competitive position and forms the basis of achieving the Group's strategies and objectives.

In line with the international development of the Group in the Baltic countries, Africa, the USA and the Caribbean, employees have been assigned to these regions over the period. This ensures rooting of knowledge in the markets as well as optimisation of cooperation across the Group.

INFORMATION TECHNOLOGY

SAP R/3 is applied as the ERP platform in Denmark, the UK, Italy and France. The other group enterprises use local IT solutions, which are expected to be successively replaced by SAP R/3. The SAP R/3 platform has proved reliable, and the Company has developed the right competencies to maintain and continue expanding the platform as a basis of business requirements.

In 2005 primary focus has been on the Business Excellence work through support of business processes, eg by putting into use new SAP R/3 functions and modules. Furthermore, the infrastructure and PC workstations have been standardised and upgraded. The Group's web solutions, which are used to support sales and marketing activities, have received focus and have throughout the year been used as a key parameter in sales and marketing efforts.

In 2006 the Group's standard platform is expected to be implemented at the subsidiaries in Poland and Lithuania, whereas the implementation in Latvia is scheduled for 2007.

SHARE OPTIONS

Royal Unibrew's continuous share option programme covering the 2005 and 2006 financial years applies to the Executive Board and some 20 executives. Under this programme, the participants may annually be granted options corresponding to a maximum number of shares of 31,801 based on a share price of 532. The number of shares has been corrected as compared to that indicated in our Announcement RU22/2005 of 20 June 2005. Half of the options will be granted without any performance conditions, whereas the other half will be granted depending, in part or in full, on the realisation of ROIC (return on invested capital) and profit growth.

On a total basis, the following share options remain unexercised:

Granted	Total number Unexercised	Number held by Executive Board	Exercise price	Exercise period
March 2001	500	0	219	3/2004 – 3/2006
June 2002	14,564	14,564	240-315	6/2005 – 5/2009
Re 2003	14,984	7,492	401	3/2006 – 4/2008
Re 2004	9,754	5,230	478	3/2007 – 4/2009
Re 2005	31,801	19,803	*) 532	4/2009 – 4/2011
Re 2006	31,801	19,803	*) 532	4/2010 – 4/2012
Total	**103,404**	**66,892**		

*) The options will be priced on the basis of average market price over the 10 trading days following the publication of the Annual Report of the Company. The value of the unexercised options is calculated on the basis of the share price at 31 December 2005.

The Company's option commitments under the option schemes are expected to be covered by the portfolio of treasury shares.

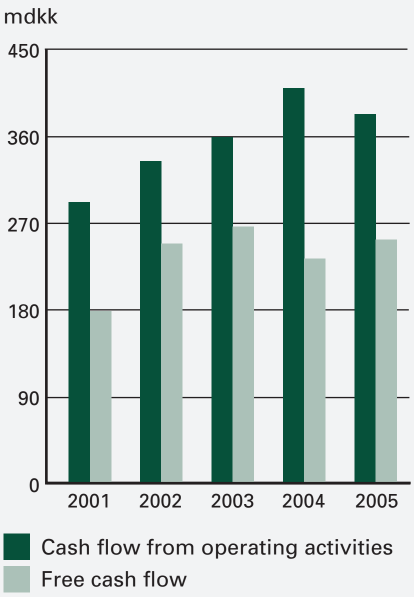
The market value of the unexercised options is estimated at DKK 13.7 million (under the Black-Scholes formula).

In accordance with the accounting policies adopted, an expense of DKK 3.3 million has been charged in the Annual Report 2005 representing the market value (Black-Scholes) of the maximum granting possible for the 2005 financial year.

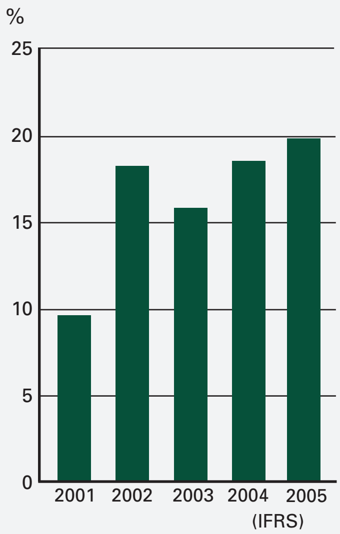
BALANCE SHEET AND CASH FLOW STATEMENT

Royal Unibrew's balance sheet total amounted to DKK 3,218 million at the end of 2005, which is an increase of DKK 662 million over year end 2004, equal to 26%. The increase is primarily attributable to the acquisition of Lacplesa Alus A/S as well as the Brok-Strzelec activities and 48% of the shares of Perla Browary Lubelskie S.A. These investments account for approx 2/3 of the above-mentioned 26% increase over 2004, whereas the remaining increase is attributable to the increased level of activities.

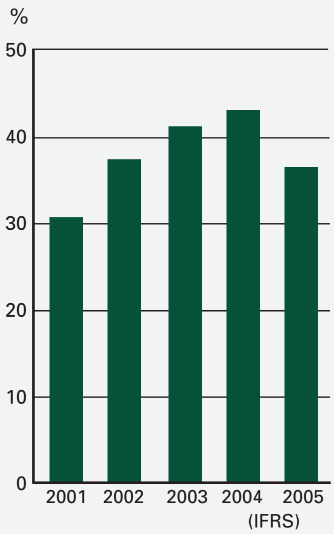
CASH FLOW



RETURN ON EQUITY



EQUITY RATIO



Group equity, which at the end of 2005 amounted to DKK 1,171 million, was most materially affected by the profit for the year of DKK 224 million, payment of dividend of DKK 57 million and a net write-down relating to acquisition and sale of treasury shares of DKK 105 million. The solvency ratio equalled 36.4% compared to 43.0% at the end of 2004.

As an element in the MACH II Strategic Plan, the Company's borrowing was increased during 2005 in order to reduce the Group's cost of capital and increase value creation. The funds borrowed were spent partly to acquire businesses and partly to realise a DKK 96 million share option programme. At the end of 2005, net interest-bearing debt amounted to DKK 1,007 million (2.0 x EBITDA) compared to DKK 694 million (1.4 x EBITDA) at the end of 2004.

Free cash flow before acquisitions amounted to DKK 252 million in 2005 equal to 7.9% of net revenue. In 2005 net investments in fixed assets totalled DKK 143 million.

FUTURE CAPITAL STRUCTURE, SHARE BUY-BACK PROGRAMME AND DIVIDEND POLICY

It is the intention in the coming years to adjust the capital structure of Royal Unibrew with a view to additional optimisation of the Company's weighted average cost of capital (WACC) to increase the return to Group shareholders through utilisation of additional debt financing.

It is the target that the Group's interest-bearing debt proportionately to earnings before interest, tax, depreciation and amortisation and special items, if any (EBITDA) be increased approximately threefold by the end of 2007 (compared to 1.4 times in the Annual Report for 2004), ie up until the end of the period covered by the Company's current MACH II strategy.

In Royal Unibrew's opinion, this will not prevent the Group from realising its growth targets under the MACH II strategy. The adjustment of capital structure is expected to be realised through acquisitions in line with the MACH II strategy and - to the extent of any capacity being left - through repurchase of shares for treasury.

In 2005 Royal Unibrew launched a share-buy back programme of some DKK 100 million, and upon expiry of this programme in January 2006 a total of 190,000 shares had been acquired (some 3% of the share capital). At the next Annual General Meeting of the Company on 27 April 2006, the Supervisory Board will propose that the share capital of the Company be reduced by a corresponding nominal amount. Taking into account the MACH II strategy and the Company's capital structure, the Supervisory Board will consider further share buy-backs in 2006.

The Supervisory Board still intends to propose distribution to the shareholders of annual dividend at the level of 25-40% of profit after tax for the year. However, dividend from time to time will be proposed with due regard to the Company's strategic plans and cash position.

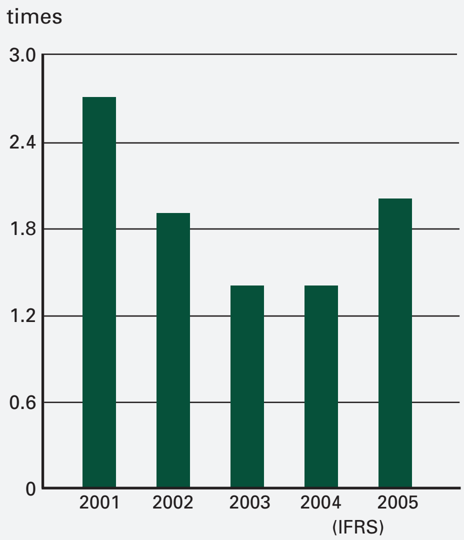
At the next Annual General Meeting, the Supervisory Board will propose increased dividend of DKK 10 per share corresponding to a dividend rate of some 29%.

Due to developments in 2005, the Company's net interest-bearing debt increased from 1.4 times earnings before interest, tax, depreciation and amortisation and special items, if any (EBITDA) at the beginning of 2005 to approx 2 times EBITDA at the end of the year.

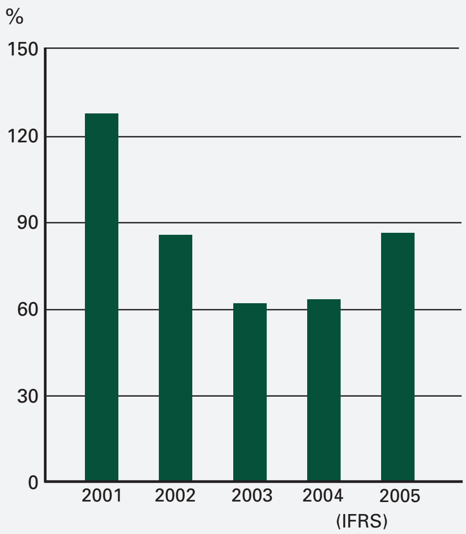
THE FUTURE

For 2006, Royal Unibrew expects – without taking into consideration any future acquisitions – increasing sales primarily driven by growth in Denmark, Latvia, Italy, Germany and the malt drinks markets as well as the effect of the acquisition

NET INTEREST-BEARING DEBT/ EBITDA



DEBT RATIO



of the Brok-Strzelec activities in Poland in April 2005. Overall, the net revenue of the Group is expected to increase by some 7% in 2006, with some 4 percentage points being attributable to the mentioned acquisition of the Brok-Strzelec activities, whereas organic growth is expected to represent 3%. The improvement is supported by continued increased marketing efforts in the Group's main markets.

It is anticipated that the businesses acquired in Poland and Latvia in 2005, which in 2005 affected the Group's earnings and key figures and ratios negatively, will achieve considerably better results in 2006 and thus contribute towards increasing the Group's profit margin and return on invested capital (ROIC). Furthermore, results in 2006 are expected to be positively affected by the business excellence projects implemented in 2005, which are expected to have a positive P/L effect of some DKK 20 million in 2006.

The further intensified competition in Denmark in the autumn of 2005 at both manufacturer and retailer level, resulting in pressure on prices may - if it continues - have a negative effect on Royal Unibrew's gross margin for this market segment in the future year.

By the end of 2005, Royal Unibrew lost its rights in Denmark to sell and distribute a well-established product in the mineral water segment. As a replacement, the "Egekilde" premium brand was introduced in early 2006 spanning the entire still and sparkling mineral water segment. The product, which is controlled by Royal Unibrew throughout the value chain, is expected to strengthen the Group's earnings in the long term, but in the coming year the change to the new brand will imply an earnings reduction of some DKK 10 million.

Net financial expenses are expected to increase in 2006 primarily due to the acquisitions carried out in 2005 as well as the acquisition of shares for treasury. The income before tax from investments in associates in 2006 is expected to be at the 2005 level.

Against this background, the profit before tax in 2006 is expected to be in the order of DKK 310-350 million.

The organic growth realised in 2005 meant that – particularly in Latvia – a need has arisen to increase capacity for beer, fruit juices as well as soft drinks. Depending on the timing of certain investment projects, total capital investments are expected to aggregate some DKK 250 million. The investments in increased capacity (a total of some DKK 70 million) are expected to mean that the Group's free cash flow in 2006 will represent some 5% of the expected net revenue compared to a targeted 7% according to the MACH II targets.

The tax rate of the Group is expected to be some 28% in 2006.

In summary, expectations relating to the Group's key ratios for 2006 are expressed as follows:

	Expected 2006	MACH II target
ROIC	≥ 10%	≥ 10%
EBIT margin	≥ 10%	≥ 10%
Free cash flow (before acquisitions)	≥ 5%	≥ 7%
Net revenue growth	7% (excluding acquisitions)	50% (accumulated over 3 years)

STATEMENTS ABOUT THE FUTURE

The statements about the future made in the Annual Report 2005 reflect Management's expectations in respect of future events and financial results, as well as of economic trends in key markets and developments in international money, foreign exchange and interest rate markets. Statements about the future will inherently involve uncertainty and may be affected by – in addition to global economic conditions – marketdriven price reductions, market acceptance of new products, packaging and container types, unforeseen termination of working relationships and changes to regulatory aspects (taxes, environment, packaging). The actual results may therefore deviate from the expectations stated.

Royal Unibrew is a party to a limited number of legal actions. These legal actions are not expected to have any material impact on the financial position of Royal Unibrew.

RESOLUTIONS BY THE SUPERVISORY BOARD AND RECOMMENDATIONS FOR THE ANNUAL GENERAL MEETING

The Supervisory Board will recommend to the Annual General Meeting that dividend from Royal Unibrew A/S be increased by DKK 1 to DKK 10 per share of DKK 10, equal to a dividend rate of some 29%. The proposed dividend totals DKK 63.7 million. The Supervisory Board proposes that the remaining profit for the year of DKK 152.5 million be allocated to retained earnings.

As previously mentioned, the Supervisory Board will recommend to the Annual General Meeting that the share capital of Royal Unibrew be reduced by a nominal amount corresponding at least to the nominal share capital repurchased under the realised share buy-back programme (cf Announcement RU25/2005 of 16 September 2005). Therefore, the Supervisory Board will recommend to the Annual General Meeting that the share capital of Royal Unibrew be reduced by a nominal amount of DKK 1,900,000 to a total of DKK 61,800,000.

Finally, the Supervisory Board will propose a number of amendments of the Company's Articles of Association, including abolition of the quorum requirement, a change of the term of office of Supervisory Board members to the effect that all members are up for election every year as well as a number of minor - primarily editorial - changes and extension of the existing authorisation to issue new shares.

Furthermore, the Supervisory Board intends to propose that the Annual General Meeting authorise the Supervisory Board to:

1) be able to increase the Company's capital by a maximum nominal amount of DKK 6,000,000 (600,000 shares) in the period up until 26 April 2007,

2) beyond this, to be able to increase the Company's capital by up to a nominal amount of DKK 1,000,000 (100,000 shares) at a minimum price of DKK 300/share by way of employee shares.

Finally, the Supervisory Board intends to propose that the Annual General Meeting authorise the Supervisory Board to acquire up to 10% shares for treasury, cf. section 48 of the Danish Companies Act, in the period up until the next Annual General Meeting, see the section "Dividend Policy and Share Buy-back Programme".

ANNUAL GENERAL MEETING

The Annual General Meeting of Royal Unibrew will be held on 27 April 2006, at 17:00 in Odense.

TRANSLATION OF THE ANNUAL REPORT

The Annual Report is available in Danish and English. In case of discrepancy, the Danish version shall prevail.

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Royal Unibrew A/S for 2005.

The Annual Report was prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We consider the accounting policies applied appropriate. Accordingly, the Annual Report gives a true and fair view of the financial position at 31 December 2005 of the Group and the Parent Company as well as of the results of the Group and Parent Company operations and cash flows for the financial year 2005.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Faxe, 2 March 2006

EXECUTIVE BOARD

Poul Møller, CEO

Connie Astrup-Larsen, International Director

Povl Friis, Technical Director

Leif Rasmussen, Sales and Marketing Director

Ulrik Sørensen, CFO

SUPERVISORY BOARD

Steen Weirsøe, Chairman

Tommy Pedersen, Deputy Chairman

Henrik Brandt

Ulrik Bülow

Erik Christensen

Jesper Frid

Erik Højsholt

Søren Lorentzen

Michael Chr. Olsen

Hemming Van

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ROYAL UNIBREW A/S

We have audited the Annual Report of Royal Unibrew for the financial year 2005, prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

The Annual Report is the responsibility of Company Management. Our responsibility is to express an opinion on the Annual Report based on our audit.

