



Royal Unibrew A/S

Annual Report 2005

March, 2006

Vision and Mission

VISION

We will with increasing profitability develop the company to be among leading providers of beverages in Northern Europe and outside this region develop profitable export markets.

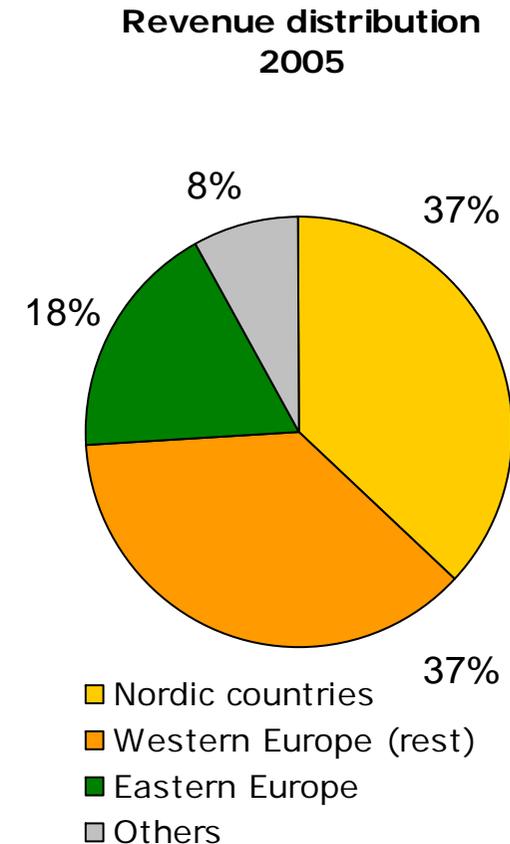
MISSION

We will meet our consumers' demands for and expectations to quality beverages focusing on branded products primarily within beer, malt and soft drinks.



Highlights

- Royal Unibrew is the second largest brewery business in Scandinavia.
- Scandinavia's largest beer exporter
- Export to approx. 65 countries worldwide
- 9 breweries and 1 soft drink company
- Approximately 2,200 employed worldwide
- Royal Unibrew has the leading imported strong beer in Italy - Ceres
- Royal Unibrew has the world third largest malt drink brand - Vitamalt
- Faxe is the largest imported brand in Germany, Poland and Lithuania
- Soft drinks in the Baltic Countries:
 - No 1 in Latvia
 - No 2 in Lithuania
 - 2nd largest soft drink company in the Baltic countries



