Q1 Report 2010

Company Announcement No 10/2010
27 April 2010

The positive trend continues

In Q1 2010 Royal Unibrew continued the positive trend realising higher earnings than in 2009. Operating profit (EBIT before special items) amounted to DKK 10 million compared to a loss of DKK 28 million for the same period of last year, an increase of DKK 38 million, which is more favourable than expected. As expected, developments in Q1 were positively affected by Easter sales, unlike last year, being realised in Q1; moreover, distributors have been accumulating inventories due to, among other things, the labour market situation in Denmark. Free cash flow for the quarter was DKK 124 million above the 2009 figure, and net interest-bearing debt was reduced by DKK 178 million – primarily as a result of the sale of the Caribbean breweries. Earnings are now expected to be at the upper end of the previously announced ranges due to the revenue and efficiency developments in Q1.

"Consumers continue to show restraint, and the markets are volatile and characterised by keen competition. In light of this, we are satisfied to have been able in Q1 to continue the positive trend with an increase in both results and cash flow – and an additional reduction of our debts. The improved financial performance is not least due to the significant measures taken in 2009 to optimise Royal Unibrew now really gathering momentum. In Q1 we launched several new, interesting products; we will continue to do so throughout 2010, and we will also continue optimising our business in general. With the final divestment of the Caribbean breweries in February 2010, we took an important step in the planned focusing of Royal Unibrew", says Henrik Brandt, CEO.

HIGHLIGHTS

- Branded products market shares are generally estimated to have been maintained in the main markets.
- Net revenue increased by 2% to DKK 782 million. Adjusted for the sale of the Caribbean breweries, organic growth was 5%.
- EBITDA (before special items) increased by DKK 46 million (265%) to DKK 63 million.
- Operating profit (EBIT before special items) increased by DKK 38 million from 2009 amounting to DKK 10 million.
- Loss before tax amounted to DKK 20 million compared to a loss of DKK 44 million in 2009.
- Free cash flows amounted to a negative DKK 6 million for Q1 2010 compared to a negative DKK 130 million in 2009.
- Net interest-bearing debt was reduced in Q1 by DKK 178 million to DKK 1,238 million.

OUTLOOK

In terms of revenue and earnings, developments in Q1 2010 were more favourable than expected. Net revenue at the level of DKK 3.4-3.6 billion, EBITDA in the range of DKK 475-525 million and a profit before tax of DKK 205-255 million are still expected. However, the earnings are now expected to be at the upper end of these ranges. At the end of 2010 the Group's net interest-bearing debt is expected to amount to some DKK 1 billion.

For further information on this Announcement:
Henrik Brandt, CEO, tel + 45 56 77 15 13

It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Wednesday, 28 April 2010, at 9 am by webcast. Please register at the Royal Unibrew website www.royalunibrew.com.

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***Royal Unibrew** produces, markets, sells and distributes quality beverages focusing on branded products within beer, malt and soft drinks, including soda water, mineral water and fruit juices. We operate as a leading regional player in a number of markets in Western and Eastern Europe and in the international malt drinks markets. Our Western European main markets comprise primarily Denmark, Italy as well as Cross-border Trade and Germany. The Eastern European markets comprise Lithuania, Latvia and Poland. The international malt drinks markets comprise primarily a number of countries in the Caribbean and Africa as well as cities in Europe and North America with high concentration of inhabitants from the Caribbean and African areas in which malt drinks are popular.*

In Denmark we are a leading supplier of beer and soft drinks with a number of strong brands, and in Italy we are among the market leaders in the super premium segment with Ceres Strong Ale. In both Latvia and Lithuania, we are among the two leading beverage businesses holding considerable market positions within beer and soft drinks, including fruit juices. In the international malt drinks markets, we are among the market leaders in the premium segment with Vitamalt. In Poland our key market is the North Eastern region of the country in which our brand holds a considerable position.

To read more, visit www.royalunibrew.com.

The Announcement has been prepared in Danish and English. In case of discrepancy, the Danish version shall prevail.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

	(unaudited) 1/1 - 31/3 2010 *)	1/1 - 31/3 2009	1/1 - 31/ 12 2009
Sales (thousand hectolitres)	**1,318**	1,310	6,602
Financial highlights (mDKK)			
Income Statement			
Net revenue	**781.9**	767.6	3.816.4
Operating profit/loss before special items	**10.0**	(27.9)	243.3
Special items (expenses)	**0.0**	(14.5)	(49.6)
Special items (depr./amort. and impairment; profit/loss on sale)	**0.0**	(2.0)	14.7
Profit/loss before financial income and expenses	**10.0**	(44.4)	208.4
Net financials	**(30.5)**	0.3	(131.8)
Profit/loss before tax	**(20.5)**	(44.1)	76.6
Profit/loss for the period	**(18.0)**	(34.6)	52.5
Royal Unibrew A/S' share of profit/loss	**(18.2)**	(34.5)	47.1
Balance Sheet			
Total assets	**3,335.7**	4,016.5	3,489.7
Equity	**965.2**	522.2	995.1
Net interest-bearing debt	**1,238.2**	2,325.7	1,416.3
Net working capital	**(96.2)**	184.2	(84.6)
Free cash flow	**(5.7)**	(129.9)	374.2
Per share			
Royal Unibrew A/S' share of earnings per share (DKK)	**(1.6)**	(6.3)	5.8
Royal Unibrew A/S' diluted share of earnings per share (DKK)	**(1.6)**	(6.3)	5.8
Cash flow per share (DKK)	**0.1**	(5.3)	62.0
Diluted cash flow per share (DKK)	**0.1**	(5.3)	62.0
Key figures (mDKK)			
EBITDA before special items	**63.5**	17.4	460.5
EBITDA	**63.5**	2.9	410.9
EBIT	**10.0**	(44.4)	208.4
Key ratios (%)			
Profit margin	**1.3**	(3.6)	6.4
EBIT margin	**1.3**	(5.8)	5.5
Free cash flow as a percentage of net revenue	**(0.7)**	(16.9)	9.8
Equity ratio	**28.9**	13.0	28.5
Debt ratio	**128.3**	445.4	142.3

***)** divested Caribbean breweries are included in the Consolidated Financial Statements until the end of January 2010, see note 4
The key ratios have been calculated in accordance with the "Recommendations and Financial Ratios 2005" of the Danish Society of Financial Analysts.