BASIS OF OPINION

We conducted our audit in accordance with International and Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. An audit also includes assessing the accounting policies applied and significant estimates made by Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

OPINION

In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2005 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for the financial year 2005 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Faxe, 2 March 2006

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab

Jens Røder   Torben Jensen
State Authorised Public Accountants

Ernst & Young
Statsautoriseret Revisionsaktieselskab

Leif Shermer Larsen   Eskild N. Jakobsen
State Authorised Public Accountants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Income Statement for 2005 (DKK '000)

Parent Company 2004	Parent Company 2005	Note		Group 2005	Group 2004
2,560,401	**2,692,387**		Revenue	**3,780,844**	3,414,286
-335,404	**-327,160**		Beer and mineral water excises	**-589,885**	-545,278
2,224,997	**2,365,227**		**Net revenue**	**3,190,959**	**2,869,008**
-1,078,729	**-1,166,998**	7, 8	Production costs	**-1,581,411**	-1,370,720
1,146,268	**1,198,229**		**Gross profit**	**1,609,548**	**1,498,288**
-779,908	**-770,008**	7, 8	Sales and distribution expenses	**-1,136,413**	-1,051,330
-136,673	**-143,560**	7, 8	Administrative expenses	**-171,697**	-158,911
10,832	**152**		Other operating income	**6,149**	19,028
240,519	**284,813**		**Operating profit**	**307,587**	**307,075**
0	**5,022**	9	Special items	**5,022**	0
240,519	**289,835**		**Profit before financial income and expenses**	**312,609**	**307,075**
		15	Income before tax from investments in associates	**25,800**	2,773
27,210	**20,000**		Dividend from subsidiaries and associates		
6,122	**10,303**	10	Financial income	**9,048**	5,408
-41,052	**-49,562**	11	Financial expenses	**-50,357**	-43,802
232,799	**270,576**		**Profit before tax**	**297,100**	**271,454**
-62,685	**-54,396**	12	Tax on the profit for the year	**-72,942**	-76,580
170,114	**216,180**		**Consolidated profit**	**224,158**	**194,874**
			Distributed as follows:		
			Parent Company shareholders' share of profit	**224,590**	194,138
			Minority shareholders' share of profit	**-432**	736
170,114	**216,180**		**Consolidated profit**	**224,158**	**194,874**
			Parent Company shareholders' share of earnings per share (DKK)	**35.6**	**30.6**
			Parent Company shareholders' share of diluted earnings per share (DKK)	**35.6**	**30.6**

Assets at 31 December 2005 (DKK '000)

Parent Company				Group	
2004	2005	Note	NON-CURRENT ASSETS	2005	2004
80,645	**80,645**		Goodwill	**290,094**	276,492
0	**2,990**		Trademarks	**177,512**	87,684
10,441	**9,345**		Distribution rights	**10,587**	11,834
91,086	**92,980**	13, 14	**Intangible assets**	**478,193**	**376,010**
533,011	**500,354**		Land and buildings	**722,669**	662,773
263,977	**222,971**		Plant and machinery	**418,325**	351,187
224,416	**201,398**		Other fixtures and fittings, tools and equipment	**244,002**	254,328
13,857	**21,742**		Property, plant and equipment in progress	**35,400**	39,382
1,035,261	**946,465**	13, 25	**Property, plant and equipment**	**1,420,396**	**1,307,670**
738,755	**946,005**		Investments in subsidiaries	**0**	0
34,449	**184,368**	15	Investments in associates	**214,409**	76,446
24,588	**25,460**		Receivables from associates	**25,460**	24,588
2,730	**2,678**		Other investments	**2,834**	2,944
24,188	**11,394**		Other receivables	**13,338**	27,228
824,710	**1,169,905**	13, 26	**Financial assets**	**256,041**	**131,206**
1,951,057	**2,209,350**		**Non-current assets**	**2,154,630**	**1,814,886**
			CURRENT ASSETS		
71,238	**75,652**		Raw materials and consumables	**125,763**	100,963
10,310	**10,004**		Work in progress	**17,521**	14,931
94,465	**100,474**		Finished goods and purchased finished goods	**136,113**	131,915
176,013	**186,130**		**Inventories**	**279,397**	**247,809**
132,194	**129,544**		Trade receivables	**399,406**	342,877
155,265	**200,919**		Receivables from subsidiaries	**0**	0
2,459	**3,695**		Receivables from associates	**3,695**	3,549
36,251	**9,646**		Other receivables	**22,091**	41,710
17,393	**20,660**		Prepayments	**42,611**	37,383
343,562	**364,464**		**Receivables**	**467,803**	**425,519**
4,494	**205,937**		**Cash at bank and in hand**	**286,995**	**67,697**
0	**28,988**	9	**Non-current assets held for sale**	**28,988**	**0**
524,069	**785,519**		**Current assets**	**1,063,183**	**741,025**
2,475,126	**2,994,869**		**Assets**	**3,217,813**	**2,555,911**

Liabilities and Equity at 31 December 2005 (DKK ‘000)

Parent Company					Group
2004	2005	Note	EQUITY	2005	2004
63,700	**63,700**	16	Share capital	**63,700**	63,700
			Translation reserve	**-7,159**	-12,755
6,432	**8,571**		Hedging reserve	**8,571**	6,432
1,015,676	**1,034,198**		Retained earnings	**1,031,557**	972,004
57,330	**63,700**		Proposed dividend	**63,700**	57,330
1,143,138	**1,170,169**		**Equity of Parent Company shareholders**	**1,160,369**	**1,086,711**
0	**0**		**Minority interests**	**10,993**	**11,784**
1,143,138	**1,170,169**		**Equity**	**1,171,362**	**1,098,495**
165,296	**149,718**	17	Deferred tax	**150,883**	164,764
360,980	**541,934**	19	Mortgage debt	**559,171**	379,455
231,716	**465,237**	19	Credit institutions	**587,353**	267,414
757,992	**1,156,889**		**Non-current liabilities**	**1,297,407**	**811,633**
92,928	**92,014**	18	Repurchase obligation, returnable packaging	**96,332**	97,018
33,993	**52,753**	19	Mortgage debt	**53,738**	34,935
99,334	**117,445**	19	Credit institutions	**119,477**	103,957
169,015	**193,333**		Trade payables	**278,839**	230,675
52,721	**71,684**		Payables to subsidiaries	**0**	0
0	**6,983**		Corporation tax	**0**	0
48,245	**40,337**		VAT, excise duties, etc.	**73,762**	72,941
77,760	**93,262**		Other payables	**126,896**	106,257
573,996	**667,811**		**Current liabilities**	**749,044**	**645,783**
1,331,988	**1,824,700**		**Liabilities**	**2,046,451**	**1,457,416**
2,475,126	**2,994,869**		**Liabilities and equity**	**3,217,813**	**2,555,911**

Statement of Changes in Equity (DKK ‘000)

Group

Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Minority interests’ share	Total
65,635			880,976	49,226	0	995,837
		-1,722	-13,254		11,138	-3,838
65,635		-1,722	867,722	49,226	11,138	991,999
	-12,755				-90	-12,845
		6,341				6,341
		1,722				1,722
		91				91
0	-12,755	8,154	0	0	-90	-4,691
			136,808	57,330	736	194,874
0	-12,755	8,154	136,808	57,330	646	190,183
				-47,576		-47,576
			1,650	-1,650		0
			-55,580			-55,580
			7,431			7,431
			10,938			10,938
			1,100			1,100
-1,935			1,935			0
-1,935	0	0	-32,526	-49,226	0	-83,687
-1,935	-12,755	8,154	104,282	8,104	646	106,496
63,700	-12,755	6,432	972,004	57,330	11,784	1,098,495
	5,596				-359	5,237
		-309				-309
		-6,341				-6,341
		8,789				8,789
0	5,596	2,139	0	0	-359	7,376
			160,890	63,700	-432	224,158
0	5,596	2,139	160,890	63,700	-791	231,534
				-56,654		-56,654
			676	-676		0
			-107,097			-107,097
			1,784			1,784
			3,300			3,300
0	0	0	-101,337	-57,330	0	-158,667
0	5,596	2,139	59,553	6,370	-791	72,867
63,700	-7,159	8,571	1,031,557	63,700	10,993	1,171,362

Statement of Changes in Equity (DKK '000)

Parent Company

	Share capital	Hedging reserve	Retained earnings	Proposed dividend for the year	Total
Equity at 31 December 2003	**65,635**		**880,976**	**49,226**	**995,837**
Opening adjustment, change of accounting policies		-1,722	55,638		**53,916**
Adjusted equity at 31 December 2003	**65,635**	**-1,722**	**936,614**	**49,226**	**1,049,753**
Value and exchange adjustment, foreign subsidiaries			-1,196		**-1,196**
Value adjustment of hedging instruments, end of year		6,341			**6,341**
Value adjustment of hedging instruments, beginning of year		1,722			**1,722**
Tax on equity movements		91			**91**
Net gains recognised directly in equity	**0**	**8,154**	**-1,196**	**0**	**6,958**
Net profit for the year			**112,784**	**57,330**	**170,114**
Total income	**0**	**8,154**	**111,588**	**57,330**	**177,072**
Dividend distributed to shareholders				-47,576	**-47,576**
Dividend on treasury shares			1,650	-1,650	**0**
Acquisition of shares for treasuryr			-55,580		**-55,580**
Sale of treasury shares			7,431		**7,431**
Acquisition paid by treasury shares			10,938		**10,938**
Share-based payments to employees			1,100		**1,100**
Reduction of capital	-1,935		1,935		**0**
Total shareholders	**-1,935**	**0**	**-32,526**	**-49,226**	**-83,687**
Total changes in equity in 2004	**-1,935**	**8,154**	**79,062**	**8,104**	**93,385**
Equity at 31 December 2004	**63,700**	**6,432**	**1,015,676**	**57,330**	**1,143,138**
Value and exchange adjustment, foreign subsidiaries			-32,621		**-32,621**
Value adjustment of hedging instruments, end of year		-309			**-309**
Reversal of value adjustment of hedging instruments, beginning of year		-6,341			**-6,341**
Value adjustment of hedging instruments, beginning of year					
Tax on equity movements		8,789			**8,789**
Net gains recognised directly in equity	**0**	**2,139**	**-32,621**	**0**	**-30,482**
Net profit for the year			**152,480**	**63,700**	**216,180**
Total income	**0**	**2,139**	**119,859**	**63,700**	**185,698**
Dividend distributed to shareholders				-56,654	**-56,654**
Dividend on treasury shares			676	-676	**0**
Acquisition of shares for treasury			-107,097		**-107,097**
Sale of treasury shares			1,784		**1,784**
Share-based payments to employees			3,300		**3,300**
Total shareholders	**0**	**0**	**-101,337**	**-57,330**	**-158,667**
Total changes in equity in 2005	**0**	**2,139**	**18,522**	**6,370**	**27,031**
Equity at 31 December 2005	**63,700**	**8,571**	**1,034,198**	**63,700**	**1,170,169**

Cash Flow Statement (DKK ‘000)

Parent Company 2004	Parent Company 2005	Note		Group 2005	Group 2004
170,114	**216,180**		Consolidated profit	**224,158**	194,874
220,348	**215,198**	20	Adjustments for non-cash operating items	**277,433**	303,072
390,462	**431,378**			**501,591**	**497,946**
			Change in working capital:		
22,005	**-17,569**		+/- change in receivables	**-41,327**	36,286
-2,985	**-10,117**		+/- change in inventories	**-13,678**	13,250
42,233	**49,027**		+/- change in payables	**49,734**	-32,170
451,715	**452,719**		**Cash flows from operating activities before financial income and expenses**	**496,320**	**515,312**
9,149	**3,810**		Financial income	**5,045**	5,039
-41,417	**-39,049**		Financial expenses	**-47,686**	-42,277
419,447	**417,480**		**Cash flows from operating activities**	**453,679**	**478,074**
-58,063	**-49,048**		Corporation tax paid	**-71,282**	-69,079
361,384	**368,432**		**Cash flows from operating activities**	**382,397**	**408,995**
27,210	**30,000**		Dividends received from subsidiaries and associates	**8,414**	10,634
0	**513**		Sale of securities	**3,992**	-94
15,990	**21,314**		Sale of property, plant and equipment	**26,013**	16,861
-192,873	**-100,191**		Purchase of property, plant and equipment	**-168,612**	-203,714
211,711	***320,068***		*Free cash flow*	***252,204***	*232,682*
-124,295	**-221,120**	20	Acquisition of subsidiaries	**-239,718**	-135,066
-12,611	**-149,919**		Acquisition of financial assets	**-37,979**	-13,067
-286,579	**-419,403**		**Cash flows from investing activities**	**-407,890**	**-324,446**
26,641	**442,300**		Proceeds from raising of long-term debt	**519,612**	26,641
-51,744	**-46,030**		Repayment of long-term debt	**-46,030**	-72,796
27,700	**18,111**		Change in short-term credit institutions	**-67,584**	9,620
-47,576	**-56,654**		Dividends paid	**-56,654**	-47,576
-55,580	**-107,097**		Acquisition of shares for treasury	**-107,097**	-55,580
7,431	**1,784**		Sale of treasury shares	**1,784**	7,431
-93,128	**252,414**		**Cash flows from financing activities**	**244,031**	**-132,260**
-18,323	**201,443**		**Change in cash and cash equivalents**	**218,538**	**-47,711**
22,817	**4,494**		Cash and cash equivalents at 1 January	**67,697**	116,277
0	**0**		Exchange adjustment	**760**	-869
4,494	**205,937**		**Cash and cash equivalents at 31 December**	**286,995**	**67,697**

NOTES TO ANNUAL REPORT 2005

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Note 1 Significant accounting policies

GENERAL

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies, cf the disclosure requirements for annual reports of listed companies laid down by the Copenhagen Stock Exchange and the Danish Statutory Order on Adoption of IFRS issued pursuant to the Danish Financial Statements Act.

Furthermore, the Annual Report is in compliance with the International Reporting Standards issued by the IASB.

This Annual Report is the first to be presented under IFRS. All standards and interpretations in effect at 31 December 2005 have been followed. Furthermore, the amendment to IAS 39 on financial instruments (fair value option) taking effect from 1 January 2005 was adopted early. Upon transition to IFRS, the provisions of IFRS 1 on first-time adoption of IFRS have been applied as described below.

IFRS 7 on financial instruments and the amendment to IAS 1 on capital disclosures taking effect after 31 December 2005 have not been adopted. Adoption of these standards would have no effect on recognition and measurement but would result only in additional disclosures in the notes. The Annual Report is presented in DKK.

Some of the note disclosures required under IFRS are included in Management's Review.

CHANGES TO ACCOUNTING POLICIES

The accounting policies applied have been changed to comply with the requirements of International Financial Reporting Standards, IFRS. The date of transition was 1 January 2004, and all comparative figures for 2004 have been restated. The transition to IFRS has the following effects:

- Goodwill, trademarks and other intangible assets with indefinite useful lives are no longer amortised as of 1 January 2004. Instead, the value measured in the Annual Report is tested on an annual basis to ensure that the assets have a value that corresponds at least to their carrying amount. Intangible assets that are assessed to have a definite useful life are still amortised on a straight-line basis over their estimated useful lives.
- IFRS 3 on business combinations has been applied as of 1 January 2004.
- Pension provisions are measured in accordance with IAS 19. All actuarial gains and losses are recognised in equity at 1 January 2004 in compliance with IFRS 1. Pension provisions in accordance with IAS 19 are only relevant to associates.
- In accordance with IFRS 2, expenses for share option programmes are expensed in the income statement as the options vest. The value of equity based programmes is set off against equity. The value of the options is measured on the basis of the Black-Scholes model based on exercise price. IFRS 2 has been applied as of 1 January 2004.

