

Annual Report 1 January – 31 December 2015

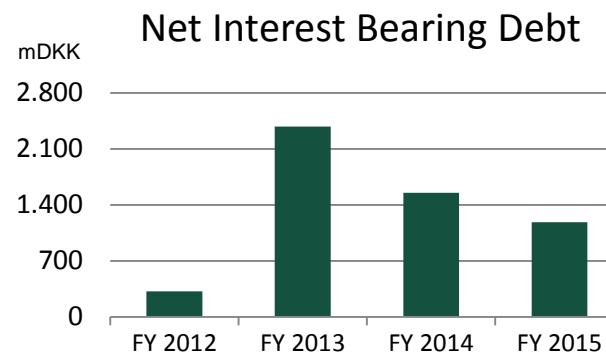
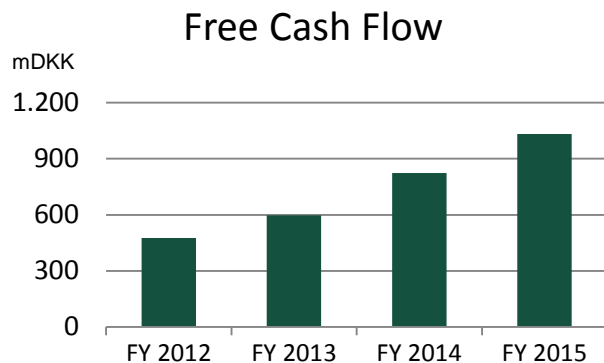
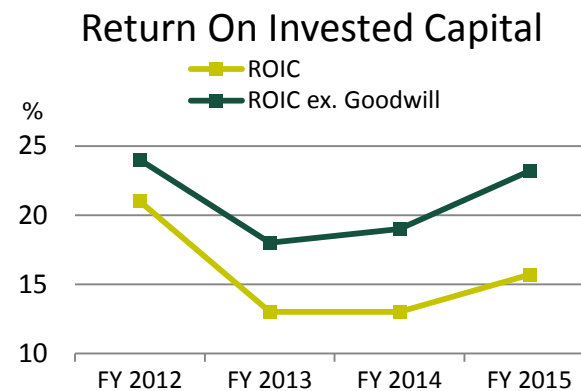
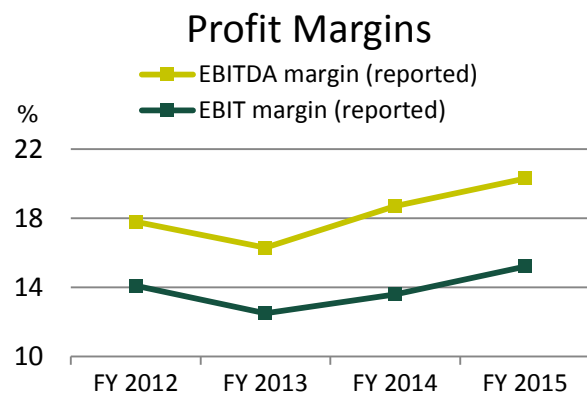
2 March 2016

Strong earnings and record high shareholder distribution

- Market positions improved
- Results, Free Cash-flow and EPS at all time high
- Net revenue DKK 6bn, EBIT DKK 917m (DKK 826m) & EBIT-margin 15.2% (13.6%)
- Strong free cash flow of DKK 1,032m (DKK 824m) including extraordinary Finnish campaign
- NIBD reduced by DKK 369m during the year to DKK 1,184m
- DKK 666m cash returned to shareholders via SBB and ordinary dividend
- New share buy-back of DKK 450m have been launched
- Dividend DKK 400m to be proposed for the AGM, DKK 7.20 per share



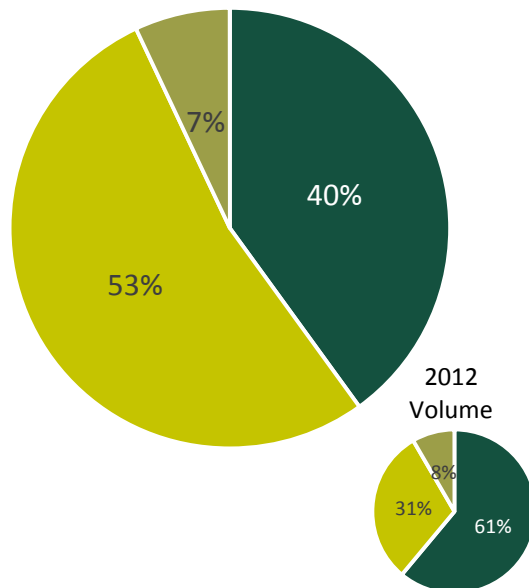
Significant improvement in important key figures