MANAGEMENT'S REVIEW

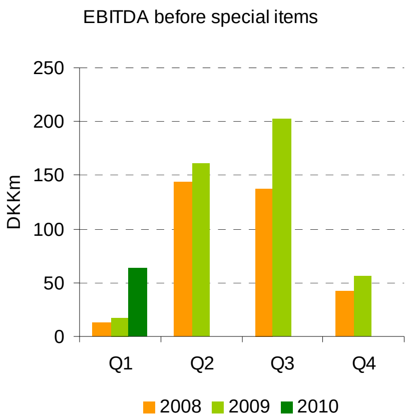
RESULTS 1 JANUARY– 31 MARCH 2010

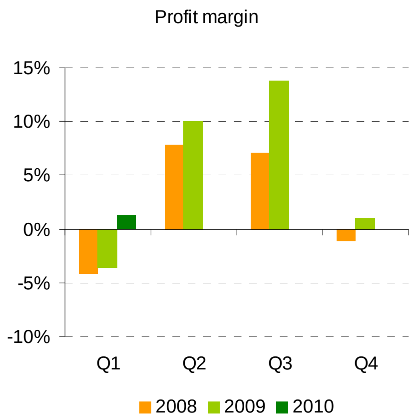
In Q1 2010 Royal Unibrew improved its earnings compared to the same period of last year in spite of continued consumer restraint in most markets. Sales and revenue as well as EBIT developments in Q1 were more favourable than expected. Net revenue and EBIT were favourable affected by Easter sales in 2010, unlike in 2009, being included in Q1 and by distributors having accumulated inventories at the end of Q1. Operating profit (EBIT before special items) amounted to DKK 10 million, which is DKK 38 million above the 2009 figure. Loss before tax amounted to DKK 20 million, which is an improvement of DKK 24 million on 2009.

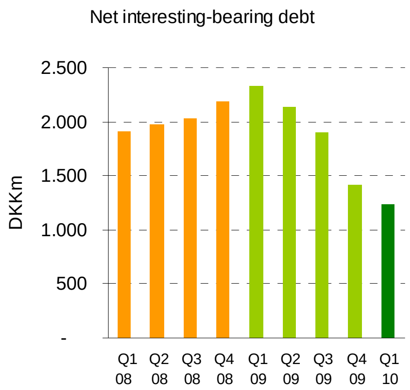
Usually earnings of brewery businesses are low in the winter season when demand for beer and soft drinks, and thus sales and production volumes, is lower than in the other quarters of the year, and the lower level of activity is utilised to carry out major maintenance work.

The Northern European markets are still seeing intense price competition; it is, however, estimated that Royal Unibrew's branded products have generally defended their market shares in the main markets.

In Q1 several new products were launched. In Denmark the Tempt cider brand and the Pure Rush energy drink were launched – both brands are in product categories which have recorded growth in recent years. In the Baltic countries, a new juice product line was introduced under the Cido brand at the end of Q1, and a number of new beer varieties were also introduced in the Baltic countries.







The developments in activities for the period 1 January – 31 March 2010 break down as follows on market segments:

	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Group 2010	Group 2009
Sales (thousand hectolitres)	695	494	129	-	1,318	1,310
Growth (%)	3.4	(7.4)	23.6		0.6	(15.2)
Share of sales (%)	53	37	10	-	100	-
Net revenue (mDKK)	524	161	97	-	782	768
Growth (%)	6.7	(11.2)	1.7		1.9	(8.4)
Share of net revenue (%)	67	20	13	-	100	-
Operating profit/loss (EBIT before special items) (mDKK)	28.1	(17.3)	8.5	(9.3)	10.0	(27.9)
Profit margin (%)	5.4	(10.8)	8.7	-	1.3	(3.6)
Earnings before interest and tax (EBIT) (mDKK)	28.1	(17.3)	8.5	(9.3)	10.0	(44.4)
EBIT margin (%)	5.4	(10.8)	8.7	-	1.3	(5.8)

Sales in Q1 2010 aggregated 1.3 million hectolitres of beer, malt and soft drinks, which is an increase of just below 1% from 2009. Organic growth (growth adjusted for the divestment of the Caribbean breweries) represented just below 3%.

Net revenue was 2% higher than for the same period of 2009 amounting to DKK 782 million compared to DKK 768 million in 2009. Organic growth represented 5% and is primarily attributable to developments in the Western Europe and Malt and Overseas Markets segments. Net revenue was more favourable than expected and affected by sales around Easter, unlike in 2009, being realised in Q1 as well as by distributors accumulating inventories.

Gross profit increased by 13% or DKK 42 million in Q1 amounting to DKK 349 million. The increase in gross profit is primarily due to the gross margin realised increasing by 4.5 percentage points from 40.1% to 44.6% due to lower production costs resulting from the many measures taken to optimise the business, lower raw materials prices, a more favourable product and market mix as well as higher efficiency primarily at the Danish breweries due to the increased volumes in the period.

Sales and distribution expenses amounted to DKK 281 million, which is at the 2009 level. Expenses for sales and marketing of new products and the key brands were increased, whereas the full effect of the change of the Danish distribution structure was achieved in Q1 2010, which contributes towards reducing sales and distribution expenses.

Administrative expenses in Q1 2010 were also at the 2009 level amounting to DKK 58 million.

Earnings before interest, tax, depreciation, amortisation and special items (EBITDA before special items) increased by DKK 46 million amounting to DKK 63 million compared to DKK 17 million in 2009.

Operating profit (EBIT before special items) amounted to DKK 10 million for Q1, which is a DKK 38 million improvement on 2009. The increase is primarily related to Western Europe and Malt and Overseas Markets.

As expected, there were no special items in Q1 2010, whereas in Q1 2009 special items relating to reorganisation amounted to a negative DKK 17 million.

