



## Interim Report 1 January - 30 September 2014

November 27, 2014

COMPANY ANNOUNCEMENT NO 19/2014 – 26 november 2014

### Interim Report for 1 January – 30 September 2014

#### Significant earnings increase in line with outlook

Net revenue for the nine months to 30 September 2014 showed a 54% increase to DKK 4,705 million primarily due to the acquisition of Hartwall in August 2013. Measured organically (excluding Hartwall up until 22 August 2014) as well as on a pro forma basis (including Hartwall in 2013), sales and net revenue increased by 1% and 2%, respectively. Net revenue for Q3 was positively affected by the extraordinarily good summer weather showing a 4% increase measured on a pro forma basis. Royal Unibrew's market shares on branded products showed a slight decline. Earnings before interest and tax (EBIT) for the nine months to 30 September 2014 increased by DKK 263 million to DKK 712 million. Measured on a pro forma basis, EBIT went up by DKK 108 million, including DKK 51 million in Q3, and EBIT margin increased from 14.7% to 15.1%. The earnings increase is due to higher sales, a favourable product mix development, improved efficiency as well as a shift in marketing expenses. In addition to higher earnings, free cash flow was also positively affected by additional sale of the brewery site in Aarhus and amounted to DKK 772 million compared to DKK 357 million for the nine months to 30 September 2013. Net interest-bearing debt was reduced by DKK 773 million in the nine months to 30 September 2014 to DKK 1,606 million, and NIBD/EBITDA calculated on a pro forma running 12-month basis, was 1.4x against 2.3x at the end of 2013. The earnings outlook for 2014 is maintained.

"In the first nine months of the year, we achieved positive revenue growth of 2% (organically and pro forma) and a significant increase in operating profit – in spite of an underlying negative consumption development in Finland and Italy, which is not expected to change in the short term. It is satisfactory that the earnings increase is attributable to both the development in Royal Unibrew excluding Hartwall and the development in Hartwall. The Hartwall acquisition was a major acquisition for Royal Unibrew, and we expect the integration process to take another couple of years. Moreover, it is satisfactory that today, about a year after the acquisition, we see a significant debt reduction and improved solvency, which enhances our financial and strategic flexibility and competitive power", says Henrik Brandt, CEO.

#### Selected financial highlights and key ratios

mDKK	Actual	Q1-Q3		Q3		
		Pro forma (incl. Hartwall)	Pro forma (incl. Hartwall)	Actual	Pro forma (incl. Hartwall)	
	2014	2013	2013	2014	2013	2013
Sales (thousand hectolitres)	6,921	4,897	6,847	2,533	1,958	2,454
Net revenue	4,705	3,056	4,625	1,713	1,263	1,648
EBITDA	932	545	813	428	268	375
Earnings before interest and tax (EBIT)	712	449	604	351	224	300
EBIT margin (%)	15.1	14.7	13.1	20.5	17.7	18.2
Profit before tax	695	447		352	223	
Free cash flow	772	357		432	151	
	<b>Q3 2014</b>	<b>Q2 2014</b>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>
Net interest-bearing debt	1,606	2,042	2,638	2,379	2,604	440
NIBD/EBITDA (running 12-month, pro forma basis)	1.4	1.9	2.6	2.3	2.6	0.7
Equity ratio (%)	38	34	31	31	28	42

OUTLOOK

The previously announced outlook is maintained as follows:

Net revenue: DKK 5,950-6,100 million

EBITDA: DKK 1,090-1,140 million

EBIT: DKK 790-840 million

For further information on this Announcement:

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It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Friday, 27 November 2014, at 9 am by audiocast at tel one of the following dial-in numbers:

Danish participants dial: +45 32 72 80 18

US participants dial: +1 866 682 8490

International number: +44 (0) 145 255 5131

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