Note 1 Significant accounting policies (continued)

- In accordance with IFRS 5, non-current assets held for sale are as of 1 January 2005 classified as current assets and measured at the time of classification at the lower of carrying amount and fair value less costs to sell. Subsequently, the assets are measured at fair value less costs to sell; however, any subsequent unrealised gain cannot exceed the accumulated loss on impairment.
- The IFRS requirements on accounting treatment of financial instruments under IAS 39 and IAS 32 have been implemented as of 1 January 2005.
- The provisions of IFRS 1 regarding resetting of cumulative exchange adjustments recognised in equity concerning investments in subsidiaries and associates at 1 January 2004 have been applied.
- The Parent Company's investments in subsidiaries and associates are measured at cost. Previously, such investments were measured by the Parent Company under the equity method. Dividends received from subsidiaries and associates are recognised in financial income in the income statement of the Parent Company as of 2004.
- In the consolidated financial statements, minority interests' proportionate shares of the profits/losses and equity of subsidiaries are recognised as an integrated part of net profit for the year and equity. Previously, minority interests' proportionate share of net profit was deducted before the Parent Company's share of the consolidated profit, whereas minority interests' proportionate share of equity was presented as a separate item outside equity.
- Adjustments for tax are made in respect of the above areas.

Reclassifications have been made in the income statement and the balance sheet to the extent that classification under IFRS deviates from the requirements of the Danish Financial Statements Act and other Danish financial reporting requirements.

The effect of the policy changes on net profit for 2004 and 2005 and on equity at 1 January 2004, 31 December 2004 and 2005 is specified in note 2.

RECOGNITION AND MEASUREMENT

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when they are probable and can be measured reliably. Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates in the income statement.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise Royal Unibrew A/S (the Parent Company) and enterprises controlled by the Parent Company (subsidiaries).

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

The consolidated financial statements are prepared on the basis of financial statements of all group enterprises prepared under the Group's accounting policies by combining accounting items of a uniform nature. Elimination is made of intercompany income and expenses, unrealised intercompany profits and losses, balances and shareholdings. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

Note 1 Significant accounting policies (continued)

BUSINESS COMBINATIONS

On acquisition of new enterprises the purchase method is applied, under which the identifiable assets and liabilities of newly acquired enterprises are measured at fair value at the time of acquisition.

In the case of business combinations made on or after 1 January 2004, positive differences between cost and fair value of identifiable assets and liabilities acquired are recognised as goodwill in intangible assets. At the time of acquisition, goodwill is allocated to the cash-generating units that subsequently form the basis of impairment tests. Goodwill and fair value adjustments in connection with the acquisition of a foreign enterprise with a functional currency that differs from the presentation currency of the Group are treated as assets and liabilities belonging to the foreign entity and are translated to the functional currency of the foreign entity at the exchange rates at the dates of transaction.

In the case of business combinations made prior to 1 January 2004, the accounting classification according to IFRS 1 has been maintained under the previous accounting policy. Goodwill is recognised on the basis of the cost recognised under the previous accounting policy (the Danish Financial Statements Act and Danish Accounting Standards) less amortisation and impairment losses up until 31 December 2003.

Should the fair value of assets and liabilities acquired subsequently show deviation from the values calculated at the time of acquisition, the related goodwill is adjusted until 12 months after the date of acquisition.

Gains or losses on disposal of subsidiaries and associates are calculated as the difference between the sales sum and the carrying amount of net assets at the time of sale (including the carrying amount of goodwill) net of expected expenses and adjusted for exchange adjustments previously recognised in equity.

Enterprises disposed of are recognised in the consolidated income statement up until the date of disposal. Comparative figures are not restated for newly acquired, sold or wound-up enterprises.

MINORITY INTERESTS

Minority interests are initially recognised on the basis of fair values of the assets, liabilities and contingent liabilities of the acquired enterprise at the time of acquisition.

The accounting items of subsidiaries are recognised fully in the consolidated financial statements. Minority interests' proportionate share of results of subsidiaries is shown as a separate item under distribution of profit. In the balance sheet, minority interests are recognised as part of equity but are shown separately from Parent Company shareholders' share of equity.

TRANSLATION POLICIES

For each of the reporting entities of the Group, a functional currency is determined. The functional currency is the currency of the primary economic environment in which the reporting entity operates. Transactions in other currencies than the functional currency are transactions in foreign currencies.

Transactions in other currencies than the functional currency are initially translated into Danish kroner at the exchange rates at the dates of transaction. Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Exchange adjustments arising due to differences between the transaction date rates and the rates at the dates of payment or the rates at the balance sheet date, respectively, are recognised in financial income and expenses in the income statement. Property, plant and equipment and intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured at historical cost are translated at the transaction date rates.

On recognition in the consolidated financial statements of enterprises with another functional currency than Danish kroner (DKK), income statements are translated at average annual exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the opening balance sheet items of foreign enterprises at exchange rates at the balance sheet date and on the translation of income statements from average exchange rates to exchange rates at the balance sheet date are recognised directly in equity. Similarly, exchange adjustments arising due to changes made directly in equity of foreign enterprises are recognised directly in equity.

On recognition in the consolidated financial statements of associates with a functional currency that differs from the presentation currency of the Parent Company, the share of results for the year is translated at average exchange rates, and the share of equity including goodwill is translated at the

Note 1 Significant accounting policies (continued)

exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the share of the opening equity of foreign associates at exchange rates at the balance sheet date and on the translation of the share of results for the year from average exchange rates to exchange rates at the balance sheet date are recognised directly in equity under a separate translation reserve.

DERIVATIVE FINANCIAL INSTRUMENTS
Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are included as other receivables and other payables, respectively.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the value of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of future cash flows are recognised directly in equity. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and are recognised in the same entry as the hedged item.

For derivative financial instruments which do not meet the criteria for hedge accounting, changes in fair values are recognised on a current basis in financial income and expenses in the income statement.

LEASING
Leases in terms of which the Company assumes substantially all the risks and rewards of ownership, finance leases, are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the lease term.

GOVERNMENT GRANTS
Government grants comprise grants relating to projects and investments, etc. Grants relating to projects are recognised systematically in the income statement to offset the items of expense which they finance. Grants relating to investments are offset against the cost of the assets to which they relate.

SHARE-BASED PAYMENTS
The Group offers a share option scheme to the Executive Board and members of the management team.

The value of the services received in exchange for the granting of options is measured at the fair value of the options.

Equity settled share options are measured at fair value at the time of granting and are recognised in staff expenses in the income statement over the vesting period. The counter item is recognised directly in equity.

At the initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, the estimate of the number of vested options is revised so that the total recognition is based on the actual number of options vested.

The fair value of the options granted is estimated on the basis of the Black-Scholes model. In determining fair value, conditions and terms related to the share options granted are taken into account.

IMPAIRMENT
The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether impairment has incurred other than that expressed by normal amortisation and depreciation. If so, the asset is written down to the higher of net selling price and value in use. Goodwill and other assets for which a value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets (cash-generating units) to which they are attributable.

The carrying amount of financial assets measured at cost or amortised cost is written down for impairment if, due to changed expected net payments, the net present value is lower than the carrying amount.

ASSETS HELD FOR SALE
Assets held for sale comprise non-current assets held for sale. Assets are classified as “held for sale” if their carrying amount will principally be recovered through a sales transaction within 12 months according to a formalised plan.

Assets held for sale are measured at the date of classification at the lower of carrying amount and fair value less costs to sell. Subsequently, the assets are measured at fair value less

Note 1 Significant accounting policies (continued)

costs to sell; however, any subsequent unrealised gain cannot exceed the accumulated impairment loss. Depreciation of assets ceases as of the date when they are classified as "held for sale".

Impairment losses arising on the initial classification as "held for sale" and subsequent losses or reversal of losses are recognised in the income statement in the items to which they relate. Gains and losses are disclosed in the notes. Assets held for sale are shown in a separate line in the balance sheet.

INCOME STATEMENT

REVENUE

Net revenue from the sale of goods is recognised in the income statement if delivery has been made before year end, and if revenues can be measured reliably and are expected to be received.

Net revenue is measured exclusive of VAT and net of discounts as well as excise duties on beer and mineral water. All types of discounts granted are recognised in net revenue.

PRODUCTION COSTS

Production costs comprise direct and indirect expenses incurred to manufacture the finished goods representing revenue for the year, including expenses for raw materials and consumables purchases, salaries and wages, renting and leasing as well as depreciation of and impairment losses on production plant.

Production costs also include development costs that do not meet the criteria for capitalisation.

SALES AND DISTRIBUTION EXPENSES

Sales and distribution expenses comprise expenses for distribution and sales campaigns relating to goods sold during the year, including expenses for sales personnel, marketing, depreciation and amortisation as well as losses on trade receivables.

ADMINISTRATIVE EXPENSES

Administrative expenses comprise expenses for management and administration of the Group, including expenses for administrative personnel, management, office supplies, insurance, depreciation and amortisation.

OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income and other operating expenses comprise income or expenses of a secondary nature compared to the core activities of the Company, including renting of property, plant and equipment, etc.

SPECIAL ITEMS

Special items comprise material non-recurring income and expenses. These items are presented separately with a view to comparability in the income statement.

INCOME FROM INVESTMENTS IN ASSOCIATES IN THE CONSOLIDATED FINANCIAL STATEMENTS

The proportionate share of the results of associates is recognised in the income statement of the Group after adjusting for impairment losses on goodwill and eliminating the proportionate share of unrealised intercompany gains and losses.

DIVIDEND ON INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES IN THE PARENT COMPANY FINANCIAL STATEMENTS

Dividend on investments in subsidiaries and associates is recognised in the Parent Company's income statement in the financial year in which dividend is declared. However, where distributed dividend exceeds accumulated earnings after the date of acquisition, the dividend is not recognised in the income statement but is recognised as impairment of the cost of the investment.

FINANCIAL INCOME AND EXPENSES

Financial income and financial expenses comprise interest, capital gains and losses on securities, balances and transactions in foreign currencies, amortisation of financial assets and liabilities, fair value adjustments of derivative financial instruments that do not qualify as hedge accounting as well as extra payments and repayment under the on-account taxation scheme, etc.

TAX

Tax for the year consists of current tax for the year and movements in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.

The Parent Company is jointly taxed with its Danish subsidiaries.

The Danish current tax for the year is allocated to the jointly taxed Danish enterprises in proportion to their taxable incomes (full allocation with credit for tax losses).

Note 1 Significant accounting policies (continued)

BALANCE SHEET

INTANGIBLE ASSETS

GOODWILL
Goodwill is initially recognised in the balance sheet at cost as described under “Business combinations”. Subsequently, goodwill is measured at cost less accumulated impairment losses.

The carrying amount of goodwill is allocated to the Group’s cash-generating units at the time of acquisition. The determination of cash-generating units is based on management structure and internal financial management.

The carrying amount of goodwill is tested for impairment at least on an annual basis, together with the other non-current assets of the cash-generating unit to which goodwill has been allocated, and is written down to recoverable amount in the income statement if the carrying amount exceeds the recoverable amount. The carrying amount of goodwill at 1 January 2004 (the date of transition to IFRS) was tested for impairment.

Upon disposal of enterprises acquired prior to 1 January 2002, at which time goodwill was expensed against equity under the accounting policy at that time, and where goodwill has not been recapitalised under the exemption provision of IFRS 1, the expensed value of goodwill is recognised at carrying amount (DKK 0) when calculating the profit or loss on disposal of the enterprise.

TRADEMARKS AND DISTRIBUTION RIGHTS
Trademarks and distribution rights are initially recognised in the balance sheet at cost. Subsequently, they are measured at cost less accumulated amortisation and less any accumulated impairment losses. Trademarks and distribution rights are amortised on a straight-line basis over their estimated useful lives, 10 years. Trademarks with indefinite useful lives are, however, not amortised but are tested annually for impairment.

PROPERTY, PLANT AND EQUIPMENT
Land and buildings, production plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation is calculated on a straight line basis over the useful lives of the assets, which are:
- Buildings, 50 years
- Installations, 25 years
- Plant and machinery as well as other fixtures and fittings, tools and equipment, 5-8 years
- Computer software, 3 years
- Leasehold improvements over the term of the lease, max. 10 years
- Plastic crates, 10 years
- Bottles, 6 years
- Kegs, 10 years

Profits and losses on the disposal of property, plant and equipment are calculated as the difference between the sales sum less the expenses necessary to make the sale and the carrying amount at the time of sale. Profits or losses are recognised in the income statement in production costs, sales or distribution expenses or administrative expenses, respectively.

FINANCIAL ASSETS

INVESTMENTS IN ASSOCIATES IN THE CONSOLIDATED FINANCIAL STATEMENTS
Investments in associates are measured in the balance sheet at the proportionate share of the net asset value of the enterprises calculated under the accounting policies of the Group with deduction or addition of the proportionate share of unrealised intercompany profits and losses and with addition of the carrying amount of goodwill.

Associates with a negative net asset value are measured at DKK 0. If the Group has a legal or constructive obligation to cover the negative balance of the associate, this obligation is recognised in liabilities.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES IN THE PARENT COMPANY FINANCIAL STATEMENTS
Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, the investment is written down to its lower recoverable amount.

Cost is written down to the extent that distributed dividend exceeds the accumulated earnings after the date of acquisition.

Note 1 Significant accounting policies (continued)

OTHER INVESTMENTS
Other investments not included in the Group's trading portfolio (available for sale) are recognised in non-current assets at cost at the trading date and are subsequently measured at fair value equal to the market price as regards listed securities and at estimated fair value calculated on the basis of market data and recognised valuation methods as regards unlisted securities. Unrealised value adjustments are recognised directly in equity except for impairment losses and reversal of impairment losses which are recognised in financial income and expenses in the income statement. Upon realisation, the accumulated value adjustment recognised in equity is transferred to financial income and expenses in the income statement.

OTHER RECEIVABLES
Other receivables under financial assets held to maturity are initially recognised at cost and are subsequently measured at amortised cost or an estimated lower value at the balance sheet date.

CURRENT ASSETS

INVENTORIES
Inventories are measured at the lower of cost under the FIFO method and net realisable value of individual product groups. The net realisable value of inventories is calculated at the amount of future sales revenues expected to be generated by inventories at the balance sheet date in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum with deduction of calculated selling expenses.

The cost of raw materials, consumables, goods for resale and purchased finished goods comprises invoiced price plus expenses directly attributable to the acquisition.

The cost of work in progress and finished goods comprises the cost of materials and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of and impairment losses on the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

RECEIVABLES
Receivables are initially measured at cost and are subsequently measured at amortised cost or an estimated lower value at the balance sheet date. This lower value is determined on the basis of an individual assessment of each receivable.

PREPAYMENTS
Prepayments recognised in assets comprise expenses incurred in respect of subsequent financial years.

EQUITY

PROPOSED DIVIDEND
Dividend is recognised as a liability at the time of adoption at the Annual General Meeting. Dividend distribution for the year proposed by Management is disclosed as a separate equity item.

TREASURY SHARES
Treasury shares acquired by the Parent Company or subsidiaries are recognised at cost directly in equity under retained earnings. Where treasury shares are subsequently sold, any consideration is also recognised directly in equity. Dividend on treasury shares is recognised directly in equity under retained earnings.

TRANSLATION RESERVE
The translation reserve in the consolidated financial statements comprises exchange adjustments arising on the translation of the financial statements of foreign enterprises from their functional currencies into the presentation currency of the Group (DKK).

Upon full or part realisation of the net investment in the foreign enterprises, exchange adjustments are recognised in the income statement.

The translation reserve was reset at 1 January 2004 in accordance with IFRS 1.

HEDGING RESERVE
The hedging reserve comprises changes to fair values of derivative financial instruments that are designated and qualify as cash flow hedges.

The hedging instrument is recognised in the income statement in the same item as the hedged transaction.

LIABILITIES

DEFERRED TAX
Deferred tax is recognised in respect of all temporary differences between the carrying amounts and the tax base of assets and liabilities except for temporary differences arising at the time of acquisition that do not affect the profit for the year or the taxable income and temporary differences concerning

Note 1 Significant accounting policies (continued)

goodwill. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognised at the value at which they are expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates expected under the legislation at the balance sheet date to be effective when the deferred tax crystallises as current tax.