Earnings before interest and taxes (EBIT) amounted to DKK 10 million compared to a negative DKK 44 million in 2009.

As expected, the Group's net financial expenses amounted to DKK 29 million compared to a net income of DKK 1 million in 2009. In 2009 net financial expenses were positively affected by exchange gains of a non-recurring nature, whereas in 2010 they are negatively affected by expenses relating to the agreement on credit facilities which Royal Unibrew entered into with its main bankers in early 2009.

The loss before tax amounted to DKK 20 million compared to a loss of DKK 44 million in 2009.

Tax on the loss for the period for Q1 was an income of DKK 2 million compared to an income of DKK 9 million in 2009. Tax has been calculated on the basis of the expected full-year tax rates for EBIT (29%) and net interest expenses (12%), respectively. No tax has been recognised in other comprehensive income for the period, which was also not the case for Q1 2009 and for the full year 2009.

The loss for the period amounted to DKK 18 million, which is a DKK 17 million improvement on the loss of DKK 35 million realised in 2009.

DEVELOPMENTS IN INDIVIDUAL MARKET SEGMENTS

Western Europe

Western Europe	2010 1/1 - 31/3	2009 1/1 - 31/3	% change	2009 1/1 - 31/12
Sales (thousand hectolitres)	695	672	3	3,318
Net revenue (mDKK)	524	491	7	2,418
Operating profit (EBIT before special items) (mDKK)	28.1	0.1		274.6
Profit margin (%)	5.4	0.0		11.4
EBIT (mDKK)	28.1	(8.3)		251.0
EBIT margin (%)	5.4	(1.7)		10.4

The **Western Europe** segment comprises the markets for beer and soft drinks in Denmark and the Nordic countries, Cross-border Trade and Germany as well as Italy. In Q1 2010 Western Europe accounted for 53% of group sales and 67% of net revenue (2009: 51% and 64%, respectively).

In Q1 sales in Western Europe increased by 3% compared to 2009, and net revenue increased by 7%. Generally, the Group defended its market shares.

The operating profit (EBIT before special items) increased from DKK 0 million in 2009 to DKK 28 million. The earnings increase is attributable to several factors: sales related to Easter were included in Q1 this year, whereas it was included in Q2 in 2008; in Italy distributors have accumulated inventories and, finally, the full effect of the change of the distribution structure in Denmark was achieved in Q1 2010.

EBIT was not affected by any special items in 2010 and increased by DKK 36 million to DKK 28 million.

Western Europe	Actual 1/1-31/3 2010		Change from 2009	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Denmark	254	313	0	(2)
Italy	157	110	21	22
Cross-border Trade and Germany	109	260	6	6
Nordic countries	4	12	(16)	(26)
Total Western Europe	**524**	**695**	**7**	**3**

It is estimated that total branded beer sales in **Denmark** decreased by some 4% in Q1 2010, whereas branded soft drinks sales increased slightly.

The development in Royal Unibrew's total sales in Q1 2010 was affected by the decision to terminate unprofitable supply agreements concerning private labels in 2009. Adjusting for this, sales increased slightly, whereas net revenue in 2010 was approximately 1% higher than in 2009. It is estimated that Royal Unibrew's market share for branded beer products declined slightly in 2010, and that the share for soft drinks is at the 2009 level.

In **Italy** both sales of Royal Unibrew's super premium brand, Ceres Strong Ale, and sales of products for the mainstream segment increased in Q1 2010 compared to 2009 in a slightly declining market. Royal Unibrew's net revenue increased by 21%. A significant part of the positive development is related to the accumulation of inventories by distributors and to Easter sales being included in Q1. It is assessed that the market share held by Ceres Strong Ale has increased both in the HoReCa sector and in the retail sector.

Sales and revenue relating to **Cross-border Trade and Germany** increased by 6% and were positively affected by the Easter sales in Q1 2010 as compared to 2009. It is estimated that the Group's market shares have been defended.

Eastern Europe

Eastern Europe	2010 1/1 - 31/3	2009 1/1 - 31/3	% change	2009 1/1 - 31/12
Sales (thousand hectolitres)	494	533	(7)	2,756
Net revenue (mDKK)	161	181	(11)	909
Operating profit/loss (EBIT before special items) (mDKK)	(17.3)	(18.2)	5	(5.2)
Profit margin (%)	(10.8)	(10.1)		(0.6)
EBIT (mDKK)	(17.3)	(22.9)	24	(13.9)
EBIT margin (%)	(10.8)	(12.7)		(1.5)

The **Eastern Europe** segment primarily comprises the markets for beer, fruit juices and soft drinks in Latvia, Lithuania and Poland. In Q1 2010 Eastern Europe accounted for 37% of group sales and 20% of net revenue (2009: 41% and 24%, respectively).

Sales declined by 7%, and net revenue in the segment was reduced by 11%. Royal Unibrew's market shares are generally assessed to have been defended.

In spite of the declining net revenue, operating profit (EBIT before special items) increased by just below DKK 1 million from Q1 2009 due to the cost savings introduced in 2009 having full impact in Q1 2010. Focus on optimising and integrating activities in the Baltic countries continues. The performance improvement in the segment comprises an improvement in Poland, whereas results in Lithuania and Latvia were below those of 2009.

EBIT for the period was DKK 6 million above the 2009 figure; in 2009 DKK 5 million was attributable to special items relating to reorganisation.

Eastern Europe	**Actual 1/1 - 31/3 2010**		**Change from 2009**	
	Net revenue (mDKK)	**Sales (thousand hectolitres)**	**Net revenue (%)**	**Sales (%)**
Lithuania	57	146	(18)	(10)
Latvia	46	157	(23)	(15)
Poland	56	190	9	3
Other markets	2	1	280	(22)
Total Eastern Europe	**161**	**494**	**(11)**	**(7)**

In **Lithuania** the total beer market decline in Q1 2010 is estimated at some 3%, whereas the total decline in the fruit juice market is estimated at some 22%. It is estimated that Kalnapilio-Tauro Grupe has defended its fruit juice market share, whereas the market share for beer has declined as an increased part of consumption was converted to the discount segment.