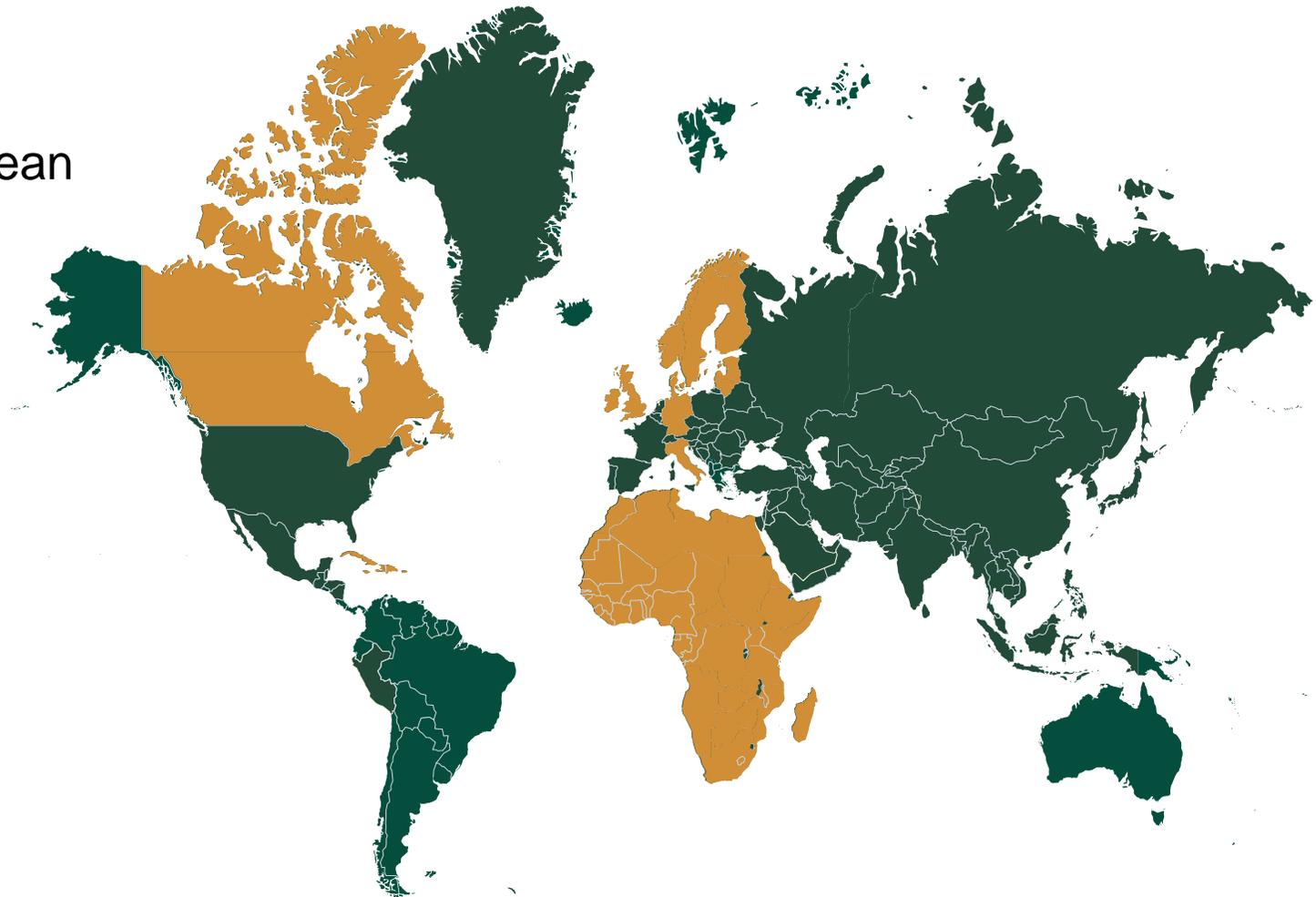
Production Units, overview

- Ten fully owned production sites
- Four partially owned production sites



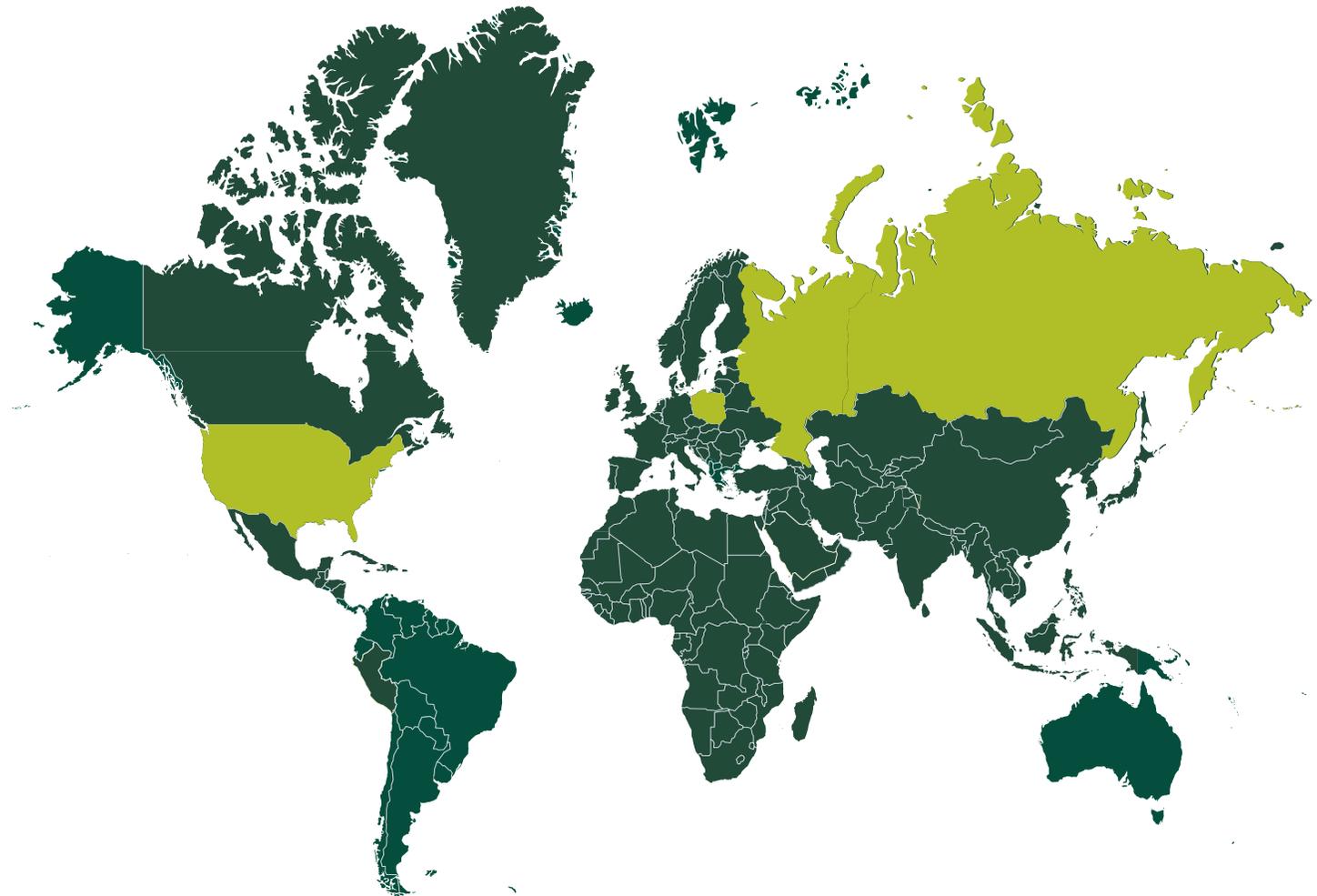
Our most important markets - Premiere League