In the balance sheet, set-off is made between deferred tax assets and deferred tax liabilities within the same legal tax entity and jurisdiction.

REPURCHASE OBLIGATION, RETURNABLE PACKAGING

Plastic crates, bottles and kegs in circulation and held in inventory are recognised in property, plant and equipment, and the obligation to repurchase returnable packaging in circulation for which a deposit has been paid is recognised in provisions.

The repurchase obligation relating to packaging in circulation is calculated on the basis of estimated total volumes of packaging less packaging held in inventory.

CORPORATION TAX

Current tax liabilities are recognised in the balance sheet as calculated tax on the expected taxable income for the year adjusted for tax on taxable incomes for previous years and for tax paid on account.

DEBTS

Mortgage loans and loans from credit institutions are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the financial obligations are measured at amortised cost equal to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value is recognised in financial income and expenses in the income statement over the loan period.

Other debts, comprising trade payables, payables to subsidiaries and associates, VAT, excise duties, etc as well as other payables, are measured at amortised cost, substantially corresponding to the nominal debt.

Note 1 Significant accounting policies (continued)

CASH FLOW STATEMENT

The consolidated cash flow statement is presented under the indirect method based on the net profit for the year. The statement shows cash flows for the year, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for non-cash operating items, changes in working capital, financial income and financial expenses, and corporation tax paid.

Cash flows from investing activities comprise acquisitions and disposals of property, plant and equipment, and financial assets as well as dividend received from associates. Cost is measured inclusive of expenses necessary to make the acquisition and sales prices after deduction of transaction expenses.

Cash flows from financing activities comprise changes to the amount or composition of the Group's share capital, payment of dividend as well as borrowing and repayment of interest-bearing debt.

Cash and cash equivalents include securities with a maturity of less than 3 months that can readily be turned into cash and are only subject to an insignificant risk of value changes.

SEGMENT REPORTING

The Group's business segment is beer and soft drinks sales. Reporting on the business segment is by geographical markets. Segment reporting is based on the Group's returns and risks and its internal financial reporting system.

Items included in net profit for the year, including income from investments in associates and financial income and expenses, are allocated to the extent that the items are directly or indirectly attributable to the markets.

Items allocated both by direct and indirect computation comprise "production costs" and "administrative expenses", which are allocated by indirect computation based on allocation keys determined on the basis of the market's drain on key resources. Administrative expenses incurred in the group functions of the Parent Company are partly allocated.

Non-current assets comprise the non-current assets that are directly or indirectly used in connection with activities in the markets.

Segment liabilities comprise liabilities derived from activities in the market, including provisions, trade payables, VAT, excise duties and other payables.

FINANCIAL RATIOS

The Group's financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts for 2005.

The financial ratios are explained in the section on financial highlights and key ratios of the Group.

Descriptive notes (DKK '000)

Note 2 Reconciliation of profit and equity stated under previous and changed accounting policies

GROUP

RECONCILIATION OF PROFIT FOR THE PERIOD 1 JANUARY - 31 DECEMBER	**2005**	**2004**
Operating profit under previous accounting policies	**287,573**	**288,968**
Expenses for share-based payments to employees	-3,300	-1,100
Amortisation of intangible assets	23,314	19,207
Operating profit under changed accounting policies	**307,587**	**307,075**
Consolidated profit under previous accounting policies	**198,963**	**173,074**
Changes to operating profit	20,014	18,107
Change in income from investments in associates	4,257	3,120
Tax on changes to accounting policies	924	573
Consolidated profit under changed accounting policies	**224,158**	**194,874**

RECONCILIATION OF EQUITY AT 31 DECEMBER		
Equity under previous accounting policies	**1,130,266**	**1,074,110**
Changes to opening balance sheet at 1 January:		
Minority interests		11,784
Opening balance sheet at 1 January 2004 (change relates to investments in associates)	-14,976	-14,976
Expenses for share-based payments to employees in 2004	-1,100	
Amortisation of goodwill in 2004	16,911	
Amortisation of trademarks in 2004	2,296	
Change in income from investments in associates in 2004	3,120	
Tax on adjustments of profit in 2004	573	
Equity entries relating to investments in associates in 2004	4,677	
Equity entries relating to share-based payments in 2004	1,100	
	12,601	**-3,192**
Changes to consolidated profit, cf reconciliation of profit for the period 1 Jan - 31 Dec	25,195	21,800
Equity entries relating to investments in associates	0	4,677
Share-based payments to employees	3,300	1,100
Equity under changed accounting policies	**1,171,362**	**1,098,495**

Reference is made to "Changes to accounting policies" in note 1
for a description of the changes made to accounting policies.

Descriptive notes (DKK '000)

Note 2 Reconciliation of profit and equity stated under previous and changed accounting policies (continued)

PARENT COMPANY

RECONCILIATION OF PROFIT FOR THE PERIOD 1 JANUARY - 31 DECEMBER	2005	2004
Operating profit under previous accounting policies	**283,273**	**236,779**
Expenses for share-based payments to employees	-3,300	-1,100
Amortisation of intangible assets	4,840	4,840
Operating profit under changed accounting policies	**284,813**	**240,519**
Consolidated profit under previous accounting policies	**217,126**	**172,338**
Changes to operating profit	1,540	3,740
Change in income from investments in subsidiaries and associates	-45,694	-47,512
Dividends received from subsidiaries and associates	20,000	27,210
Tax on changes to accounting policies	23,208	14,338
Consolidated profit under changed accounting policies	**216,180**	**170,114**

RECONCILIATION OF EQUITY AT 31 DECEMBER		
Equity under previous accounting policies	**1,060,570**	**1,074,110**
Changes to opening balance sheet at 1 January:		
Opening balance sheet at 1 January 2004 (change relates to investments in subsidiaries and associates)	53,916	53,916
Expenses for share-based payments to employees in 2004	-1,100	
Amortisation of goodwill in 2004	4,840	
Change in income from investments in subsidiaries and associates	-47,512	
Dividends received from subsidiaries and associates	27,210	
Tax on adjustments of profit in 2004	14,338	
Equity entries relating to investments in 2004	16,236	
Equity entries relating to share-based payments in 2004	1,100	
	69,028	**53,916**
Changes to consolidated profit, cf reconciliation of profit for the period 1 Jan - 31 Dec	-946	-2,224
Equity entries relating to investments in associates	38,217	16,236
Share-based payments to employees	3,300	1,100
Equity under changed accounting policies	**1,170,169**	**1,143,138**

Reference is made to "Changes to accounting policies" in note 1 for a description of the changes made to accounting policies.

Note 3 Financial risk management

CURRENCY RISK

Through its exports and its purchases of raw materials and bottling materials, Royal Unibrew is exposed to currency risk as some 64% of sales are invoiced in foreign currencies, primarily EUR, GBP, USD and CAD, whereas some 17% of purchases (primarily packaging) are denominated in SEK. In accordance with the Group's policy in the area, hedging is made of assets and liabilities in all material currencies and of expected future cash flows in foreign currencies for up to 18 months.

Furthermore, the value of the Company's shares of foreign subsidiaries and associates represents a currency risk. In the case of companies with material net assets, this translation risk is hedged by matching loans in the currency in question.

INTEREST RATE RISK

The Group's interest rate risk is substantially related to interestbearing debt as the Group does not at the present time have material interest-bearing long-maturity assets.

It is the Group's policy that investments should be financed primarily through fixed-interest borrowing.

Calculated as the volatility of the Group's annual interest payments due to interest rate changes, the interest rate risk amounts to some +/- DKK 4 million in the event of a 1 percentage point interest rate change.

In addition to affecting the Company's costs of funding, interest rate changes affect the required return on total assets; accordingly, interest rate exposure – through changed valuation of assets and liabilities – will affect the Company's market capitalisation. Royal Unibrew prepares regular analyses of the relationship between the maturity period of the assets and the financing structure to reduce the interest rate exposure.

CREDIT RISKS

The Group's credit risks relate primarily to trade receivables and counterparty risks.

The Group seeks to limit risks relating to credit granting to customers outside Denmark through extensive use of insurance cover. Where insurance cover is not established or is exceeded, Royal Unibrew will establish procedures for approval of such risks. There are no material credit risks on individual customers. Counterparty risks are managed by entering into financial contracts and placing deposits only with banks with a satisfactory longterm rating from international credit rating agencies.

OTHER RISKS

As a producer of alcoholic products, Royal Unibrew is sensitive to changes in the public alcohol policy - including indirect tax policies in the Group's respective markets. For example, a change of the Danish indirect tax policy as compared to those of neighbouring countries could lead to a change of cross-border trading patterns. This applies primarily to Germany, Norway and Sweden.

Legislative changes with respect to permitted types of containers and returning of containers could also result in significant changes to consumption patterns. In Germany (including cross-border trading) large parts of the Group's products are sold in cans, whereas sales in Italy are primarily related to products in non-returnable glass bottles.

For quite a number of years, Royal Unibrew has recorded significant revenue in the Italian market. In 2004 this market represented 23% of total group sales. Significant changes to consumption patterns or the competitive situation in Italy could therefore influence Royal Unibrew.

The Company's risks in general insurance areas (buildings, movables and trading losses) are covered partly through insurance and partly by own risks. The total risks are assessed by the Supervisory Board on an annual basis and external specialists review the breweries for relevant risks on a regular basis.

Descriptive notes (DKK '000)

Note 3 Financial risk management (continued)

Currency and interest rate risks and use of derivative financial instruments

Financial instruments entered into to hedge expected future transactions and qualifying as hedge accounting under IAS 39:

Group and Parent Company

		2005			2004		
	Period	Contract amount	Market value	Deferred gain (+) / loss (-)	Contract amount	Market value	Deferred gain (+) / loss (-)
Forward contracts:							
CAD	0 - 1 year	16,730	17,582	-852	17,748	16,708	1,040
EURO	0 - 1 year	1,007,167	1,007,198	-31	3,750	3,748	2
GBP	0 - 1 year	59,930	59,359	571	58,544	55,979	2,565
LTL	0 - 1 year	0	0	0	586	592	-6
PLN	0 - 1 year	2,873	2,886	-13	0	0	0
SEK	0 - 1 year	-221,359	-219,020	-2,339	-183,935	-185,697	1,762
USD	0 - 1 year	26,120	26,772	-652	29,834	27,306	2,528

Financial instruments entered into to hedge expected future transactions not qualifying as hedge accounting under IAS 39:

Group and Parent Company

		2005			2004		
	Period	Contract amount	Market value	P/L gain (+) / loss (-)	Contract amount	Market value	P/L gain (+) / loss (-)
Forward contracts:							
CAD	0 - 1 år	3,839	4,369	-530	843	794	49
EURO	0 - 1 år	19,707	19,737	-30	71,445	71,412	33
GBP	0 - 1 år				10,686	10,650	36
LTL	0 - 1 år				981	995	-14

Descriptive notes (DKK '000)

Note 3 Financial risk management (continued)

Currency and interest rate risks and use of derivative financial instruments

Hedging of financial assets and liabilities:

Parent company	**2005**			**2004**		
	Receivables and payables, net	**Hedged by forward contracts/ loans**	**Net position**	**Receivables and payables, net**	**Hedged by forward contracts/ loans**	**Net position**
Forward contracts:						
CAD	3,919	3,919	0	3,808	3,808	0
EURO	177,597	177,597	0	150,965	150,965	0
GBP	10,179	7,621	2,558	9,869	9,869	0
LTL	5,365		5,365	988	988	0
LVL	-161		-161	-2,381		-2,381
NOK	29,424	25,460	3,964	27,008	24,588	2,420
PLN	40,838	38,801	2,037	23,138	14,788	8,350
SEK	-23,065	-23,065	0	-44,097	-32,588	-11,509
USD	20,376	20,376	0	15,720	15,719	1
Other	-63		-63	-40		-40
Total	**264,409**	**250,709**	**13,700**	**184,978**	**188,137**	**-3,159**

Hedging of financial assets and liabilities:

Group	**2005**			**2004**		
	Receivables and payables, net	**Hedged by forward contracts/ loans**	**Net position**	**Receivables and payables, net**	**Hedged by forward contracts/ loans**	**Net position**
Forward contracts:						
CAD	3,919	3,919	0	3,808	3,808	0
CHF	8,318	0	8,318	6,920	0	6,920
EURO	177,512	177,597	-85	151,696	151,488	208
GBP	11,889	8,854	3,035	9,872	9,869	3
LTL	62,956	57,591	5,365	29,738	29,309	429
LVL	-64,918	0	-64,918	-31,260	0	-31,260
NOK	29,424	25,460	3,964	27,008	24,588	2,420
PLN	-56,540	38,801	-95,341	8,085	14,788	-6,703
SEK	-19,734	-23,065	3,331	-40,684	-32,588	-8,096
USD	20,390	20,376	14	14,842	15,719	-877
Other	-63	0	-63	-40	0	-40
Total	**173,153**	**309,533**	**-136,380**	**179,985**	**216,981**	**-36,996**

Hedging of net investments in foreign subsidiaries and associates:

	2005			**2004**		
	Net investment at 1 Jan 2005	**Hedging**	**% hedged**	**Net investment at 1 Jan 2004**	**Hedging**	**% hedged**
EURO	64,033	50,358	78.64%	59,795	42,769	71.53%
GBP	14,098	10,168	72.12%	-2,445	0	0.00%
LTL	221,117	221,117	100.00%	208,184	205,076	98.51%
LVL	48,972	46,818	95.60%	27,280	26,641	97.66%
NOK	7,581	7,521	99.21%	15,267	15,267	100.00%
PLN	303,668	303,668	100.00%	-5,963	0	0.00%
SEK	3,287	0	0.00%	5,035	0	0.00%
USD	-708	0	0.00%	-891	0	0.00%
CHF	32,339	0	0.00%	30,957	0	0.00%

Descriptive notes (DKK '000)

Note 3 Financial risk management (continued)

	Interest rate risk				
	Time of repricing/maturity			Fixed	Effective
	< 1 year	> 1 year	Total	interest part	rate %
Mortgage and credit institutions	53,738	1,146,525	1,200,263	818,602	2.8% - 5.16%
Credit institutions, short-term	119,477	0	119,477	85,116	0.0% - 3.6%
Total	**173,215**	**1,146,525**	**1,319,740**	**903,718**	

The effective rates of interest have been calculated based on the interest rate level at 31 December 2005.
The earlier of time of repricing and time of repayment has been used.

Note 4 Critical accounting estimates and judgements

The calculation of carrying amounts of certain assets and liabilities requires judgement as to how future events will affect the value of these assets and liabilities at the balance sheet date. Estimates that are material to the financial reporting are made eg by impairment tests of intangible and financial assets, calculation of depreciation and impairment losses on property, plant and equipment, provisions for bad debts, calculation of repurchase obligation relating to returnable packaging as well as assessment of contingent liabilities.

The estimates made are based on assumptions which Management considers reasonable but which are inherently uncertain and unpredictable.

As regards the estimates and judgements made in connection with impairment tests, reference is made to the description in note 14 and to note 1 "Significant accounting policies" which also describes the estimated useful lives applied in calculating depreciation of property, plant and equipment as well as the calculation principles applied in calculating the repurchase obligation relating to returnable packaging.

Provisions for bad debts are made on the basis of an individual assessment of the risk of incurring losses on the receivables, including the maturity profile of the receivables and debtors' current credit rating. At 31 December 2005, total provisions for bad debts amount to DKK 16 million (31 Dec 2004: DKK 23 million). The reduction of the provision is due to final settlement of a material part of risky receivables at 31 December 2004.

The fair values of non-current assets held for sale have been estimated on the basis of expected sales proceeds and time of sale based on a conditional sales agreement.