In **Latvia** it is estimated that the fruit juice and soft drinks markets declined by some 24% in Q1 2010, whereas total beer consumption is estimated at an approximate 4% increase. Royal Unibrew increased its market share for beer, and it is estimated that the market shares for fruit juices and soft drinks were defended in spite of consumers converting an increased part of consumption to the discount segment also in Latvia.

In **Poland** beer consumption is estimated at an approximate 3% decline in Q1 2010 from the same period of 2009. Royal Unibrew's sales increased by 3%. The sale in mid 2009 of the Koszalin brewery and the related brands resulted in a sales reduction of 5%. Organic sales growth was thus 8% in Q1 2010. Net revenue increased by 9% in the period. The discontinuation of the sale of products related to the Koszalin-brewery reduced revenue by 8%. Adjusted for this, revenue went up by 17%.

Malt and Overseas Markets

Malt and Overseas Markets	**2010 1/1 - 31/3**	**2009 1/1 - 31/3**	**% change**	**2009 1/1 - 31/12**
Sales (thousand hectolitres)	129	105	24	528
Net revenue (mDKK)	97	96	2	489
Operating profit (EBIT before special items) (mDKK)	8.5	2.1	305	37.5
Profit margin (%)	8.7	2.2		7.7
EBIT (mDKK)	8.5	(1.3)		34.9
EBIT margin (%)	8.7	(1.4)		7.1

The **Malt and Overseas Markets** segment comprises the Group's breweries (until the end of January 2010) and distribution company in the Caribbean, the export and licence business for malt drinks as well as beer and soft drinks exports to other markets. In Q1 2010 sales and revenue represented 10% and 13%, respectively, of total group sales and revenue (2009: 8% and 12%, respectively).

Sales increased by 24% in Q1 2010. The sale of the Caribbean breweries reduced sales by 21%. Net revenue increased by 2%. The sale of the Caribbean breweries reduced net revenue by 40%. Organically, sales and revenue were thus increased by 45% and 42%, respectively. Net revenue was positively affected by the accumulation of inventories by distributors.

Operating profit (EBIT before special items) for Q1 2010 was DKK 6 million above the 2009 figure. As compared to 2009, the sale of the Caribbean breweries reduced operating profit by DKK 1 million. Organically, the operating profit has thus increased by DKK 7 million in 2010.

Malt and Overseas Markets	**Actual 1/1 - 31/3 2010**		**Change from 2009**	
	Net revenue (mDKK)	**Sales (thousand hectolitres)**	**Net revenue (%)**	**Sales (%)**
The Caribbean	51	52	(17)	(7)
The UK	9	10	102	57
Africa	15	35	8	81
Other markets	22	32	43	41
Total Malt and Overseas Markets	**97**	**129**	**2**	**24**

Adjusted for the divestment of the Caribbean breweries, sales and revenue in **the Caribbean** developed positively in Q1 2010. The positive development is partly explained by increased activity in the Group's distribution companies in Guadeloupe and Martinique, which were in Q1 2009 affected by a general strike, partly by the accumulation of inventories by distributors.

In **the UK** sales and revenue developed positively as compared to 2009 when Q1 was affected by inventory reductions with a major customer.

In **Africa** and in the other markets of the segment, Royal Unibrew's activities developed positively in Q1 2010. The positive development is partly due to the accumulation of inventories by distributors and partly to an increased licence activity.

BALANCE SHEET AND CASH FLOW STATEMENT

Royal Unibrew's balance sheet total amounted to DKK 3,336 million at 31 March 2010, which is DKK 154 million below the figure at 31 December 2009. The divestment of the Caribbean activities reduced the balance sheet total by DKK 220 million, whereas a high level of activity prior to the Easter period in 2010 increased the working capital assets and liabilities as compared to the end of 2009.

The equity ratio improved in Q1 representing 28.9% at the end of the period compared to 28.5% at the end of 2009. Group equity amounted to DKK 965 million at the end of March 2010 and was only affected by the negative comprehensive income of DKK 30 million for the period. The comprehensive income comprises the loss for the period of DKK 18 million, positive exchange adjustments of foreign group enterprises of DKK 11 million as well as a reduction of DKK 23 million relating to minority interests in the divested Caribbean companies.

Free cash flow for the period 1 January – 31 March 2010 was DKK 124 million above the figure for the corresponding period of 2009 amounting to a negative DKK 6 million compared to a negative DKK 130 million in 2009. The improvement related to both increased cash flows from operating activities and to lower investments in non-current assets. Cash flows from operating activities amounted to DKK 1 million in 2010 compared to a negative DKK 29 million in 2009, and net investments in non-current assets were in 2010 DKK 7 million compared to DKK 101 million in 2009 when the investment in the transfer of production in Denmark from Aarhus to Faxe was completed in Q2.

Cash flows from operating activities of DKK 1 million comprised the loss for the period adjusted for non-cash operating items of DKK 64 million (2009: DKK 10 million), neutral working capital cash flow (2009: a negative DKK 23 million), net interest paid of DKK 47 million (2009: net interest received of DKK 3 million) and taxes paid of DKK 16 million (2009: DKK 19 million). Investment in working capital at the end of March 2010 was negative by DKK 96 million (2009: DKK 184 million). All entities continue their strong focus on managing inventories, trade receivables and trade payables.

SHARE OPTIONS

At 31 March 2010 a total of 98,531 share options remain unexercised from previous share option programmes.

The market value of the unexercised options is estimated at DKK 0.5 million (2009: DKK 0.1 million) under the Black-Scholes formula. Royal Unibrew's obligations under the option programmes are covered by the Company's portfolio of treasury shares (106,674 shares).

FUNDING AND CAPITAL STRUCTURE

The brewery site in Aarhus is not part of the Group's core activity, and Royal Unibrew therefore does not intend to participate in development of the area, but wishes to sell the site. It remains the assessment that the comparatively best price for the site may be achieved when a changed local plan has been adopted. This is still expected to be effected during H2 2010. It is the intention then to initiate an actual sales process. A future sale at carrying amount will reduce the Group's net interest-bearing debt by some DKK 300 million.