- The Nordic countries
- The Baltic countries
- Germany
- Italy
- The Caribbean
- Africa
- UK
- Canada



Our most important markets - First Division

- Poland
- USA
- Russia



Our Core Business



- Beer



- Soft drinks – Denmark & the Baltic countries



- Malt drinks – The Caribbean, Africa & the UK

Our strategic brands world wide



- Royal beer in Denmark



- Kalnapilis beer in Lithuania



- CIDO fruit juice and still water in the Baltic countries



- Ceres strong beer in Italy



- Vitamalt (malt drink) in Africa, the Caribbean and Europe



- Faxe beer International

Highlights 2005: Best performance ever

- Volumes increased by 21% to 5.8 million HL.
- Net revenue up by 11% to EUR 428 million (Organic growth 4%).
- Profit before tax amounting to EUR 40 million (+9% over 2004).
- Profit after tax (consolidated profit) of EUR 30 million (+15% over 2004).



- ROIC (11.2%) and free cash flow (7.9%) have exceeded the MACH II targets, whereas EBIT margin (9.8%) is slightly below the targeted level.
- Proposed increased dividend by EUR 0.13 to EUR 1.34 per share – dividend rate 29%.
- Realised share buy-back programme transferred almost EUR 13.5 million to shareholders.



Market Development – Main markets (volume)

	Market	Royal Unibrew
Denmark:		
• Beer	-3%	-2.5%
• Soft drinks	-2-3%	-1.1%
Italy	+1-2%	+4.0%
Lithuania	+3-4%	-0.7%