Descriptive notes (mDKK)

Note 5 Segment reporting

The Group's activities break down as follows on geographic segments:

	Western Europe	Eastern Europe	Rest of the world	Unallocated	Total
2005					
Net revenue	2,371.1	576.5	243.4		**3,191.0**
Operating profit	337.0	-15.4	22.9	-36.9	**307.6**
Special items				5.0	**5.0**
Net financials	3.8	-5.4	0.6	-40.3	**-41.3**
Share of income from associates	10.5	8.2	7.1		**25.8**
Profit/loss before tax	351.3	-12.6	30.6	-72.2	**297.1**
Tax	-85.0	-2.7	-5.4	20.2	**-72.9**
Consolidated profit	266.3	-15.3	25.2	-52.0	**224.2**
Depreciation and amortisation	131.0	43.8	10.2	1.5	**186.5**
Assets	2,088.4	543.8	110.0	261.2	**3,003.4**
Associates	62.3	118.8	33.3		**214.4**
Total assets	**2,150.7**	**662.6**	**143.3**	**261.2**	**3,217.8**
Purchase of intangible assets and property, plant and equipment	**107.6**	**60.7**	**0.3**		**168.6**
Liabilities	648.6	194.6	25.8	1,177.5	**2,046.5**
Sales (million hectolitres)	3.6	1.9	0.3		**5.8**
2004					
Net revenue	2,279.9	358.9	230.2		**2,869.0**
Operating profit	330.9	2.2	18.5	-44.5	**307.1**
Net financials		-3.1	-5.7	-29.6	**-38.4**
Share of income from associates	-3.7		6.4		**2.7**
Profit/loss before tax	327.2	-0.9	19.2	-74.1	**271.4**
Tax	-95.7	0.2	-3.0	22.0	**-76.5**
Consolidated profit	231.5	-0.7	16.2	-52.1	**194.9**
Depreciation and amortisation	136.1	37.7	9.4	8.1	**191.3**
Assets	1,803.7	327.0	55.5	293.3	**2,479.5**
Associates	50.9		25.5		**76.4**
Total assets	**1,854.6**	**327.0**	**81.0**	**293.3**	**2,555.9**
Purchase of intangible assets and property, plant and equipment	**190.6**	**12.0**	**1.1**		**203.7**
Liabilities	637.1	73.9	22.0	724.4	**1,457.4**
Sales (million hectolitres)	3.5	1.1	0.2		**4.8**

Descriptive notes (mDKK)

Note 5 Segment reporting (continued)

The Parent Company's activities break down as follows on geographic segments:

	Western Europe	Eastern Europe	Rest of the world	Unallocated	Total
2005					
Net revenue	2,165.2	23.7	154.1	22.2	**2,365.2**
Operating profit	317.0	-12.8	18.7	-38.1	**284.8**
Special items				5.0	**5.0**
Net financials	9.1			-28.3	**-19.2**
Profit/loss before tax	326.1	-12.8	18.7	-61.4	**270.6**
Tax	-69.9	3.5	-5.0	17.0	**-54.4**
Profit/loss for the year	256.2	-9.3	13.7	-44.4	**216.2**
Depreciation and amortisation	124.4	3.0	9.1	2.3	**138.8**
Assets	1,699.9	719.8	129.6	261.2	**2,810.5**
Associates	82.5	101.9			**184.4**
Total assets	**1,782.4**	**821.7**	**129.6**	**261.2**	**2,994.9**
Purchase of intangible assets and property, plant and equipment	**100.2**				**100.2**
Liabilities	647.3			1,177.4	**1,824.7**
Sales (million hectolitres)	3.4		0.3		**3.7**
2004					
Net revenue	2,053.2	23.7	129.6	18.5	**2,225.0**
Operating profit	292.5	-22.7	15.5	-44.8	**240.5**
Net financials	25.5	1.7		-34.9	**-7.7**
Profit/loss before tax	318.0	-21.0	15.5	-79.7	**232.8**
Tax	-88.7	7.0	-5.0	24.0	**-62.7**
Profit/loss for the year	229.3	-14.0	10.5	-55.7	**170.1**
Depreciation and amortisation	126.8	3.8	7.8	8.1	**146.5**
Assets	2,440.7				**2,440.7**
Associates	34.4				**34.4**
Total assets	**2,475.1**	**0.0**	**0.0**	**0.0**	**2,475.1**
Purchase of intangible assets and property, plant and equipment	**181.6**				**181.6**
Liabilities	606.0			726.0	**1,332.0**
Sales (million hectolitres)	3.2	0.1	0.2		**3.5**

Note 5 Segment reporting (continued)

The Group's quarterly segment reporting on sales and net revenue (not audited)

	2005				
	Q1	Q2	Q3	Q4	Full year
Sales (thousand hectolitres)					
Western Europe	721.2	996.7	1,012.6	855.0	**3,585.5**
Eastern Europe	315.9	540.7	594.1	456.5	**1,907.2**
Rest of the world	52.2	82.1	77.5	79.1	**290.9**
Total	**1,089.3**	**1,619.5**	**1,684.2**	**1,390.6**	**5,783.6**
Net revenue (mDKK)					
Western Europe	476.4	662.9	663.4	568.4	**2,371.1**
Eastern Europe	101.3	165.7	175.7	133.8	**576.5**
Rest of the world	48.7	59.8	68.9	66.0	**243.4**
Total	**626.4**	**888.4**	**908.0**	**768.2**	**3,191.0**
Net revenue (% shares)					
Western Europe	76	74	73	74	**74**
Eastern Europe	16	19	19	17	**18**
Rest of the world	8	7	8	9	**8**
Total	**100**	**100**	**100**	**100**	**100**

	2004				
	Q1	Q2	Q3	Q4	Full year
Sales (thousand hectolitres)					
Western Europe	685.9	944.3	976.8	827.5	**3,434.5**
Eastern Europe	119.0	203.1	445.3	334.7	**1,102.1**
Rest of the world	50.7	62.4	61.9	58.1	**233.1**
Total	**855.6**	**1,209.8**	**1,484.0**	**1,220.3**	**4,769.7**
Net revenue (mDKK)					
Western Europe	464.0	629.5	637.6	548.8	**2,279.9**
Eastern Europe	41.0	68.1	138.1	111.7	**358.9**
Rest of the world	47.3	56.3	63.6	63.0	**230.2**
Total	**552.3**	**753.9**	**839.3**	**723.5**	**2,869.0**
Net revenue (% shares)					
Western Europe	84	84	76	**76**	**79**
Eastern Europe	7	9	16	15	**13**
Rest of the world	9	7	8	9	**8**
Total	**100**	**100**	**100**	**100**	**100**

Note 5 Segment reporting (continued)

Segment reporting 2001 - 2005

The Group's activities break down as follows on geographic segments:

	Western Europe	Eastern Europe	Rest of the world	Unallocated	Group
2005 (IFRS accounting policies)					
Net revenue	2,371.1	576.5	243.4		**3,191.0**
Operating profit/loss	337.0	-15.4	22.9	-36.9	**307.6**
Assets	2,150.7	662.6	143.3	261.2	**3,217.8**
Liabilities	648.6	194.6	25.8	1,177.5	**2,046.5**
Sales (million hectolitres)	3.6	1.9	0.3		**5.8**
2004 (IFRS accounting policies)					
Net revenue	2,279.9	358.9	230.2		**2,869.0**
Operating profit/loss	330.9	2.2	18.5	-44.5	**307.1**
Assets	1,854.6	327.0	81.0	293.3	**2,555.9**
Liabilities	637.1	73.9	22.0	724.4	**1,457.4**
Sales (million hectolitres)	3.5	1.1	0.2		**4.8**
2003 (Accounting policies 2004)					
Net revenue	2,237.8	236.9	158.4		**2,633.1**
Operating profit/loss	309.4	-19.2	7.9	-15.2	**282.9**
Non-current assets	1,129.9	221.0	76.6	254.7	**1,682.2**
Liabilities	643.2	40.2	30.8	726.9	**1,441.1**
Sales (million hectolitres)	3.2	0.7	0.2		**4.1**
2002 (Accounting policies 2004)					
Net revenue	2,341.3	308.3	128.0		**2,777.6**
Operating profit/loss	291.4	-14.1	13.1	-38.0	**252.4**
Non-current assets	1,252.3	320.4	46.0	151.2	**1,769.9**
Liabilities	605.0	50.7	0.4	908.8	**1,564.9**
Sales (million hectolitres)	3.5	0.8	0.2		**4.5**
2001 (Accounting policies 2004)					
Net revenue	2,391.2	206.8	126.1		**2,724.1**
Operating profit/loss	247.0	-7.6	1.6	-44.8	**196.2**
Non-current assets	1,341.3	338.8	44.8	106.3	**1,831.2**
Liabilities	677.5	19.9	0.5	1,107.1	**1,805.0**
Sales (million hectolitres)	3.7	0.5	0.2		**4.4**

Descriptive notes (mDKK)

Note 6 Quarterly profit development of the Group (not audited)

	2005				
	Q1	Q2	Q3	Q4	Full year
Revenue	735.6	1,054.1	1,079.4	911.7	**3,780.8**
Net revenue	626.4	888.4	907.9	768.3	**3,191.0**
Operating profit/loss	-5.7	69.1	133.5	110.7	**307.6**
Special items				5.0	**5.0**
Net financials	-11.5	1.9	2.2	-8.1	**-15.5**
Profit/loss before tax	-17.2	71.0	135.7	107.6	**297.1**
Consolidated profit/loss	-12.1	61.9	98.7	75.7	**224.2**
Royal Unibrew A/S' share of profit/loss	-12.1	62.3	97.6	76.8	**224.6**
Assets	2,665.1	3,154.7	3,170.4	3,217.8	**3,217.8**
Equity	1,077.7	1,078.2	1,153.6	1,171.4	**1,171.4**
EBIT	-5.7	69.1	133.5	115.7	**312.6**
EBITDA	39.6	118.1	183.7	157.8	**499.2**
EBIT margin	-0.9%	7.8%	14.7%	15.1%	**9.8%**
Earnings per share (DKK)	-1.9	9.9	15.9	12.0	**35.9**
Equity ratio	40.4%	34.2%	36.4%	36.4%	**36.4%**

	2004				
	Q1	Q2	Q3	Q4	Full year
Revenue	657.3	905.4	999.0	852.6	**3,414.3**
Net revenue	552.2	754.0	839.3	723.5	**2,869.0**
Operating profit/loss	3.7	70.6	141.8	91.0	**307.1**
Net financials	-16.2	-8.5	-3.8	-7.1	**-35.6**
Profit/loss before tax	-12.5	62.1	138.0	83.9	**271.5**
Consolidated profit/loss	-7.3	44.0	97.7	60.5	**194.9**
Royal Unibrew A/S' share of profit/loss	-6.4	45.1	95.5	59.9	**194.1**
Assets	2,505.3	2,518.6	2,637.8	2,555.9	**2,555.9**
Equity	937.4	951.1	1,046.1	1,098.5	**1,098.5**
EBIT	3.7	70.6	141.8	91.0	**307.1**
EBITDA	41.8	128.1	187.9	131.4	**489.2**
EBIT margin	0.7%	9.4%	16.9%	12.6%	**10.7%**
Earnings per share (DKK)	-1.0	7.1	15.2	9.3	**30.6**
Equity ratio	37.4%	37.8%	39.7%	43.0%	**43.0%**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 7 Staff expenses

Staff expenses are included in production costs, sales and distribution expenses as well as administrative expenses and break down as follows:

Parent Company			Group	
2004	**2005**		**2005**	**2004**
313,748	305,389	Wages and salaries	444,082	403,293
22,854	23,345	Contributions to pension schemes	28,299	26,459
510	1,250	Share-based payments	1,250	510
11,498	11,781	Remuneration of Executive Board	12,203	11,920
590	2,050	Share-based remuneration of Executive Board	2,050	590
1,803	1,800	Remuneration of Supervisory Board	1,800	1,803
881	928	Other social security expenses	3,923	4,321
17,264	15,819	Other staff expenses	16,696	19,234
369,148	**362,362**	**Total**	**510,303**	**468,130**
972	904	Average number of employees	2,202	1,628

The annual remuneration of ordinary members of the Supervisory Board amounts to t.DKK 150. The Chairman and Deputy Chairman receive fees that are 2.5 times and 1.5 times, respectively, higher than the ordinary fee.

Note 7 Staff expenses (continued)

For incentive purposes, the following share option schemes have been established for the Executive Board and other members of the management team of the Group. Each option carries a right to acquire 1 share of DKK 10.

	Executive Board number	Other man. team number	Total number	Exercise price	Exercise period
Granted in 2002	4,167	0	4,167	240	6/2005-5/2007
Granted in 2002	3,774	0	3,774	265	6/2005-5/2007
Granted in 2002	3,448	0	3,448	290	6/2006-5/2008
Granted in 2002	3,175	0	3,175	315	6/2007-5/2009
Unexercised re previous years	18,150	92,188	110,338		
Unexercised at 31 December 2002	**32,714**	**92,188**	**124,902**		
Granted re 2003	7,492	7,492	14,984	401	3/2006-4/2008
Exercised in 2003	-4,530	-21,983	-26,513	221	
Expired in 2003	-4,500	-37,685	-42,185		
Unexercised at 31 December 2003	**31,176**	**40,012**	**71,188**		
Granted re 2004	6,632	5,736	12,368	377	*3/2007-4/2009
Exercised in 2004	-2,265	-5,050	-7,315	221	
Expired in 2004	-2,285	-24,425	-26,710	219	
Unexercised at 31 December 2004	**33,258**	**16,273**	**49,531**		
Adjustment of grant 2004, final price	-1,402	-1,212	-2,614	478	*
Granted re 2005	19,803	11,998	31,801	532	**4/2009-3/2011
Exercised in 2006	19,803	11,998	31,801	532	**4/2010-3/2012
Expired in 2005	-4,570	-2,545	-7,115	219	
Unexercised at 31 December 2005	**66,892**	**36,512**	**103,404**		
Distributed on:					
Granted in 2001	0	500	500	219	4/2004-3/2006
Granted in 2002	14,564	0	14,564	240-315	
Granted re 2003	7,492	7,492	14,984	401	
Granted re 2004	5,230	4,524	9,754	478	*
Granted re 2005	19,803	11,998	31,801	532	**
Granted re 2006	19,803	11,998	31,801	532	**
	66,892	**36,512**	**103,404**		

Market value at 31 December 2004	**3.7 million**	**1.7 million**	**5.4 million**		
Market value at 31 December 2005	**9.5 million**	**4.2 million**	**13.7 million**		

Based on a share price of the Royal Unibrew share of 532 at 31 December 2005, the market value of the options has been calculated by means of the Black-Scholes model. The calculation is based on an assumption of 20% volatility, a risk-free interest rate of 2.9-3.3% (2004: 2.2-3.1%) and annual dividend per share of DKK 2%. The exercise price of share options granted re 2005 and 2006 is assumed to be 532.

* The exercise price of the share options granted re 2004 is determined as the average market price of the Company's shares over the 10 trading days following the publication of the Annual Report for 2004 (17 March - 4 April 2005). The price has thus changed from 377 to 478.

** The exercise price of the share options granted re 2005 and 2006 is determined as the average market price of the Company's shares over the 10 trading days following the publication of the Annual Reports for 2005 and 2006. The pricing of the option programmes for 2005 and 2006 is based on an assumption of full exercise. The assumptions on which granting for the year is based have been described in Management's Review.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 8 Expenses broken down by type

Parent Company 2004	Parent Company 2005		Group 2005	Group 2004
		Aggregated:		
1,078,729	1,166,998	Production costs	1,581,411	1,370,720
779,908	770,008	Sales and distribution expenses	1,136,413	1,051,330
136,673	143,560	Administrative expenses	171,697	158,911
1,995,310	**2,080,566**	**Total**	**2,889,521**	**2,580,961**
		Break down by type as follows:		
702,168	785,380	Raw materials and consumables	1,119,226	941,332
369,148	362,362	Wages, salaries and other staff expenses	510,303	468,130
139,345	118,097	Operating and maintenance expenses	172,366	175,608
333,166	340,597	Distribution expenses and carriage	399,491	382,461
267,148	265,627	Sales and marketing expenses	402,732	373,763
-727	-20	Bad debts	4,658	745
38,593	66,529	Office supplies etc	90,505	50,921
146,469	141,994	Depreciation and profit from sale of property, plant and equipment	190,240	188,001
1,995,310	**2,080,566**	**Total**	**2,889,521**	**2,580,961**

Total depreciation and impairment losses as well as profit from sale of property, plant and equipment are included in the following items in the income statement:

Parent Company 2004	Parent Company 2005		Group 2005	Group 2004
118,754	126,229	Production costs	155,961	150,569
16,091	12,559	Sales and distribution expenses	30,979	25,679
11,624	3,206	Administrative expenses	3,300	11,753
0	-4,022	Special items	-4,022	0
146,469	**137,972**	**Total**	**186,218**	**188,001**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 9 Special items

Parent Company			Group	
2004	2005		2005	2004
0	5,022	Value adjustment of non-current assets held for sale	5,022	0
0	**5,022**	**Total**	**5,022**	**0**

Assets held for sale are land and buildings related to the closed-down brewery in Randers expected to be sold in 2006. The assets have been put up as security for mortgage debt of DKK 11.4 million.