Since the end of 2009, Royal Unibrew has reduced its committed, unutilised credit facilities by DKK 250 million, after which the capital resources amount to some DKK 400 million. Royal Unibrew will continue to currently assess the possibility of additional reduction of the committed, unutilised facilities with a view to reducing financial expenses. All financial covenants were met at the end of Q1 2010, and with the expected development this will also be the case at the end of 2010.

The credit commitment by the banks is based on the condition that the Company pay no dividend and buy back no shares in the period to 31 March 2012.

Royal Unibrew has a target of a net interest-bearing debt that does not exceed 2.5 times EBITDA. Based on EBITDA for the past 12 months and net interest-bearing debt at the end of Q1 2010, the Company has achieved this target.

OUTLOOK

In terms of revenue and earnings, developments in Q1 2010 were more favourable than expected. Net revenue of DKK 3.4-3.6 billion, EBITDA in the range of DKK 475-525 million and EBIT of DKK 275-325 million are expected for 2010. Net financials are estimated at some DKK 70 million, after which profit before tax for 2010 is expected to be at the level of DKK 205-255 million. However, as the developments in Q1 2010 were more favourable than expected, the earnings are now expected to be in the upper end of the ranges.
At the end of 2010 the Group's net interest-bearing debt is expected to amount to some DKK 1 billion corresponding to a net interest-bearing debt at the level of 1.9-2.1 times EBITDA. Incidentally, the assumptions underlying the expectations remain unchanged, and reference is made to the Annual Report for 2009 for a detailed description of these.

(mDKK)	Expectations 2010 *)	2009
Net revenue	3,400 - 3,600	3,816
EBITDA (before special items)	475 - 525	461
EBIT (before special items)	275 - 325	243
Profit before tax	205 - 255	76
Net interest-bearing debt	approx. 1,000	1,416
NIBD/EBITDA (before special items)	1.9x – 2.1x	3.1x

***)** The profit for 2010 comprises January only for the Caribbean breweries divested in February 2010. In 2009 net revenue and EBITDA amounted to some DKK 150 million and DKK 30 million, respectively.

Long-term objectives

The organisational adjustments and streamlining already implemented and expected to be currently implemented, refocusing and adjustment in Poland, a reduced balance sheet due to, among other things, sale of the Caribbean activities as well as the capital increase in 2009 are expected to create the basis of strong earnings in the Group's three market areas: Western Europe, Eastern Europe and Malt and Overseas Markets. Moreover, as a result of recent years' considerable investments the Group has up-to-date production facilities and general capacity available.

A normalisation of the global economy and competitive position will thus – other things being equal - enable Royal Unibrew to reap considerable earnings benefits.

In the long term, the Group's annual investments are expected to be at the level of 4-6% of net revenue depending on the need for maintenance, streamlining or capacity investments.

Based on the above and on the assumption that the Company will be able to maintain an unchanged ratio of net selling prices to expenses, it is the Company's target to achieve an EBIT margin of some 10%.

A future sale of the brewery site in Aarhus at carrying amount will reduce interest-bearing debt by some DKK 300 million.

STATEMENTS ABOUT THE FUTURE

This announcement contains "forward-looking statements". Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking statements include, without limitation, statements regarding our business, financial circumstances, strategy, results of operations, financing and other plans, objectives, assumptions, expectations, prospects, beliefs and other future events and prospects. We undertake no obligation, and do not intend to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or circumstances or otherwise.

FINANCIAL CALENDAR

2010

Announcements of financial results:

26 August 2010	Q2 Report 2010
25 November 2010	Q3 Report 2010

ANNOUNCEMENTS TO NASDAQ OMX COPENHAGEN IN 2010

5 January 2010	01/2010	New CFO in Royal Unibrew A/S
8 January 2010	02/2010	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
18 January 2010	03/2010	1) Stabilisation period – Rights Issue 2) Conditional Deal between Royal Unibrew A/S and Cerveceria Nacional Dominicana
12 February 2010	04/2010	Royal Unibrew's sale of breweries in the Caribbean to Cerveceria Nacional Dominicana
17 February 2010	05/2010	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
24 February 2010	06/2010	Sale of Royal Unibrew's Caribbean breweries finalised
5 March 2010	07/2010	Announcement of Annual Results for 2009
30 March 2010	08/2010	Notice of the Annual General Meeting 2010
14 April 2010	09/2010	Election of employee supervisory board members of Royal Unibrew A/S

MANAGEMENT'S STATEMENT ON THE REPORT

The Executive and Supervisory Boards have presented the Q1 Report of Royal Unibrew A/S. The Q1 Report has today been considered and adopted.

The Q1 Report, which has not been audited or reviewed by the Company's independent auditors, was prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for listed companies.

In our opinion, the Q1 Financial Statements give a true and fair view of the financial position of the Group at 31 March 2010 as well as of the results of the Group operations and cash flows for the period 1 January - 31 March 2010.

In our Opinion, Management's Review gives a true and fair account of the development in the activities and financial circumstances of the Group, of results of operations for the period and of the overall financial position of the Group, and a description of the key risks and uncertainties facing the Group.

