



## Annual Report 2013

March 11, 2014

COMPANY ANNOUNCEMENT NO. 1/2014 — 11 MARCH 2014

The Board of Directors of Royal Unibrew has approved the Company's Annual Report for 2013.

### ROYAL UNIBREW'S POSITION SIGNIFICANTLY STRENGTHENED

- Royal Unibrew significantly reinforced its market position in 2013
- Net revenue went up by 31%, 11 percentage points attributable to organic growth
- EBIT increased by DKK 75 million, Hartwall contributing DKK 38 million
- Cash flow from operating activities went up by DKK 156 million
- The Hartwall acquisition on 23 August 2013 reinforced Royal Unibrew's position significantly
- Debt reduction following the Hartwall acquisition progressing as planned
- Hartwall integration progressing as planned

*"2013 was a good and important year to Royal Unibrew - a year, in which we succeeded in realising an attractive acquisition, strengthening our market positions and achieving considerably better results than in 2012. Over the past years, we have implemented comprehensive changes, and our many initiatives have resulted in a considerable financial and strategic flexibility. This, combined with continued momentum in 2013, enabled us to acquire Hartwall in Finland with moderate borrowing and significantly expand our position as the second-largest brewery group in the Nordic and Baltic countries — thus creating a broader and stronger earnings base. Despite continuous challenging markets conditions we reinforced our market positions and market shares, which is the result of considerable investments in our commercial activities, in innovation and in our brand portfolios. Both in Western Europe and North East Europe the innovation level has been high with the launch of several new packaging and taste varieties — including new varieties of Royal Beer, Faxe Kondi Booster and Nikoline", says Henrik Brandt, CEO.*

### DEVELOPMENTS IN 2013

- Royal Unibrew increased its market shares on branded beer as well as soft drinks and malt beverages in all markets except for the Finnish market, where its market share was lower than in 2012.
- Net revenue went up by DKK 1,051 million to DKK 4,481 million. Adjusted for the acquisition of Hartwall in 2013 and the divestment of Impec in 2012, net revenue increased by 11% in organic terms.
- EBITDA increased by DKK 121 million and amounted to DKK 732 million. In organic terms, EBITDA increased by DKK 32 million.
- Earnings before interest and tax (EBIT) went up by DKK 75 million and amounted to DKK 560 million, including DKK 38 million attributable to Hartwall. In organic terms, EBIT went up by DKK 43 million.
- As expected, the EBIT margin of 12.5% was due to the acquisition of Hartwall lower than the margin of 14.1% in 2012.
- Profit before tax amounted to DKK 548 million compared to DKK 481 million in 2012.
- Free cash flow went up by DKK 122 million and amounted to DKK 598 million compared to DKK 476 million in 2012.
- In 2013 dividend of DKK 352 million was distributed to shareholders (2012: DKK 379 million), including DKK

110 million through share buy-backs (2012: DKK 200 million).

- The equity ratio was 31% at the end of 2013, and NIBD was 2.3 times pro forma EBITDA.
- Net revenue increased by 88% in Q4 and amounted to DKK 1,425 million. In organic terms, net revenue increased by 9% over 2012.
- EBIT for Q4 amounted to DKK 111 million compared to DKK 85 million in 2012. In organic terms, EBIT was DKK 2 million below the 2012 figure, and EBIT margin was 7.8% compared to 11.2% in 2012.

#### OUTLOOK FOR 2014

Calculated on a pro forma basis with Hartwall's realised net revenue and results for all of 2013, net revenue amounted to DKK 6,050 million, EBITDA to DKK 1,015 million and EBIT margin was 12.0%.

In consequence of the expectations of the development in consumption and Royal Unibrew's market shares, including the normalisation of volumes and the termination of a private label contract in North Western Europe, net revenue for 2014 is expected to show a low one-digit percentage point decline as compared to the pro forma net revenue calculated for 2013.

EBITDA is expected realised slightly higher than the pro forma EBITDA calculated for 2013. The outlook for 2014 will be updated when the restructuring negotiations with the employees at Hartwall and the conclusions have been completed in accordance with the procedures laid down.

It remains the Group's target to increase EBIT margin to 13% in the medium term.

Due to the priority given to debt reduction, the Board of Directors recommends that no dividend be distributed in 2014; moreover, the Board of Directors does not expect to initiate any share buy-backs in 2014

	<b>Actual 2013*</b>	<b>Pro forma actual 2013**</b>
Net revenue (mDKK)	4,481	6,000
EBITDA (mDKK)	732	1,015
EBIT (mDKK)	560	730

\* In 2013 Hartwall was included in results for the period 23 August — 31 December with net revenue of DKK 787 million, EBITDA of DKK 94 million and EBIT of DKK 38 million after deducting transaction costs of DKK 15 million.

\*\* Pro forma realised 2013 is calculated with Hartwall's realised net revenue and full-year results before deducting transaction costs.

The Annual Report has been released via NASDAQ OMX Copenhagen and is attached hereto and available on [www.royalunibrew.com](http://www.royalunibrew.com).

Yours sincerely

Royal Unibrew A/S

Henrik Brandt

CEO

Please direct any questions to me at tel. +45 56 77 15 13.

***It will be possible to follow Royal Unibrew's presentation of the Annual Report 2013 on Tuesday 11 March 2014 at 9:00 am via audiocast at one of the following dial-in numbers:***

*Danish participants dial: + 45 327 280 18*

*US participants dial: + 1 866 682 8490*

*International number: + 1 452 555131*

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