Note 10 Financial income

Parent Company			Group	
2004	2005		2005	2004
872	1,706	Bank	1,525	2,418
2,430	2,646	Associates	2,646	2,430
2,878	5,018	Subsidiaries	0	0
0	507	Realised capital gain on securities	3,967	0
-58	426	Miscellaneous financial income	910	560
6,122	**10,303**	**Total**	**9,048**	**5,408**

Note 11 Financial expenses

Parent Company			Group	
2004	2005		2005	2004
14,530	25,463	Bank loans	25,574	16,052
21,881	21,177	Mortgage credit institutes	22,238	23,100
2,562	1,194	Subsidiaries	0	0
2,079	1,728	Miscellaneous financial expenses	2,545	4,650
41,052	**49,562**	**Total**	**50,357**	**43,802**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 12 Tax on the profit for the year

Parent Company			Group	
2004	**2005**		**2005**	**2004**
56,588	57,315	Tax on the taxable income for the year	67,932	69,969
6,006	-11,708	Adjustment of deferred tax	-13,881	5,446
		Corporation tax of associates	10,102	1,074
62,594	**45,607**	**Total**	**64,153**	**76,489**
		which breaks down as follows:		
62,685	54,396	Tax on profit for the year	72,942	76,580
-91	-8,789	Tax on equity entries	-8,789	-91
62,594	**45,607**	**Total tax**	**64,153**	**76,489**
30.0	28.0	Current Danish tax rate	28.0	30.0
0.0	-4.1	Effect of reduction of Danish tax rate in 2005	-3.7	0.0
-3.1	-3.8	Effect on tax rate in 2005 of permanent differences, primarily dividends	-2.0	0.0
		Differences in foreign tax rates	2.3	-1.8
26.9	**20.1**	**Effective tax rate**	**24.6**	**28.2**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 13 Non-current assets

Group

	Intangible assets	Property, plant and equipment	Financial assets	Total non-current assets
Cost at 1 January 2004	257,133	3,283,417	108,169	3,648,719
Exchange adjustments	-4,600	-381	1,258	-3,723
Reclassification	3,026	-11,023	-1,237	-9,234
Additions on acquisition		41,526		41,526
Additions for the year	122,466	203,714	17,321	343,501
Disposals for the year	-1,078	-83,321	-4,160	-88,559
Cost at 31 December 2004	**376,947**	**3,433,932**	**121,351**	**3,932,230**
Amortisation, depreciation, revaluations and impairment losses at 1 January 2004	0	-2,000,976	21,692	-1,979,284
Exchange adjustments		236	-2,548	-2,312
Reclassification		-2,118	894	-1,224
Dividend			-7,053	-7,053
Amortisation and depreciation for the year	-937	-190,518	-3,130	-194,585
Amortisation, depreciation and impairment of assets sold and discontinued		67,114		67,114
Amortisation, depreciation, revaluations and impairment losses at 31 December 2004	**-937**	**-2,126,262**	**9,855**	**-2,117,344**
Carrying amount at 31 December 2004	**376,010**	**1,307,670**	**131,206**	**1,814,886**
Cost at 1 January 2005	376,947	3,433,932	121,351	3,932,230
Exchange adjustments	8,133	18,374	16,035	42,542
Reclassification		-36,884	-17,385	-54,269
Additions on acquisition	90,211	168,840		259,051
Additions for the year	5,139	168,612	122,599	296,350
Disposals for the year	-21	-282,455	-6,092	-288,568
Cost at 31 December 2005	**480,409**	**3,470,419**	**236,508**	**4,187,336**
Amortisation, depreciation, revaluations and impairment losses at 1 January 2005	-937	-2,126,262	9,855	-2,117,344
Exchange adjustments		-1,701	61	-1,640
Reclassification		6,880		6,880
Dividend			-8,414	-8,414
Amortisation and depreciation for the year	-1,279	-191,070	18,031	-174,318
Amortisation, depreciation and impairment of assets sold and discontinued		262,130		262,130
Amortisation, depreciation, revaluations and impairment losses at 31 December 2005	**-2,216**	**-2,050,023**	**19,533**	**-2,032,706**
Carrying amount at 31 December 2005	**478,193**	**1,420,396**	**256,041**	**2,154,630**
	Note 14	Note 25	Note 26	

Notes to Income Statement and Balance Sheet (DKK '000)

Note 13 Non-current assets

Parent Company

	Intangible assets	Property, plant and equipment	Financial assets	Total non-current assets
Cost at 1 January 2004	80,645	2,735,205	673,640	3,489,490
Exchange adjustments			496	496
Reclassification			2,897	2,897
Additions for the year	11,238	181,636	151,217	344,091
Disposals for the year		-69,592	-3,429	-73,021
Cost at 31 December 2004	**91,883**	**2,847,249**	**824,821**	**3,763,953**
Amortisation, depreciation, revaluations and impairment losses at 1 January 2004	0	-1,717,543	0	-1,717,543
Reclassification			-91	-91
Amortisation and depreciation for the year	-797	-149,372	-20	-150,189
Amortisation, depreciation and impairment of assets sold and discontinued		54,927		54,927
Amortisation, depreciation, revaluations and impairment losses at 31 December 2004	**-797**	**-1,811,988**	**-111**	**-1,812,896**
Carrying amount at 31 December 2004	**91,086**	**1,035,261**	**824,710**	**1,951,057**
Cost at 1 January 2005	91,883	2,847,249	824,821	3,763,953
Exchange adjustments	29		4,299	4,328
Reclassification		-36,959	-16,935	-53,894
Additions for the year	2,990	100,191	493,656	596,837
Disposals for the year		-252,779	-121,909	-374,688
Cost at 31 December 2005	**94,902**	**2,657,702**	**1,183,932**	**3,936,536**
Amortisation, depreciation, revaluations and impairment losses at 1 January 2005	-797	-1,811,988	-111	-1,812,896
Reclassification		6,959		6,959
Dividend			-13,870	-13,870
Amortisation and depreciation for the year	-1,125	-141,613	-46	-142,784
Amortisation, depreciation and impairment of assets sold and discontinued		235,405		235,405
Amortisation, depreciation, revaluations and impairment losses at 31 December 2005	**-1,922**	**-1,711,237**	**-14,027**	**-1,727,186**
Carrying amount at 31 December 2005	**92,980**	**946,465**	**1,169,905**	**2,209,350**
Land and buildings held for sale have been reclassified to current assets.				
	Note 14	Note 25	Note 26	

Notes to Income Statement and Balance Sheet (DKK '000)

Note 14 Intangible assets

Group

	Goodwill	Trademarks	Distribution rights	Total intangible assets
Cost at 1 January 2004	257,133	0	0	257,133
Exchange adjustments	57	-4,662	5	-4,600
Reclassification	3,026			3,026
Additions for the year	17,354	92,346	12,766	122,466
Disposals for the year	-1,078			-1,078
Cost at 31 December 2004	**276,492**	**87,684**	**12,771**	**376,947**
Amortisation and impairment losses at 1 January 2004	0	0	0	0
Exchange adjustments				0
Amortisation for the year			937	937
Amortisation and impairment losses at 31 December 2004	**0**	**0**	**937**	**937**
Carrying amount at 31 December 2004	**276,492**	**87,684**	**11,834**	**376,010**
Cost at 1 January 2005	276,492	87,684	12,771	376,947
Exchange adjustments	1,449	6,652	32	8,133
Additions on acquisition	10,081	80,130		90,211
Additions for the year	2,093	3,046		5,139
Disposals for the year	-21			-21
Cost at 31 December 2005	**290,094**	**177,512**	**12,803**	**480,409**
Amortisation and impairment losses at 1 January 2005	0	0	937	937
Amortisation for the year			1,279	1,279
Amortisation and impairment losses at 31 December 2005	**0**	**0**	**2,216**	**2,216**
Carrying amount at 31 December 2005	**290,094**	**177,512**	**10,587**	**478,193**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 14 Intangible assets (continued)

Parent Company

	Goodwill	Trademarks	Distribution rights	Total intangible assets
Cost at 1 January 2004	80,645	0	0	80,645
Additions for the year			11,238	11,238
Cost at 31 December 2004	**80,645**	**0**	**11,238**	**91,883**
Amortisation and impairment losses at 1 January 2004	0	0	0	0
Amortisation for the year			797	797
Amortisation and impairment losses at 31 December 2004	**0**	**0**	**797**	**797**
Carrying amount at 31 December 2004	**80,645**	**0**	**10,441**	**91,086**
Cost at 1 January 2005	80,645	0	11,238	91,883
Exchange adjustments			29	29
Additions for the year		2,990		2,990
Cost at 31 December 2004	**80,645**	**2,990**	**11,267**	**94,902**
Amortisation and impairment losses at 1 January 2005	0	0	797	797
Amortisation for the year			1,125	1,125
Amortisation and impairment losses at 31 December 2005	**0**	**0**	**1,922**	**1,922**
Carrying amount at 31 December 2005	**80,645**	**2,990**	**9,345**	**92,980**

Impairment tests of goodwill and trademarks.
At 31 December 2005, impairment tests of the carrying amounts of goodwill and trademarks were carried out. The carrying amounts of goodwill and trademarks at 31 December 2005 relate to the cash-generating units. The carrying amounts of goodwill and trademarks break down on segments as follows:

	Western Europe	Eastern Europe	Rest of the world	Total
2004				
Goodwill	80,645	159,952	35,895	**276,492**
Trademarks		85,337	2,347	**87,684**
2005				
Goodwill	80,645	172,857	36,592	**290,094**
Trademarks	2,990	172,090	2,432	**177,512**

The recoverable amount is based on value in use, which is calculated by means of estimated net cash flows on the basis of budgets and forecasts for 2006-2008 approved by Management as well as estimated market driven discount rates and growth rates. The key assumptions underlying the calculation of recoverable amount break down on segments as indicated below:

	Western Europe	Eastern Europe	Rest of the world
Gross margin	45.0%	30-60%	25.0%
Growth rate	1.5%	2-9%	2-3%
Discount rate	6.0%	7.7-8.4%	7-15%

The forecasted gross margins approved by Management are based on prior results and expected market developments. The average growth rates applied are in accordance with Management's expectations taking into account industry conditions in the individual markets. The discount rates applied are before tax and reflect current specific risks in the individual market.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 15 Investments in associates

Parent Company			Group	
2004	**2005**		**2005**	**2004**
34,449	34,449	Balance at 1 January	76,446	89,597
		Exchange adjustments	15,215	-1,770
		Reclassification	-451	-2,707
0	149,919	Additions for the year	113,460	1,488
		Share of profit before tax for the year	25,800	2,773
		Tax on profit for the year	-7,647	-5,882
		Dividend	-8,414	-7,053
34,449	**184,368**	**Balance at 31 December**	**214,409**	**76,446**

Stated on a pro rata basis, the Parent Company's and the Group's shares of assets, liabilities, revenue and profit basis break down on segments as follows:

2005

	Assets	Liabilities	Revenue	Profit basis
Parent Company investments				
Western Europe	137,659	63,605	322,303	7,638
Eastern Europe	78,454	54,503	109,964	6,787
Total Parent Company	**216,113**	**118,108**	**432,267**	**14,425**
Other Group investments				
Rest of the world	41,759	11,416	37,003	5,200
Total Group	**257,872**	**129,524**	**469,270**	**19,625**

2004

	Assets	Liabilities	Revenue	Profit basis
Parent Company investments				
Western Europe	49,759	31,603	254,859	-9,813
Total Parent Company	**49,759**	**31,603**	**254,859**	**-9,813**
Other Group investments				
Western Europe	62,328	23,566	33,119	4,413
Rest of the world	30,036	8,106	31,595	3,813
Total Group	**142,123**	**63,275**	**319,573**	**-1,587**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 16 Share capital

The share capital of DKK 63,700,000 is divided into shares of DKK 10.

The share capital has developed as follows:

	2005	2004	2003	2002	2001
Balance at 1 January	63,700	65,635	65,635	62,815	62,815
Capital increase, employee shares				682	
Capital increase, merger				2,138	
Reduction of capital		-1,935			
Balance at 31 December	**63,700**	**63,700**	**65,635**	**65,635**	**62,815**

Treasury shares held:

	Parent Company	
	2005	2004
Balance at 1 January	0	0
Additions	107,096	55,580
Disposals	-1,783	-18,369
Transferred to equity, net	-105,313	-37,211
Balance at 31 December	**0**	**0**

The Group holds no other treasury shares.

	Number	Nom. value	% of capital
Portfolio at 1 January 2004	187,955	1,879	2.0
Additions	145,200	1,452	2.2
Disposals	-70,324	-703	-1.1
Cancelled upon reduction of capital	-193,509	-1,935	-2.9
Portfolio at 31 December 2004	**69,322**	**693**	**1.1**

The reduction of capital was adopted at General Meetings in 2004 and was registered with the Danish Commerce and Companies Agency on 2 March 2005.

Portfolio at 1 January 2005	69,322	693	1.1
Additions	212,779	2,128	3.3
Disposals	-7,677	-77	-0.1
Portfolio at 31 December 2005	**274,424**	**2,744**	**4.3**

The average number of treasury shares held was some 120,000 shares.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 17 Deferred tax

Parent Company			Group	
2004	**2005**		**2005**	**2004**
159,290	165,296	Deferred tax at 1 January	164,764	159,318
0	-3,870	Deferred tax transferred to subsidiary		
0	-11,020	Adjustment of Danish tax rate	-11,020	0
6,006	-688	Deferred tax for the year	-2,861	5,446
165,296	**149,718**	**Deferred tax at 31 December**	**150,883**	**164,764**
14,127	**19,713**	**Due within 1 year**	**17,698**	**13,214**
		Deferred tax relates to:		
-1,816	-536	Intangible assets	-536	-1,816
153,821	135,429	Property, plant and equipment	141,987	154,534
332	-3,720	Financial assets	-3,720	0
16,341	20,006	Current assets	19,815	15,714
-3,382	-1,461	Current liabilities	-1,885	-3,668
		Unutilised tax losses	-4,778	0
165,296	**149,718**	**Total**	**150,883**	**164,764**

Two group companies have unutilised tax losses with a value of some DKK 4,5 million (2004: 3 million) at 31 December 2005. The corresponding tax asset has not been capitalised as it is not certain that the loss will be utilised.

A foreign subsidiary has a recapture balance which has not been recognised in the basis of calculation of deferred tax as the recapture balance of some DKK 85 million is not expected to crystallise as tax.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 18 Repurchase obligation, returnable packaging:

Parent Company			Group	
2004	**2005**		**2005**	**2004**
121,869	92,928	Balance at 1 January	97,018	125,178
-28,941	-914	Adjustment for the year	-686	-28,160
92,928	**92,014**	**Balance at 31 December**	**96,332**	**97,018**

The change in the repurchase obligation for the year reflects net sales of returnable packaging for the year less estimated wastage of returnable packaging in circulation. Furthermore, the obligation was reduced in 2004 due to changed deposit prices.