Faxe, 27 April 2010

Executive Board

Henrik Brandt
CEO

Peter Ryttergaard CFO	Hans Savonije Executive director, Northern Europe

Supervisory Board

Steen Weirsøe Chairman	Tommy Pedersen Deputy Chairman		
Ulrik Bülow	Erik Christensen	Erik Højsholt	Steen Justesen
Kirsten Liisberg	Søren Lorentzen	Hemming Van	

INCOME STATEMENT (DKK '000)

	Note	1/1 - 31/3 2010	1/1 - 31/3 2009	1/1 - 31/12 2009
Revenue		**918,728**	896,651	4,479,219
Beer and mineral water excises		**(136,799)**	(129,006)	(662,798)
Net revenue		**781,929**	**767,645**	**3,816,421**
Production costs		**(432,812)**	(460,026)	(2,211,134)
Gross profit		**349,117**	**307,619**	**1,605,287**
Sales and distribution expenses		**(281,170)**	(278,574)	(1,146,604)
Administrative expenses		**(58,477)**	(57,700)	(219,068)
Other operating income		**552**	725	3,691
Operating profit/loss before special items		**10,022**	**(27,930)**	**243,306**
Special income				21,500
Special expenses			(16,506)	(56,366)
Profit/loss before financial income and expenses		**10,022**	**(44,436)**	**208,440**
Income after tax from investments in associates		**(1,696)**	(93)	25,836
Financial income		**6,303**	26,445	32,666
Financial expenses		**(35,105)**	(25,984)	(190,295)
Profit/loss before tax		**(20,476)**	**(44,068)**	**76,647**
Tax on the profit/loss for the period		**2,500**	9,500	(24,196)
Profit/loss for the period		**(17,976)**	**(34,568)**	**52,451**
Parent Company shareholders' share of earnings per share (DKK)		**(1.6)**	(6.3)	5.8
Parent Company shareholders' share of diluted earnings per share (DKK)		**(1.6)**	(6.3)	5.8

STATEMENT OF COMPREHENSIVE INCOME (DKK ’000)

	Note	1/1 - 31/3 2010	1/1 - 31/3 2009	1/1 - 31/12 2009
Profit/loss for the period		**(17,976)**	**(34,568)**	**52,451**
Other comprehensive income				
Value and exchange adjustment of foreign group enterprises		**11,223**	3,560	(11,970)
Value adjustment of hedging instruments, opening		**52,596**	(13,742)	34,603
Value adjustment of hedging instruments, closing		**(51,983)**	(9,581)	(52,596)
Sale of subsidiaries		**(23,738)**		
Other comprehensive income after tax		**(11,902)**	**(19,763)**	**(29,963)**
Total comprehensive income		**(29,878)**	**(54,331)**	**22,488**
distributed as follows:				
Parent Company shareholders' share of comprehensive income		(6,471)	(55,411)	19,330
Minority shareholders' share of comprehensive income		(23,407)	1,080	3,158
		(29,878)	**(54,331)**	**22,488**

BALANCE SHEET, ASSETS (DKK '000)

	Note	31/3 2010	31/3 2009	31/12 2009
NON-CURRENT ASSETS				
Goodwill		**263,508**	313,937	307,524
Trademarks		**133,893**	167,516	166,193
Distribution rights		**5,904**	6,852	6,237
Intangible assets		**403,305**	**488,305**	**479,954**
Land and buildings		**685,652**	662,233	723,786
Project development properties		**403,645**	400,336	403,552
Plant and machinery		**570,797**	519,902	650,786
Other fixtures and fittings, tools and equipment		**190,220**	242,506	224,146
Property, plant and equipment in progress		**17,871**	306,015	11,386
Property, plant and equipment		**1,868,185**	**2,130,992**	**2,013,656**
Investments in associates		**112,467**	88,878	110,842
Receivables from associates			22,830	
Other investments		**60,379**	56,889	56,748
Other receivables		**8,901**	12,018	12,892
Financial assets		**181,747**	**180,615**	**180,482**
Non-current assets		**2,453,237**	**2,799,912**	**2,674,092**
CURRENT ASSETS				
Raw materials and consumables		**94,248**	122,106	92,199
Work in progress		**21,504**	26,423	20,980
Finished goods and purchased finished goods		**148,084**	258,787	124,945
Inventories		**263,836**	**407,316**	**238,124**
Trade receivables		**478,264**	516,634	408,958
Receivables from associates		**284**	1,544	1,039
Corporation tax receivable		**12,210**	66,085	
Other receivables		**20,338**	38,725	21,082
Prepayments		**50,914**	167,004	53,885
Receivables		**562,010**	**789,992**	**484,964**
Cash at bank and in hand		**56,599**	**19,283**	**92,474**
Current assets		**882,445**	**1,216,591**	**815,562**
Assets		**3,335,682**	**4,016,503**	**3,489,654**

BALANCE SHEET, LIABILITIES AND EQUITY (DKK '000)

	Note	31/3 2010	31/3 2009	31/12 2009
EQUITY				
Share capital		**111,865**	56,000	111,865
Share premium account		**337,825**		337,825
Revaluation reserves		**180,000**	180,000	180,000
Translation reserve		**(100,795)**	(98,848)	(112,018)
Hedging reserve		**(51,983)**	(57,926)	(52,596)
Retained earnings		**473,651**	406,998	491,958
Proposed dividend		**0**	0	0
Equity of Parent Company shareholders		**950,563**	**486,224**	**957,034**
Minority interests		**14,673**	**36,002**	**38,080**
Equity		**965,236**	**522,226**	**995,114**
Deferred tax		**165,816**	179,398	171,831
Mortgage debt		**734,915**	734,689	735,516
Credit institutions		**559,850**	1,633,129	773,301
Non-current liabilities		**1,460,581**	**2,547,216**	**1,680,648**
Repurchase obligation, returnable packaging		**55,170**	64,247	61,793
Trade payables		**463,869**	406,282	419,381
Corporation tax				6,227
VAT, excise duties, etc		**115,204**	113,272	98,012
Other payables		**275,622**	363,260	228,479
Current liabilities		**909,865**	**947,061**	**813,892**
Liabilities		**2,370,446**	**3,494,277**	**2,494,540**
Liabilities and equity		**3,335,682**	**4,016,503**	**3,489,654**

STATEMENT OF CHANGES IN EQUITY FOR 1 JANUARY - 31 MARCH (DKK '000)