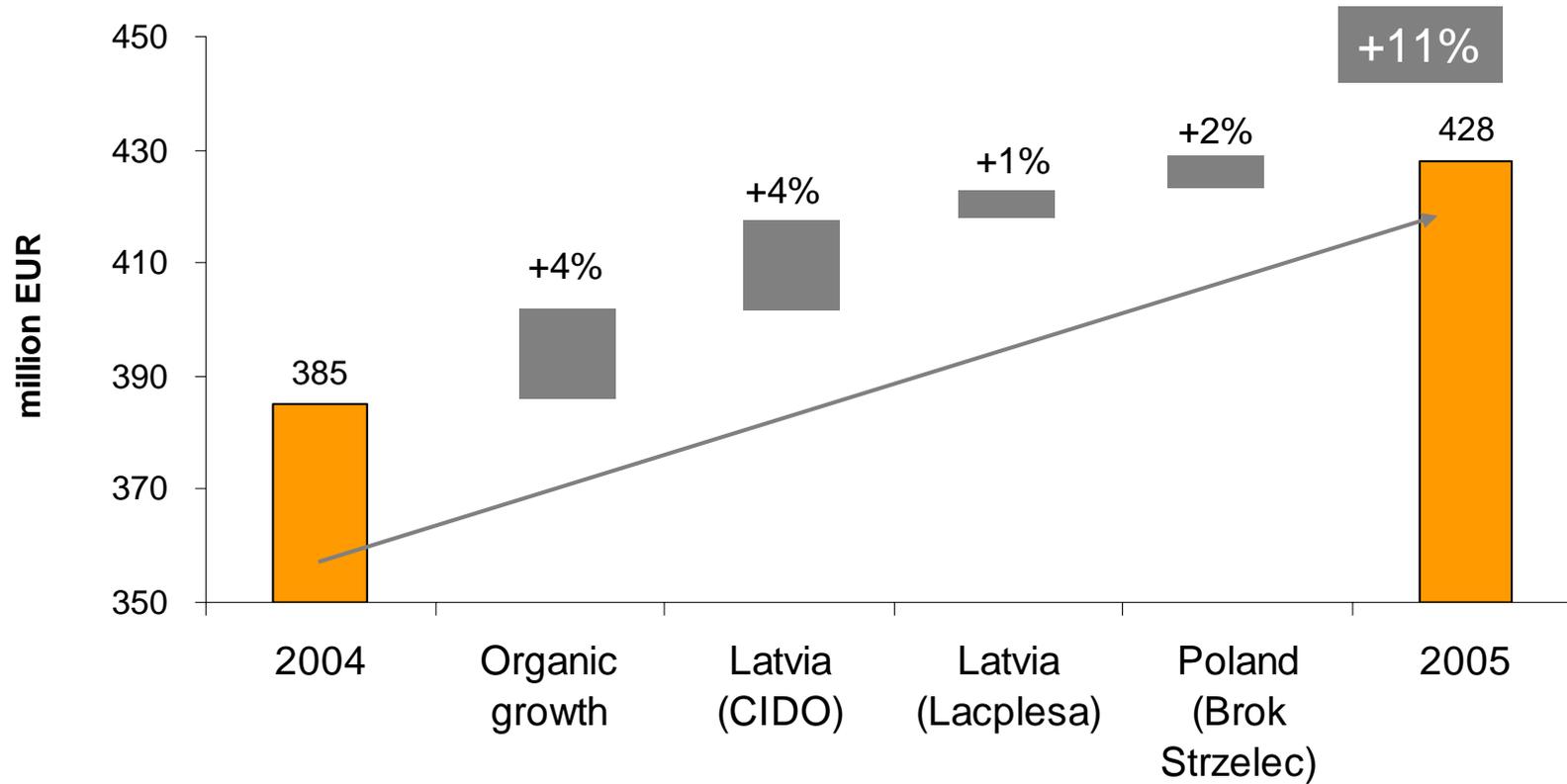


Results 2005

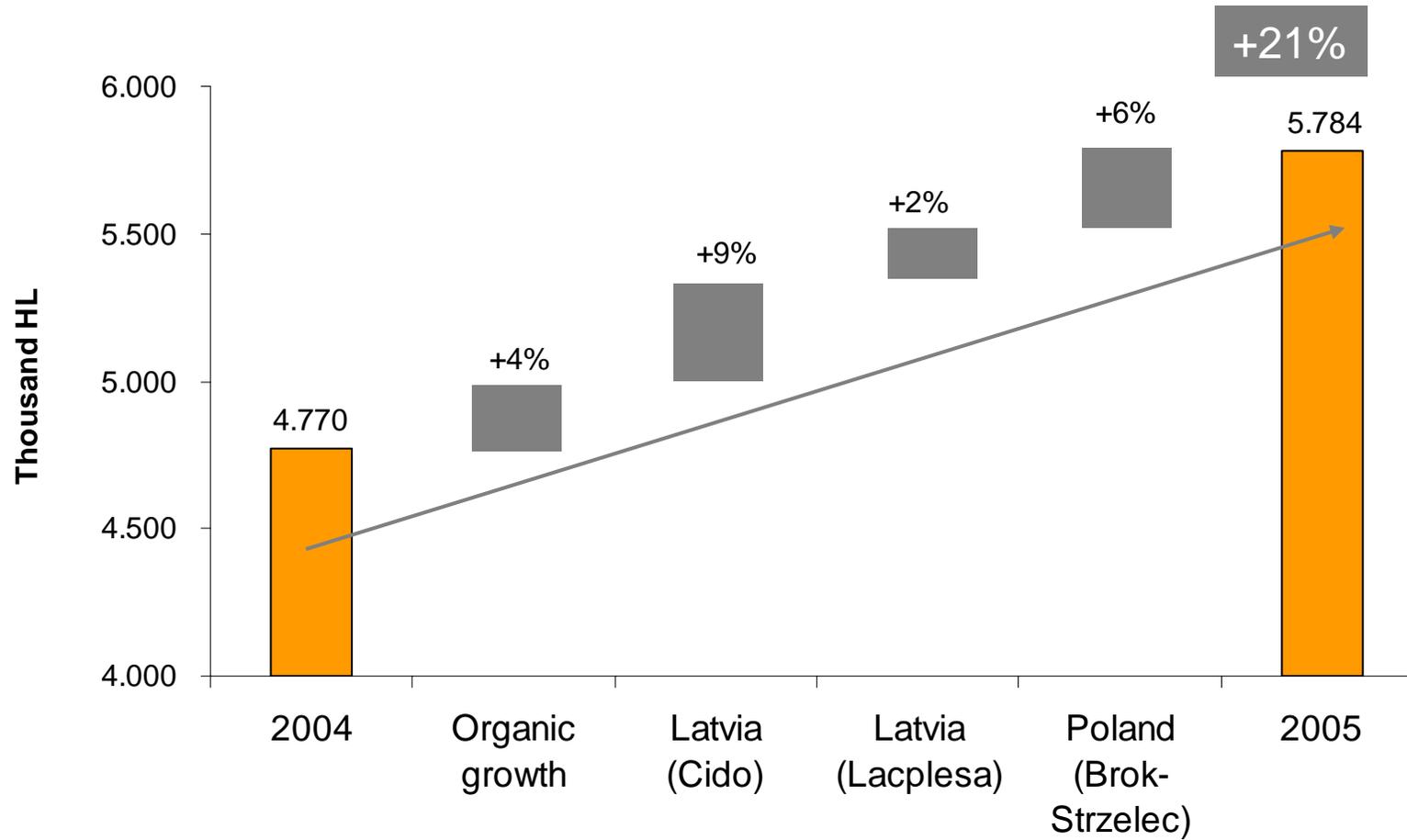
EUR million	2005	2004	% change
Net revenue	427.7	384.6	11
Operating profit	41.2	41.2	0
EBIT	41.9	41.2	2
Net financials	-2.1	-4.8	56
Profit before tax	39.8	36.4	9
Consolidated profit	30.0	26.1	15
ROIC	11.2%	11.1%	-
Profit margin	9.6%	10.7%	-
EBIT margin	9.8%	10.7%	-
Free cash flow	33.8	31.1	8