Note 19 Interest-bearing debt

Parent Company				Group		
Mortgage debt	**Credit institutions**	**Total**		**Mortgage debt**	**Credit institutions**	**Total**
			31/12 2004			
			Maturity			
33,993	99,334	133,327	Within 1 year	34,935	103,957	138,892
130,503	231,716	362,219	1 - 5 years	134,799	267,414	402,213
230,477		230,477	After 5 years	244,656		244,656
394,973	**331,050**	**726,023**	**Total**	**414,390**	**371,371**	**785,761**
403,454	**331,050**	**734,504**	**Market value**	**419,073**	**371,371**	**790,444**
			31/12 2005			
			Maturity			
52,753	117,445	170,198	Within 1 year	53,738	119,477	173,215
217,538	465,237	682,775	1 - 5 years	222,025	510,041	732,066
324,396		324,396	After 5 years	337,146	77,312	414,458
594,687	**582,682**	**1,177,369**	**Total**	**612,909**	**706,830**	**1,319,739**
604,387	**498,662**	**1,103,049**	**Market value**	**623,954**	**708,236**	**1,332,190**

Notes to Income Statement and Balance Sheet (DKK ‘000)

Note 20 Cash Flow Statement

Adjustments for non-cash operating items

Parent Company			Group	
2004	**2005**		**2005**	**2004**
-6,122	-10,303	Financial income	-9,048	-5,408
41,052	49,562	Financial expenses	50,357	43,802
150,169	142,738	Depreciation and amortisation	192,349	191,455
62,685	54,396	Tax on the profit for the year	72,942	76,580
-27,210	-20,000	Income from investments in associates	-25,800	-2,773
-1,326	-3,942	Net profit from sale of property, plant and equipment	-5,716	-114
1,100	3,300	Share-based payments and remuneration	3,300	1,100
0	-553	Other adjustments	-951	-1,570
220,348	**215,198**	**Total**	**277,433**	**303,072**

Acquisition of subsidiaries

Parent Company			Group	
2004	**2005**		**2005**	**2004**
		Assets		
-135,233	-221,120	Non-current assets	-241,442	-44,242
		Current assets	-23,556	-65,140
		Liabilities		
		Provisions	0	2,576
		Long-term debt	1,541	44,325
		Short-term debt	38,172	34,905
		Minority interests	0	675
		Goodwill on consolidation	-25,409	-121,380
-135,233	**-221,120**	**Sales / acquisition price**	**-250,694**	**-148,281**
		including cash and cash equivalents of	609	2,277
10,938	0	payed by way of shares	0	10,938
		Part of acquisition price paid in 2004	10,367	0
-124,295	**-221,120**	**Cash sales / acquisition price**	**-239,718**	**-135,066**

Other notes

Note 21 Fee to auditors (DKK '000)

Parent Company 2004	Parent Company 2005		Group 2005	Group 2004
		Fee for the audit of the Annual Report:		
825	930	PricewaterhouseCoopers	1,283	1,091
825	968	Ernst & Young	2,076	1,861
1,650	**1,898**	**Total**	**3,359**	**2,952**
		Fee for non-audit services:		
895	318	PricewaterhouseCoopers	1,742	1,002
2,587	207	Ernst & Young	317	2,761
3,482	**525**	**Total**	**2,059**	**3,763**

Note 22 Contingent liabilities and other contractual obligations (mDKK)

Parent Company 2004	Parent Company 2005		Group 2005	Group 2004
		Guarantees		
0.0	0.2	Guarantees relating to subsidiaries		0.0
18.3	13.6	Other guarantees	13.6	18.3
18.3	**13.8**	**Total**	**13.6**	**18.3**
		Rental and lease agreements		
		Total future payments:		
7.7	10.1	Within 1 year	14.9	11.4
12.1	14.7	Between 1 and 5 years	20.5	17.0
19.8	**24.8**	**Total lease obligations (operating leases)**	**35.4**	**28.4**

The lease obligations relate to production machinery, operating equipment and IT equipment.

Parent Company 2004	Parent Company 2005		Group 2005	Group 2004
18.1	21.3	Within 1 year	26.2	21.1
50.9	48.1	Between 1 and 5 years	53.4	52.7
14.1	6.3	Beyond 5 years	6.3	14.1
83.1	**75.7**	**Total rental obligations**	**85.9**	**87.9**
0.3	**84.4**	**Banker's guarantees**	**95.6**	**10.4**

The outcome of pending legal actions is not expected to have material impact on the financial position of the Parent Company or the Group.

Other notes (DKK '000)

Note 23 Related parties

Related parties comprise the Supervisory Board and the Executive Board as well as subsidiaries and associates, cf. Group Structure, page 82-83.
Transactions with associates relate to sale of the Group's products.
Transactions with subsidiaries, including lending, are carried out on an arm's length basis.
In connection with exercising the share options granted, cf note 7, Executive Board members have acquired shares of the Company.

The following transactions have been made with related parties

Parent Company			Group	
2004	**2005**		**2005**	**2004**
		Revenue		
3,743	**4,320**	Sales to associates	**4,320**	3,743
650,288	**698,643**	Sales to subsidiaries		
		Purchases		
465	**288**	Purchases from subsidiaries		
		Financial income and expenses		
27,210	**33,870**	Dividends from subsidiaries		
2,430	**2,646**	Interest received from associates	**2,430**	2,646
2,878	**5,018**	Interest received from subsidiaries		
2,562	**1,194**	Interest paid to subsidiaries		
		Executive Board		
11,498	**11,781**	Salaries	**12,203**	11,920
590	**2,055**	Share options granted	**2,055**	590
		Intercompany balances at 31 December		
2,459	**3,695**	Receivables from associates	**3,695**	3,549
155,265	**200,919**	Receivables from subsidiaries		
24,588	**25,460**	Loans to associates	**25,460**	24,588
		Guarantees and security		
0	**200**	Guarantee for subsidiary		

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies applied.

Other notes (DKK '000)

Note 24 Acquisitions

2004

Parent Company			Group	
On 1 July 2004, Royal Unibrew A/S acquired all the shares of SIA "Cido Partikas Grupa"			On 1 April 2004, Supermalt UK Ltd acquired the remaining 50% of the shares of Vitamalt (West Africa) Ltd.	
Fair value at date of acquisition	**Carrying amount prior to acquisition**		**Carrying amount prior to acquisition**	**Fair value at date of acquisition**
89,912	1,856	Intangible assets		2,457
44,089	46,114	Property, plant and equipment		
38,790	39,915	Inventories		
23,277	23,502	Receivables	318	318
1,879	1,879	Cash at bank and in hand	356	356
-56,475	-56,475	Credit institutions		
-13,635	-13,635	Trade payables	-974	-974
-6,841	-6,841	Other payables	-955	-955
-3,251	-3,251	Contingent liabilities		
117,745	**33,064**	**Net assets acquired**	**-1,255**	**1,202**
2,516		Goodwill		10,621
120,261		**Acquisition price**		**11,823**
-1,879		including cash and bank of		-356
		Share-based consideration		-10,938
118,382		**Cash acquisition price**		**529**
2,179		Acquisition costs (consulting fees) amount to		156

2005

On 1 February 2005, Royal Unibrew A/S acquired 99% of the shares of A/S Lacplesa Alus			On 26 April 2005, Royal Unibrew Polska Sp.z.o.o. acquired non-current assets and inventories of Brok-Strzelec	
Fair value at date of acquisition	**Carrying amount prior to acquisition**		**Carrying amount prior to acquisition**	**Fair value at date of acquisition**
25,452	43	Intangible assets	0	55,347
15,811	16,698	Property, plant and equipment	159,067	161,182
6,091	6,091	Inventories	11,418	11,418
5,438	5,438	Receivables		
609	609	Cash at bank and in hand		
-16,217	-16,217	Credit institutions		
-8,734	-8,734	Trade payables		
-14,762	-14,762	Other payables		
13,688	**-10,834**	**Net assets acquired**	**170,485**	**227,947**
0		Goodwill		9,059
13,688		**Acquisition price**		**237,006**
-609		including cash and bank of		
13,079		**Cash acquisition price**		**237,006**
2,549		Acquisition costs (consulting fees) amount to		11,174

The acquisitions and their effect on the results of Royal Unibrew for 2005 are described in Management's Review.

Other notes (DKK '000)

Note 25 Property, plant and equipment

Parent Company						Group				
Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total		Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
854,198	1,165,959	707,361	7,687	2,735,205	Cost at 1 January 2004	998,159	1,437,694	824,934	22,630	**3,283,417**
					Exchange adjustment	-117	-220	-30	-14	**-381**
					Reclassification			-11,023		**-11,023**
					Additions on acquisition	21,941	16,598	2,963	24	**41,526**
18,548	77,225	75,866	9,997	181,636	Additions for the year	18,818	78,750	78,253	27,893	**203,714**
-9,291	-3,946	-56,355		-69,592	Disposals for the year	-12,531	-8,066	-62,724		**-83,321**
812	2,446	569	-3,827	0	Transfers for the year	812	4,792	5,547	-11,151	**0**
864,267	**1,241,684**	**727,441**	**13,857**	**2,847,249**	**Cost at 31 December 2004**	**1,027,082**	**1,529,548**	**837,920**	**39,382**	**3,433,932**
319,406	898,796	499,341	0	1,717,543	Depreciation and impairment losses at 1 January 2004	350,337	1,080,136	570,503	0	**2,000,976**
					Exchange adjustment	-142	-131	37		**-236**
4,837		-4,837		0	Reclassification	4,837		-2,719		**2,118**
12,997	81,447	54,928		149,372	Depreciation for the year	17,291	105,434	67,793		**190,518**
-5,984	-2,536	-46,407		-54,927	Depreciation and impairment of assets sold and discontinued	-8,014	-6,421	-52,679		**-67,114**
					Transfers for the year		-657	657		
331,256	**977,707**	**503,025**	**0**	**1,811,988**	**Depreciation and impairment losses at 31 December 2004**	**364,309**	**1,178,361**	**583,592**	**0**	**2,126,262**
533,011	**263,977**	**224,416**	**13,857**	**1,035,261**	**Carrying amount at 31 December 2004**	**662,773**	**351,187**	**254,328**	**39,382**	**1,307,670**

According to the latest official assessment for property tax purposes, the cash value of the properties is DKK 472.6 million (2003: DKK 465.5 million).

Land and buildings at a carrying amount of DKK 508.8 million have been provided as security for mortgage debt of DKK 395.6 million (2003: DKK 509.8 million and DKK 473.5 million, respectively).

According to the latest official assessment for property tax purposes, the cash value of Danish properties at a carrying amount of DKK 554.2 million is DKK 494.4 million (2003: DKK 526.5 million and DKK 486.8 million, respectively).

Land and buildings at a carrying amount of DKK 525.1 million have been provided as security for mortgage debt of DKK 414.4 million (2003: DKK 526.5 million and DKK 494.4 million, respectively).

Other notes (DKK '000)

Note 25 Property, plant and equipment

Parent Company						Group				
Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total		Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
864,267	1,241,684	727,441	13,857	2,847,249	Cost at 1 January 2005	1,027,082	1,529,548	837,920	39,382	**3,433,932**
					Exchange adjustment	4,602	12,453	1,236	83	**18,374**
-36,959				-36,959	Reclassification	-36,810	-371	297		**-36,884**
					Additions on acquisition	48,628	111,378	8,705	129	**168,840**
7,612	27,719	45,537	19,323	100,191	Additions for the year	10,891	26,679	55,362	75,680	**168,612**
-13,075	-115,894	-123,810		-252,779	Disposals for the year	-13,366	-132,368	-136,721		**-282,455**
3,517	6,236	1,685	-11,438	0	Transfers for the year	44,923	26,921	8,030	-79,874	**0**
825,362	**1,159,745**	**650,853**	**21,742**	**2,657,702**	**Cost at 31 December 2005**	**1,085,950**	**1,574,240**	**774,829**	**35,400**	**3,470,419**
331,256	977,707	503,025		1,811,988	Depreciation and impairment losses at 1 January 2005	364,309	1,178,361	583,592		**2,126,262**
				0	Exchange adjustment	78	1,330	293		**1,701**
-7,318	-4,582	4,941		-6,959	Reclassification	-7,164	-4,830	5,114		**-6,880**
10,652	77,675	53,286		141,613	Depreciation for the year	15,930	109,980	65,160		**191,070**
-9,582	-114,026	-111,797		-235,405	Depreciation and impairment of assets sold and discontinued	-9,872	-128,926	-123,332		**-262,130**
325,008	**936,774**	**449,455**	**0**	**1,711,237**	**Depreciation and impairment losses at 31 December 2005**	**363,281**	**1,155,915**	**530,827**	**0**	**2,050,023**
500,354	**222,971**	**201,398**	**21,742**	**946,465**	**Carrying amount at 31 December 2005**	**722,669**	**418,325**	**244,002**	**35,400**	**1,420,396**

According to the latest official assessment for property tax purposes, the cash value of the properties is DKK 440.8 million (2004: DKK 472.6 million).

Land and buildings at a carrying amount of DKK 470.4 million have been provided as security for mortgage debt of DKK 583.3 million (2004: DKK 508.8 million and DKK 395.6 million, respectively).

According to the latest official assessment for property tax purposes, the cash value of Danish properties at a carrying amount of DKK 486.2 million is DKK 464.1 million (2004: DKK 554.2 million and DKK 494.4 million, respectively).

Land and buildings at a carrying amount of DKK 486.2 million have been provided as security for mortgage debt of DKK 601.5 million (2004: DKK 525.1 million and DKK 414.4 million, respectively).

Other notes (DKK ‘000)

Note 26 Financial assets

Parent Company							Group					
Investments in subsidiaries	Investments in associates	Receivables from associates	Other investments	Other receivables	Total		Investments in subsidiaries	Investments in associates	Receivables from associates	Other investments	Other receivables	Total
603,522	34,449	24,092	0	11,577	**673,640**	Cost at 1 January 2004	0	67,443	24,092	0	16,634	**108,169**
		496			**496**	Exchange adjustment		778	496		-16	**1,258**
			2,842	55	**2,897**	Reclassification		-3,601		2,871	-507	**-1,237**
136,734				14,483	**151,217**	Additions		1,488		960	14,873	**17,321**
-1,501			-1	-1,927	**-3,429**	Disposals		0		-866	-3,294	**-4,160**
738,755	**34,449**	**24,588**	**2,841**	**24,188**	**824,821**	**Cost at 31 December 2004**	**0**	**66,108**	**24,588**	**2,965**	**27,690**	**121,351**
		0	0	0	**0**	Revaluations and impairment losses at 1 January 2004	0	22,154	0	0	-462	**21,692**
					0	Exchange adjustment		-2,548				**-2,548**
			-91		**-91**	Reclassification		894				**894**
					0	Dividend		-7,053				**-7,053**
			-20		**-20**	Revaluations and impairment l osses for the year		-3,109		-21		**-3,130**
0	**0**	**0**	**-111**	**0**	**-111**	**Revaluations and impairment losses at 31 December 2004**	**0**	**10,338**	**0**	**-21**	**-462**	**9,855**
738,755	**34,449**	**24,588**	**2,730**	**24,188**	**824,710**	**Carrying amount at 31 December 2004**	**0**	**76,446**	**24,588**	**2,944**	**27,228**	**131,206**
						Value of goodwill included above		**3,435**				
738,755	34,449	24,588	2,841	24,188	**824,821**	Cost at 1 January 2005	0	66,108	24,588	2,965	27,690	**121,351**
		872		3,427	**4,299**	Exchange adjustment		15,154	872		9	**16,035**
				-16,935	**-16,935**	Reclassification		-451			-16,934	**-17,385**
221,120	149,919			122,617	**493,656**	Additions		113,460			9,139	**122,599**
			-6	-121,903	**-121,909**	Disposals				-65	-6,027	**-6,092**
959,875	**184,368**	**25,460**	**2,835**	**11,394**	**1,183,932**	**Cost at 31 December 2005**	**0**	**194,271**	**25,460**	**2,900**	**13,877**	**236,508**
		0	-111	0	**-111**	Revaluations and impairment losses at 1 January 2005	0	10,338	0	-21	-462	**9,855**
					0	Exchange adjustment		61				**61**
-13,870					**-13,870**	Dividend		-8,414				**-8,414**
			-46		**-46**	Revaluations and impairment losses for the year		18,153		-45	-77	**18,031**
-13,870	**0**	**0**	**-157**	**0**	**-14,027**	**Revaluations and impairment losses at 31 December 2005**	**0**	**20,138**	**0**	**-66**	**-539**	**19,533**
946,005	**184,368**	**25,460**	**2,678**	**11,394**	**1,169,905**	**Carrying amount at 31 December 2005**	**0**	**214,409**	**25,460**	**2,834**	**13,338**	**256,041**
						Value of goodwill included above		**68,861**				