	Share-capital	Share premium account	Revaluation reserves	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Minority interests' share	Total
Equity at 31 December 2008	**56,000**		**180,000**	**(102,279)**	**(34,603)**	**440,788**	**0**	**34,922**	**574,828**
Changes in equity in 2009									
Comprehensive income				**3,431**	**(23,323)**	**(35,519)**	**0**	**1,080**	**(54,331)**
Share-based payments						1,729			1,729
Total shareholders	**0**		**0**	**0**	**0**	**1,729**	**0**	**0**	**1,729**
Total changes in equity 1/1 – 31/3 2009	**0**		**0**	**3,431**	**(23,323)**	**(33,790)**	**0**	**1,080**	**(56,602)**
Equity at 31 March 2009	**56,000**		**180,000**	**(98,848)**	**(57,926)**	**406,998**	**0**	**36,002**	**522,226**
Equity at 31 December 2009	**111,865**	**337,825**	**180,000**	**(112,018)**	**(52,596)**	**491,958**	**0**	**38,080**	**995,114**
Changes in equity in 2010									
Comprehensive income				**11,162**	**613**	**(18,246)**		**(23,407)**	**(29,878)**
Total shareholders	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total changes in equity 1/1 – 31/3 2010	**0**	**0**	**0**	**11,162**	**613**	**(18,246)**	**0**	**(23,407)**	**(29,878)**
Equity at 31 march 2010	**111,865**	**337,825**	**180,000**	**(100,856)**	**(51,983)**	**473,712**	**0**	**14,673**	**965,236**

The share capital at 31 March 2010 remains unchanged at DKK 111,864,980 from 31 December 2009 and is distributed on shares of DKK 10 each.

CASH FLOW STATEMENT (DKK '000)

	Note	1/1 - 31/3 2010	1/1 - 31/3 2009	1/1 – 31/12 2009
Loss for the period		**(17,976)**	**(34,568)**	**52,451**
Adjustments for non-cash operating items	3	**82,231**	44,647	357,979
		64,255	**10,079**	**410,430**
Change in working capital:				
+/- change in receivables		**(57,617)**	37,206	143,380
+/- change in inventories		**(44,557)**	4,789	175,701
+/- change in payables		**101,806**	(65,260)	(88,988)
Cash flows from operating activities before financial income and expenses		**63,887**	**(13,186)**	**640,523**
Financial income		**266**	20,901	74,990
Financial expenses		**(47,293)**	(17,638)	(215,306)
Cash flows from ordinary activities		**16,860**	**(9,923)**	**500,207**
Corporation tax paid		**(15,937)**	(18,918)	13,036
Cash flows from operating activities		**923**	**(28,841)**	**513,243**
Dividends received from associates		**234**		12,738
Sale of property, plant and equipment		**2,728**	5,939	47,435
Purchase of property, plant and equipment		**(9,536)**	(107,046)	(199,167)
Free cash flow		***(5,651)***	*(129,948)*	*374,249*
Repayment of loans to associates				20,634
Sale of subsidiaries	4	**187,415**		
Change in intangible and financial assets		**1,168**	(38)	6,569
Cash flows from investing activities		**182,009**	**(101,145)**	**(111,791)**
Proceeds from raising of non-current debt			58,175	
Repayment of non-current debt		**(219,049)**		(796,196)
Proceeds from share issue				393,690
Sale of treasury shares and rights				4,014
Cash flows from financing activities		**(219,049)**	**58,175**	**(398,492)**
Change in cash and cash equivalents		**(36,117)**	**(71,811)**	**2,960**
Cash and cash equivalents at 1 January		**92,474**	90,384	90,384
Exchange adjustment		**242**	710	(870)
Cash and cash equivalents at 31 March		**56,599**	**19,283**	**92,474**

NOTES TO THE Q1 REPORT

Note 1 Significant Accounting Policies; Accounting Estimates and Judgements

The Q1 Report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

Except for the implementation of the amended IFRS 3 on business combinations and IFRS 27 on consolidated financial statements, the accounting policies are unchanged from those applied in the Annual Report for 2009, to which reference is made. None of the changes implemented affect the financial statements as compared to the previous recognition and measurement as well as note disclosures.

Except for the above description, the Annual Report for 2009 provides a total description of accounting policies significant to the financial statements.

Comparative figures for production costs and administrative expenses for 2009 have been adjusted for a classification error in the Q1 Report 2009.

Accounting Estimates and Judgements
The preparation of interim financial reporting requires that Management make accounting estimates and judgements which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The key estimates made by Management in applying the Group's accounting policies and the key uncertainties relating to the estimates are the same when preparing the interim financial reporting as when preparing the Annual Report at 31 December 2009.

NOTES TO THE Q1 REPORT

Note 2 Segment Reporting

The Group's activities break down as follows on segments (mDKK):

1/1 - 31/3 2010	**Western Europe**	**Eastern Europe**	**Malt and Overseas Markets**	**Unallocated**	**Total**
Net revenue	524.0	160.7	97.2		**781.9**
Operating profit/loss	**28.1**	**(17.3)**	**8.5**	**(9.3)**	**10.0**
Special items	0.0	0.0	0.0		**0.0**
Earnings before interest and tax (EBIT)	**28.1**	**(17.3)**	**8.5**	**(9.3)**	**10.0**
Share of income from associates	(2.4)	0.0	0.7		**(1.7)**
Other financial income and expenses	(0.1)	(5.5)	0.0	(23.2)	**(28.8)**
Profit/loss before tax for the period	**25.6**	**(22.8)**	**9.2**	**(32.5)**	**(20.5)**
Tax on the profit/loss for the period				2.5	**2.5**
Profit/loss for the period					**(18.0)**
Profit margin, %	**5.4**	**(10.8)**	**8.7**		**1.3**

1/1 - 31/3 2009	**Western Europe**	**Eastern Europe**	**Malt and Overseas Markets**	**Unallocated**	**Total**
Net revenue	491.3	180.8	95.5		**767.6**
Operating profit/loss	**0.1**	**(18.2)**	**2.1**	**(12.0)**	**(28.0)**
Special items	(8.4)	(4.7)	(3.4)		**(16.5)**
Earnings before interest and tax (EBIT)	**(8.3)**	**(22.9)**	**(1.3)**	**(12.0)**	**(44.5)**
Share of income from associates	(1.6)	0.0	1.5		**(0.1)**
Other financial income and expenses	(0.8)	(5.5)	1.8	5.0	**0.5**
Profit/loss before tax for the period	**(10.7)**	**(28.4)**	**2.0**	**(7.0)**	**(44.1)**
Tax on the profit/loss for the period				9.5	**9.5**
Profit/loss for the period					**(34.6)**
Profit margin, %	**0.0**	**(10.1)**	**2.2**		**(3.6)**