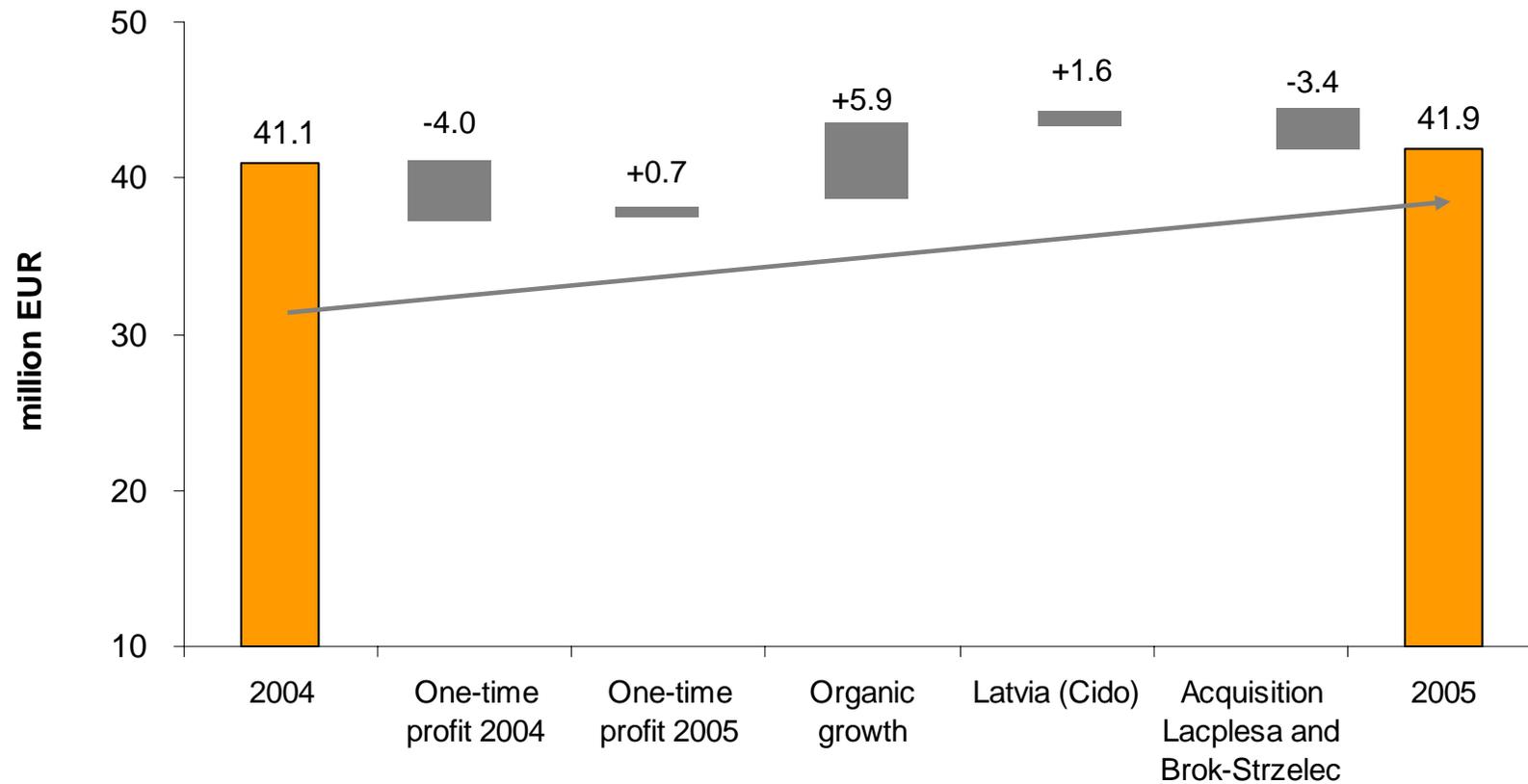
Elements in top line growth 2005



Elements in volume growth 2005

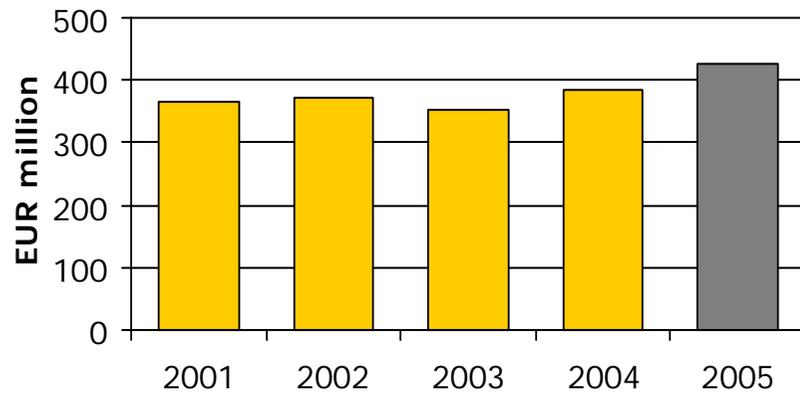


EBIT 2005

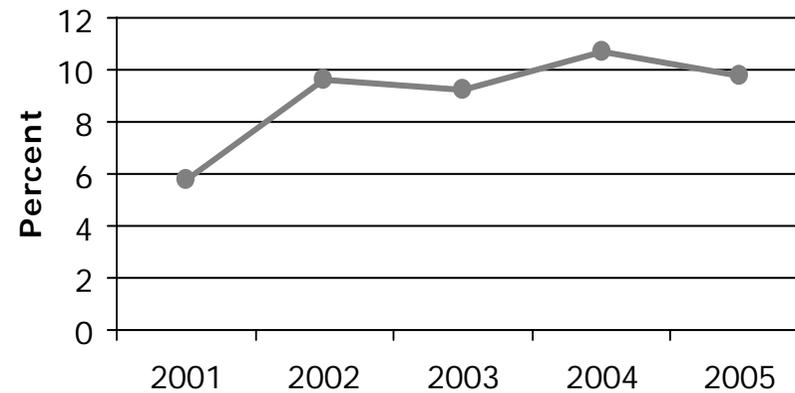


Financial Development 2001-2005

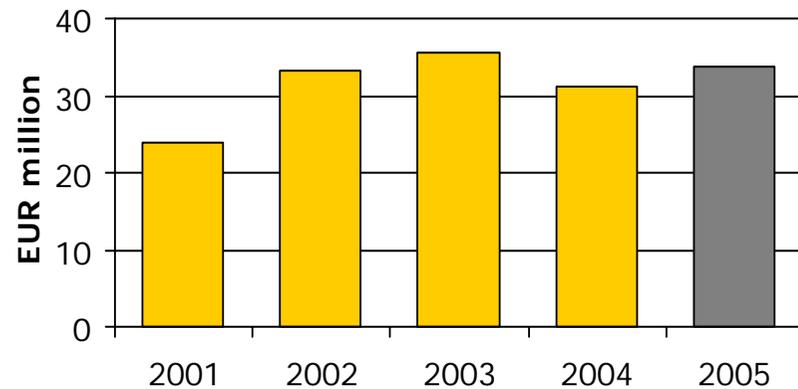
Net revenue



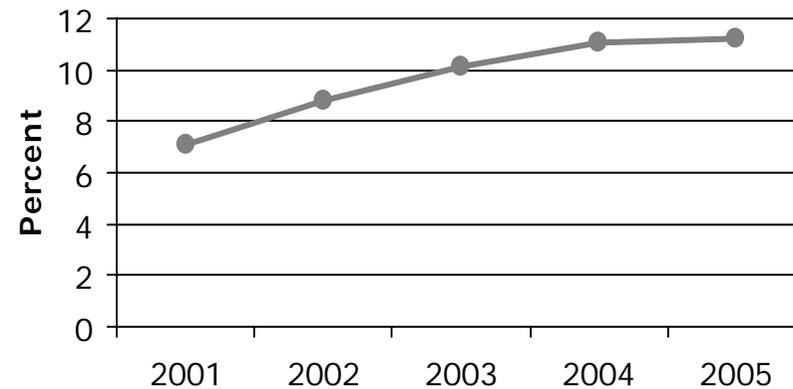
EBITmargin



Free cash flow



ROIC



MACH II (Strategic Development 2002-2007)

Well-tuned business with efficient production facilities
and administration geared for growth



V8



MACH II



Focus:
Improving profitability

- ROIC from 8% to 10.5%
- Profit margin from 7.8% to 11%
- Free cash flow > EUR 27 million per year

Focus:
Value creation through profitable
international growth

- Continued ROIC \geq 10%
- Continued EBIT margin \geq 10%
- Free cash flow (before acquisitions): \geq 7% (of net revenue)
- Profitable revenue growth from some EUR 400 million in 2004 to at least EUR 600 million 2007
- Financial Structure: Net debt = 3 x EBITDA in 2007

MACH II Main Elements 2005-2007



MACH II

- 1. Ensuring profitable revenue growth from some EUR 400 million (2004) to at least EUR 600 million (2007) while still achieving a two-digit ROIC and EBIT margin as well as free cash flow of at least 7 per cent of net revenue.**
- 2. Further development of the Baltic countries through optimization, integration and streamlining in order for the Baltic countries to show two-digit ROIC and EBITmargin by 2007 at the latest.**
- 3. Developing the core competencies of Royal Unibrew to operate strong regional/national brands.**
- 4. Intensified product innovation - focus on developing strong brands through increased investment in marketing and product development.**
- 5. Business Excellence to ensure continued savings and rationalization gains with a total full year effect of EUR 2.7 million already in 2006.**
- 6. Establishment of new international corporate identity.**

Status MACH II: Significant progress made

- Revenue went up by 11% in the period partly due to organic growth (4%) and partly as a result of the acquisitions made (7%).
- Activities in the Baltic countries developed as planned and profit is expected to continue to increase in the area.
- The organisation was developed through e.g. recruiting in key areas with intention to strengthening core competencies and achieving operating synergies.



Status MACH II: Significant progress made (cont.)

- Investments in the Group's primary areas continued with satisfactory results. Royal Beer in Denmark holds a still increasing market share (now at 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 in Italy increased their market share with a growth in turnover of 5%
- The Business Excellence initiatives launched yielded the expected savings of some EUR 2 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 on 4 May 2005, and the project is expected to continue externally and within the Group.