ROYAL UNIBREW A/S

Subsidiaries

- 100% – Ceres SpA, Italy, Share capital EUR 206,000
- 100% – Faxe Getränke-Vertrieb GmbH, Germany, Share capital EUR 1,662,000
- 100% – Maribo Bryghus A/S, Denmark, Share capital DKK 1,806,000
- 100% – Aktieselskabet Cerekem International Ltd., Denmark, Share capital DKK 1,000,000
- 100% – Centre Nordique d'Alimentation EURL, France, Share capital EUR 200,000
- 99,4% – Kalnapilio - Tauro Grupé AB, Lithuania, Share capital LTL 62,682,000
- 100% – Peva Poland Sp. z o.o., Poland, Share capital PLN 500,000
- 100% – Royal Unibrew Polska Sp. z o.o., Poland, Share capital PLN 105,500,000
- 100% – Brewery Group Denmark AB, Sweden, Share capital SEK 990,000
- 100% – The Danish Brewery Group, Inc., USA, Share capital USD 100,000
- 99.6% – A/S Lacplesa Alus, Latvia, Share capital LVL 3,473,346

Subsidiaries

- 100% – Drinktech Holding AG, Switzerland, Share capital CHF 11,000,000
  - 35% – Banjul Breweries Ltd, Gambia, Share capital GMD 22,000,000
- 100% – Supermalt Ltd., England, Share capital GBP 9,700,000 – 100%
- 100% – Albani Sverige AB, Sweden, Share capital SEK 305,000
- 100% – SIA "Cido Partikas Grupa", Latvia, Share capital LVL 500,000
  - 100% – SIA Cido Logistika, Latvia, Share capital LVL 2,000
- 100% – Danish Interbrew Ltd. A/S, Denmark, Share capital DKK 3,000,000
- 51% – Impec Holding SAS, Guadeloupe, Share capital EUR 5,294,000
  - 100% – Impec Guyana SA, French Gyana, Share capital EUR 15,245

Associates

- 32% – Nuuk Imeq A/S, Greenland, Share capital DKK 38,000,000
- 32% – Tivoli Friheden A/S, Denmark, Share capital DKK 1,428,000
- 25% – Hansa Borg Skandinavisk Holding A/S, Denmark, Share capital DKK 53,577,400 – 100%
- 48% – Perla Browary Lubelskie S.A., Poland, Share capital PLN 1,380,000

GROUP STRUCTURE 31 DECEMBER 2005

35%

Solomon Breweries Ltd., Solomon Islands
Share capital SBD 21,600,000

20%

St. Vincent Breweries Ltd., St. Vincent
Share capital XCD 18,009,000

Vitamalt (West Africa) Ltd., England
Share capital GBP 10,000

27.01%

SIA Piebalgas Alus, Latvia
Share capital LVL 222,975

100%

Import-Export Compagnie SA, Guadeloupe
Share capital EUR 304,898

100%

Impec Martinique SA, Martinique
Share capital EUR 8,000

Hansa Borg Holding ASA, Norway
Share capital NOK 54,600,000

100%

Hansa Borg Bryggerierne ASA, Norway
Share capital NOK 29,065,000

MANAGEMENT PROFILES AND DUTIES

We provide below summary CVs of members of the Supervisory and Executive Boards.

Furthermore, under section 107 of the Danish Financial Statements Act, we disclose their management duties with other Danish limited companies:

Abbreviations:
CEO: Chief Executive Officer
CFO: Chief Financial Officer
C: Chairman
DC: Deputy Chairman
BM: Board Member

MEMBERS OF THE SUPERVISORY BOARD

Steen Weirsøe, CEO (C)
Age: 57. On the Supervisory Board of Royal Unibrew since 1998, Chairman since 2004. MSc (Economics and Business Administration) in 1973. CEO of F. Junckers Industrier A/S 1982-94. Group Chief Executive of Danisco A/S 1994-99. Since 1999 CEO, Group Managing Director of DT Group a/s.

DT Group a/s (Group CEO)
DT Officers A/S (C)
DT Holding 1 A/S including
12 subsidiaries (BM and in 2 as Managing Director)

Tommy Pedersen, CEO (DC)
Age: 56. On the Supervisory Board of Royal Unibrew since 1998, Deputy Chairman since 2004. Diploma (Economics - Accounting and Economic Management) in 1976, Diploma (Economics - Organisation and Strategic Planning) in 1981. Employee of Sparekassen Fyn, Bikuben and Bikuben GiroBank A/S, most recently as Executive Bank Manager, 1966-96. Since 1997 CEO of Chr. Augustinus Fabrikker Aktieselskab and Augustinus Fonden.

Chr. Augustinus Fabrikker Aktieselskab and Augustinus Fonden including 2 subsidiaries (CEO)
FMS Holding of 2004 A/S (C)

Fondsmæglerselskabet of 2004 A/S (C)
Rungsted Sundpark A/S (C)
Skodsborg Sundpark A/S (C)
Brock og Michelsen A/S including subsidiaries (BM)
Ejendomsselskabet Jeudan A/S (BM)
Ole Flensted Holding A/S including subsidiaries (BM)
Peter Bodum A/S (BM)
Pharmacosmos Holding A/S including subsidiaries (BM)
Refshaleøens Ejendomsselskab A/S including subsidiaries (BM)
Skandinavisk Holding A/S (BM)
Skandinavisk Tobakskompagni A/S (BM)
Tivoli A/S (BM)

Henrik Brandt, Director (BM)
Age: 50. On the Supervisory Board of Royal Unibrew since 1998. MSc (Economics and Business Administration), MBA Stanford University, California. F.L. Schmidt Gruppen 1979-83. Skandinavisk Holding A/S 1985-87. CEO of Kevi A/S 1987-88. Skandinavisk Holding A/S 1988-89. CEO of Fritz Hansens Eft. A/S 1989-92. CEO of Munch Møbler A/S 1989-92. CEO of Skandinavisk Tobakskompagni A/S 1992-99. Managing Director of House of Prince A/S 1992-99. CEO, Group Managing Director of Sophus Berendsen A/S 1999-2002. Since 2003 CEO of Unomedical a/s.

Papyro-Tex A/S (C)
A/S Kenneth Winther Værktøjsfabrik (C)

Ulrik Bülow, CEO (BM)
Age: 52. On the Supervisory Board of Royal Unibrew since 2000. MSc (Economics and Business Administration). Reg. Export Manager of Ferrosan A/S 1979-83. Marketing Manager of Buch + Deichmann A/S 1983-84. CEO of Matas A/S 1984-91. CEO of Egmont Books 1991-98. CEO of Sonofon Holding A/S 1998-2002. As of 1 January 2004, CEO of VisitDenmark.

AS/3 Company (C)
Bavarian Nordic A/S (BM)
Egmont Fonden (BM)
Egmont International Holding A/S (BM)
InterMail A/S (BM)
Konvolut Danmark A/S (BM)
WJC Grafisk A/S (BM)

Erik Christensen, Stores Manager
(BM elected by the employees)
Age: 51. On the Supervisory Board of Royal Unibrew since 2002. Motor Mechanic in 1975. Diploma in specialised technical studies in 1987. Motor Mechanic with Pedersen & Nielsen A/S Volvo Lastvogne in Randers, Denmark in the period 1975-80 and the Works Manager with same in the period 1980-1988. Stores Manager of Royal Unibrew since 1988.

Jesper Damgaard Frid, Brewery Hand
(BM elected by the employees)
Age: 46. In the Supervisory Board of Royal Unibrew since 2005. Motor Cycle Engineer. Royal Unibrew employee at Ceres since 1991, shop steward since 1993 and senior shop steward since 1995.

Erik Højsholt, Chairman (BM)
Age: 57. On the Supervisory Board of Royal Unibrew since 2004. Diploma (Economics – International Management) from the Århus School of Business 1975. Various positions with Danisco A/S 1965-82, Mercuri International A/S 1982-83, Aarhus Oliefabrik A/S 1983-87, Danmark Protein A/S 1987-91, New Zealand Dairy Board GmbH 1991-95, Arla Foods amba 1995-2000. Since 2000 CEO, Group Managing Director and now Chairman of the Supervisory Board of AarhusKarlshamn AB (formerly Aarhus Oliefabrik A/S and Aarhus United A/S).

AarhusKarlshamn AB including subsidiaries (C)
The Aarhus School of Business (C)
Rode & Rode A/S (C)

Søren Lorentzen, Specialist Worker
(BM elected by the employees)
Age: 41. On the Supervisory Board of Royal Unibrew since 2004. Specialist Worker. Brewery hand at the brew house at Faxe, Denmark since 1993. Senior shop steward at Faxe, Denmark since 2003.

Michael Christian Olsen, Specialist Worker
(BM elected by the employees)
Age: 47. On the Supervisory Board of Royal Unibrew since 2003. Seaman. Specialist Worker. Brewery hand at the bottling facilities at Faxe since 1985.

Hemming Van, CEO (BM)
Age: 50. On the Supervisory Board of Royal Unibrew since 2004. MSc (Economics and Business Administration) from the Copenhagen Business School 1981. Employee of Mærsk Air I/S 1981-82, Director of Daloon Production (UK) Ltd 1982. Since 1989 CEO and majority shareholder of Daloon A/S.

Daloon A/S (CEO, BM)
Easyfood A/S (C)
Easy Production A/S (C)

EXECUTIVE BOARD

Poul Møller, CEO

Age: 52. MA (Economics) in 1979. MBA 1983. Sales Director of Consumer Products Group SONY Germany GmbH 1990-93, CEO of Consumer Products Group SONY Germany GmbH 1993-94, Country Manager/CEO of Thomson Consumer Products GmbH 1995-96, European Vice President DAP Philips GmbH, Holland and CEO Philips GmbH, Germany 1996-2002. CEO of Royal Unibrew since June 2002.

Orion Europe A/S (C)
Royal Copenhagen A/S (C)
Hansa Borg Skandinavisk Holding A/S (DC)
Dansk Retursystem Holding A/S (BM)
Nuuq Imeq A/S (BM)

Connie Astrup-Larsen, International Director

Age: 46. Diploma (Economics - Marketing) 1986. Marketing co-ordinator LEGO A/S 1985-87, International Product Manager TULIP International 1987-89, Marketing Manager of FERTIN 1995-97, Senior Vice President International Marketing/ R&D DANDY A/S 1997-1998, Senior Vice President, International Sales and Marketing DANDY A/S 1998-2000, Executive Vice President DANDY A/S 2000-02, CEO of DANDY A/S 2002-2003, International Director of Royal Unibrew since September 2003.

Povl Friis, Technical Director

Age: 49. Dairy Technician in 1980. Dairy Manager of MD Foods, Trifolium Mejeri 1985-86. Center Manager of MD Foods, Greater Copenhagen 1986-87. Center Manager of MD Foods, Sealand 1987-92. Dairy Manager of MD Foods, Brabrand Mejeri 1992-96. Technical Director of Royal Unibrew since 1996.

Tholstrup Cheese Holding A/S (BM)
Tivoli Friheden A/S (BM)

Leif Rasmussen, Sales and Marketing Director

Age: 51. Diploma (Economics - International Management) in 1982. Project Manager with the advertising agency Ted Bates 1982-84. Product Line Manager Faxe Bryggeri A/S 1984-87. Marketing Manager of Royal Unibrew 1987-90. Marketing Director of Royal Unibrew 1990-97. Sales and Marketing Director of Royal Unibrew since 1997.

Dansk Retursystem Holding A/S (DC)
Dansk Retursystem A/S (BM)
Hansa Borg Skandinavisk Holding A/S (BM)

Ulrik Sørensen, CFO

Age: 55. MSc (Economics and Business Administration) in 1975. Financial Manager/CEO of DAN (B&W) Shipbuilding Services 1981-85. CFO of Chr. Islef & Co. A/S 1985-87. CFO of Danbyg Totalentreprise A/S 1987-93. CFO of Royal Unibrew since 1993.

Hansa Borg Skandinavisk Holding A/S (CEO)

ANNOUNCEMENTS TO THE COPENHAGEN STOCK EXCHANGE A/S – 1 JANUARY TO 31 DECEMBER 2005

27 January 2005	01/2005	The Danish Brewery Group's acquisition of controlling interest in leading Latvian brewery Lacplesa Alus A/S now realised
24 Feb. 2005	02/2005	The Danish Brewery Group defines new growth targets
02 March 2005	03/2005	Capital reduction and cancellation of treasury shares
17 March 2005	04/2005	Announcement of Annual Results 2004
21 March 2005	05/2005	Summary of daily trading of The Danish Brewery Group share
22 March 2005	06/2005	Summary of daily trading of The Danish Brewery Group share
29 March 2005	07/2005	Summary of daily trading of The Danish Brewery Group share
30 March 2005	08/2005	Summary of daily trading of The Danish Brewery Group share
30 March 2005	09/2005	Notice convening the Annual General Meeting of The Danish Brewery Group
31 March 2005	10/2005	The Danish Brewery Group has entered into an agreement to sell the former brewery site in Randers
31 March 2005	11/2005	Summary of daily trading of The Danish Brewery Group share
04 April 2005	12/2005	The Danish Brewery Group acquires significant regional Polish brewery business
05 April 2005	13/2005	Reporting according to section 28a of the Danish Securities Trading Act
07 April 2005	14/2005	Reporting according to section 28a of the Danish Securities Trading Act
08 April 2005	15/2005	Reporting according to section 28a of the Danish Securities Trading Act
18 April 2005	16/2005	Q1 Report 2005
18 April 2005	17/2005	The Annual General Meeting – Minutes
20 April 2005	18/2005	Notice of the Extraordinary General Meeting
27 April 2005	19/2005	The Danish Brewery Group's acquisition of asses and activities from Browary Polskie Brok-Strzelec now completed
04 May 2005	20/2005	Extraordinary General Meeting – Minutes
13 May 2005	21/2005	Reporting according to section 28a of the Danish Securities Trading Act
20 June 2005	22/2005	Establishment of incentive programme
02 Aug. 2005	23/2005	New supervisory board member elected by the employees (alternate joining)
24 Aug. 2005	24/2005	Interim Report (H1) 2005
16 Sept. 2005	25/2005	Share Buy-back under "Safe Harbour"
28 Sept. 2005	26/2005	Share Buy-back at Royal Unibrew A/S
06 Oct. 2005	27/2005	Share Buy-back at Royal Unibrew A/S
14 Oct. 2005	28/2005	Royal Unibrew A/S increases its holding of shares of Greenland production entity
18 Oct. 2005	29/2005	Share Buy-back at Royal Unibrew A/S
27 Oct. 2005	30/2005	Share Buy-back at Royal Unibrew A/S
07 Nov. 2005	31/2005	Share Buy-back at Royal Unibrew A/S
15 Nov. 2005	32/2005	Share Buy-back at Royal Unibrew A/S
17 Nov. 2005	33/2005	Q3 Report 2005
22 Nov. 2005	34/2005	Reporting according to section 28a of the Danish Securities Trading Act
25 Nov. 2005	35/2005	Share Buy-back at Royal Unibrew A/S
01 Dec. 2005	36/2005	Reporting according to section 28a of the Danish Securities Trading Act
02 Dec. 2005	37/2005	Reporting according to section 28a of the Danish Securities Trading Act
06 Dec. 2005	38/2005	Share Buy-back at Royal Unibrew A/S
06 Dec. 2005	39/2005	Reporting according to section 28a of the Danish Securities Trading Act
15 Dec. 2005	40/2005	Share Buy-back at Royal Unibrew A/S
15 Dec. 2005	41/2005	Reporting according to section 28a of the Danish Securities Trading Act
23 Dec. 2005	42/2005	Share Buy-back at Royal Unibrew A/S

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