1/1 - 31/12 2009	**Western Europe**	**Eastern Europe**	**Malt and Overseas Markets**	**Unallocated**	**Total**
Net revenue	2,418.2	909.3	488.9		**3,816.4**
Operating profit/loss	**274.6**	**(5.2)**	**37.5**	**(63.6)**	**243.3**
Special items	(23.6)	(8.7)	(2.6)		**(34.9)**
Earnings before interest and tax (EBIT)	**251.0**	**(13.9)**	**34.9**	**(63.6)**	**208.4**
Share of income from associates	21.7	0.0	4.1		**25.8**
Other financial income and expenses	2.8	(31.9)	(1.0)	(127.5)	**(157.6)**
Profit/loss before tax for the period	**275.5**	**(45.8)**	**38.0**	**(191.1)**	**76.6**
Tax on the profit/loss for the period				(24.1)	**(24.1)**
Profit/loss for the period	**275.5**	**(45.8)**	**38.0**	**(215.2)**	**52.5**
Profit margin, %	**11.4**	**(0.6)**	**7.7**		**6.4**

NOTES TO THE Q1 REPORT

Note 3 Cash Flow Statement

	1/1 - 31/3 2010	1/1 - 31/3 2009	1/1 - 31/12 2009
Adjustments for non-cash operating items			
Financial income	(6,303)	(26,445)	(32,666)
Financial expenses	35,105	25,984	190,295
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	57,126	44,111	202,123
Tax on the profit/loss for the period	(2,500)	(9,500)	24,196
Income from investments in associates	1,696	93	(25,836)
Net profit/loss from sale of property, plant and equipment	(3,647)	2,344	324
Share-based payments and remuneration	0	1,729	94
Other adjustments	754	6,331	(551)
Total	**82,231**	**44,647**	**357,979**

NOTES TO THE Q1 REPORT

Note 4 Business Acquisitions and Sales

2010

In February 2010 Royal Unibrew A/S sold its shares of the four Caribbean subsidiaries, St. Vincent Breweries Ltd., Antigua Brewery Ltd., Antigua PET Plant Ltd. and Dominica Brewery & Beverages Ltd. The companies are included in the Consolidated Financial Statements until the end of January 2010.

The sale reduced Royal Unibrew's net interest-bearing debt by DKK 187 million. Net revenue and EBITDA in the Malt and Overseas Markets segment will in 2010 be reduced as compared to 2009 by some DKK 130 million and DKK 25 million, respectively, due to the sale.

(DKK '000)	Carrying amount at date of sale
Intangible assets	79,627
Property, plant and equipment	108,197
Inventories	20,328
Receivables	11,507
Deferred tax	6,056
Repurchase obligation, returnable packaging	6,123
Trade payables	7,480
Other payables	6,122
Minority shareholders' share of equity	23,824

2009

No business acquisitions or sales were made in Q1 2009.

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR Q1 2006 - 2010

	Q1 (unaudited)				
	2010	**2009**	**2008**	**2007**	**2006**
Sales (thousand hectolitres)	**1,318**	1,310	1,544	1,298	1,236
Financial highlights (mDKK)					
Income Statement					
Net revenue	**781.9**	767.6	838.3	704.6	648.0
Operating profit/loss before special items	**10.0**	(27.9)	(35.1)	(43.1)	(35.5)
Special items (expenses)	**0.0**	(14.5)	(39.3)	0.0	0.0
Special items (depr./amort. and impairment; profit/loss on sale)	**0.0**	(2.0)	6.7	0.0	0.0
Profit/loss before financial income and expenses	**10.0**	(44.4)	(67.7)	(43.1)	(35.5)
Net financials	**(30.5)**	0.3	(28.1)	(16.0)	(15.6)
Loss before tax	**(20.5)**	(44.1)	(95.8)	(59.1)	(51.1)
Loss for the period	**(18.0)**	(34.6)	(68.3)	(42.6)	(37.7)
Royal Unibrew A/S' share of loss	**(18.2)**	(34.5)	(68.3)	(42.9)	(37.7)
Balance Sheet					
Total assets	**3,335.7**	4,016.5	3,866.3	3,230.2	3,087.2
Equity	**965.2**	522.2	990.4	1,067.5	1,100.8
Net interest-bearing debt	**1,238.2**	2,325.7	1,906.1	1,124.6	1,091.7
Net working capital	**(96.2)**	184.2	308.6	136.4	176.9
Free cash flow	**(5.7)**	(129.9)	(142.7)	(50.4)	(76.9)
Per share					
Royal Unibrew A/S’ share of earnings per share (DKK)	**(1.6)**	(6.3)	(12.4)	(7.4)	(6.0)
Royal Unibrew A/S’ diluted share of earnings per share (DKK)	**(1.6)**	(6.3)	(12.4)	(7.5)	(6.0)
Cash flow per share (DKK)	**0.1**	(5.3)	(16.6)	(8.7)	(6.6)
Diluted cash flow per share (DKK)	**0.1**	(5.3)	(16.7)	(8.8)	(6.6)
Key figures (mDKK)					
EBITDA before special items	**63.5**	17.4	13.0	(5.6)	13.4
EBITDA	**63.5**	2.9	(26.3)	(5.6)	13.4
EBIT	**10.0**	(44.4)	(67.7)	(43.1)	(35.5)
Key ratios (%)					
Profit margin	**1.3**	(3.6)	(4.2)	(6.1)	(5.5)
EBIT margin	**1.3**	(5.8)	(8.1)	(6.1)	(5.5)
Free cash flow as a percentage of net revenue	**(0.7)**	(16.9)	(17.0)	(7.1)	(11.9)
Equity ratio	**28.9**	13.0	25.6	33.0	35.7
Debt ratio	**128.3**	445.4	192.5	105.3	99.2

The key ratios have been calculated in accordance with the “Recommendations and Financial Ratios 2005” of the Danish Society of Financial Analysts.