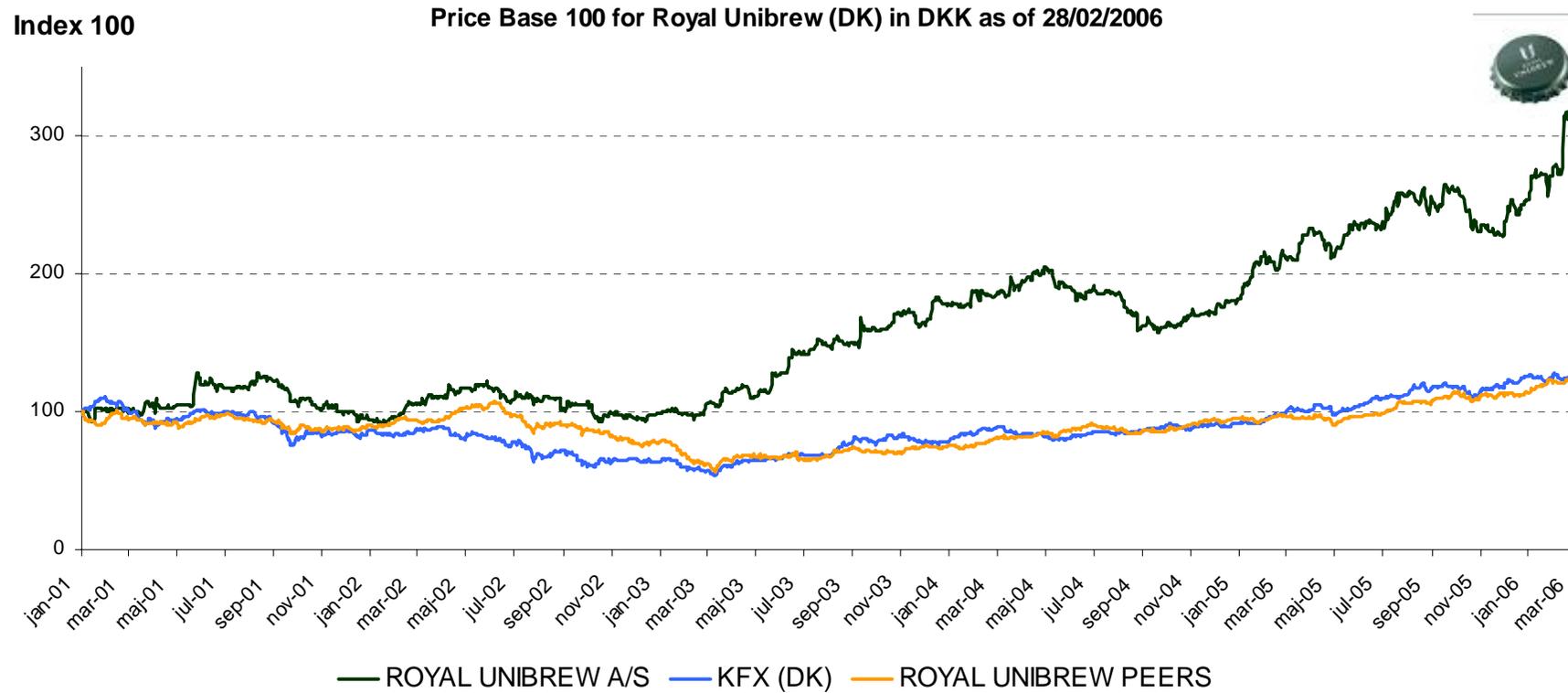


Share Buy Back Programme and Dividend Policy

- Change of capital structure: net debt increase to some 3 x EBITDA by the end of 2007.
- Further Share Buy Back Programme will be taken into consideration.
- Dividend policy: Pay-out ratio of 25-40% of net result.
EUR 1.34/share proposed dividend.



Share Performance as of 28/02/2006



Expectations for 2006

- For the full year 2006, including the acquisition of the Brok-Strzelec activities, a net revenue increase of some 7% is expected (excl. new acquisitions).
- The profit before tax for the full year is expected to be in the range from EUR 42 to EUR 47 million.
- Continued improvement of results in Latvia (Lacplesa Alus) and Poland (Brok-Strzelec) are expected.
- Business Excellence projects - implemented in 2005 - are expected to affect P/L in 2006 positively with EUR 2.7 million.
- “Egekilde” premium brand is expected to strengthen the Group’s earnings in the long term, however, in 2006 the new brand will imply an earnings reduction of some EUR 1.4 million.

Contact details

Royal Unibrew A/S

Faxe Allé 1

DK-4640 Faxe

Denmark

Telephone: +45 56 77 15 00

Facsimile: +45 56 71 47 64

Home page: www.royalunibrew.com

E-mail: investorrelations@royalunibrew.com

Executive Board (from left):

Poul Møller, CEO

Ulrik Sørensen, CFO

Connie Astrup-Larsen, International Director Eastern and Central Europe

Povl Friis, Technical Director

Leif Rasmussen, Sales and Marketing Director



The statements about the future made in the Annual Report for 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 - market-driven 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.



Thank you for your attention
See also www.royalunibrew.com