Business segment overview – significant change since 2012

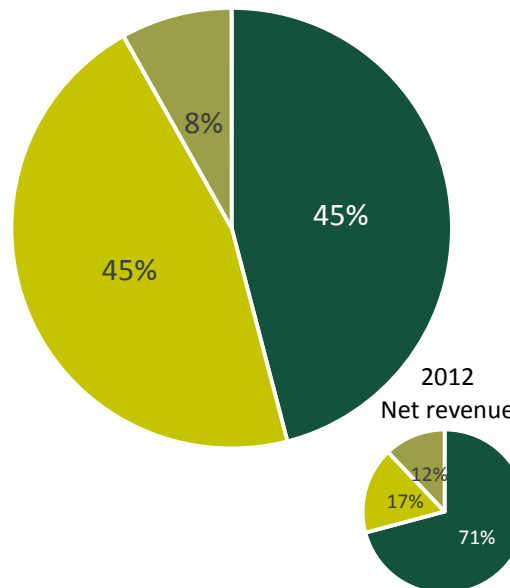
2015 Volume

- Western Europe
- Baltic Sea
- Malt Beverages & Export



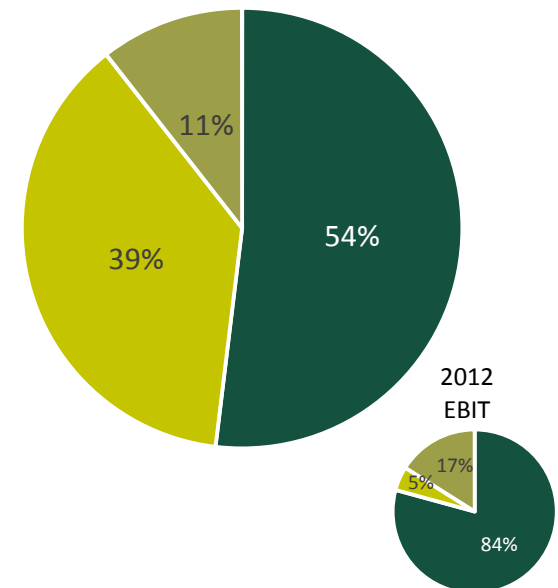
2015 Net revenue

- Western Europe
- Baltic Sea
- Malt Beverages & Export

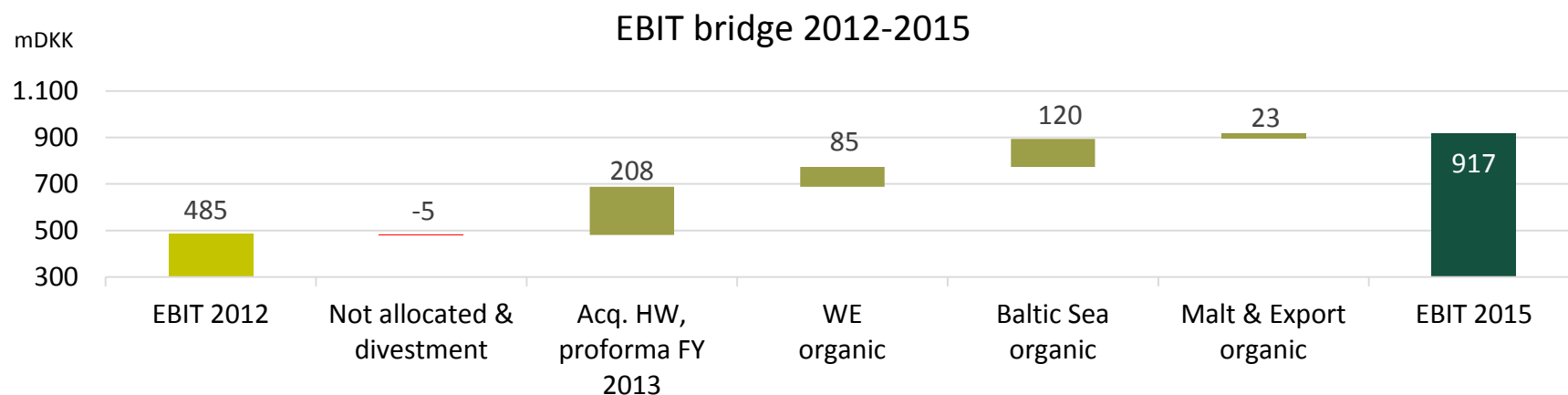
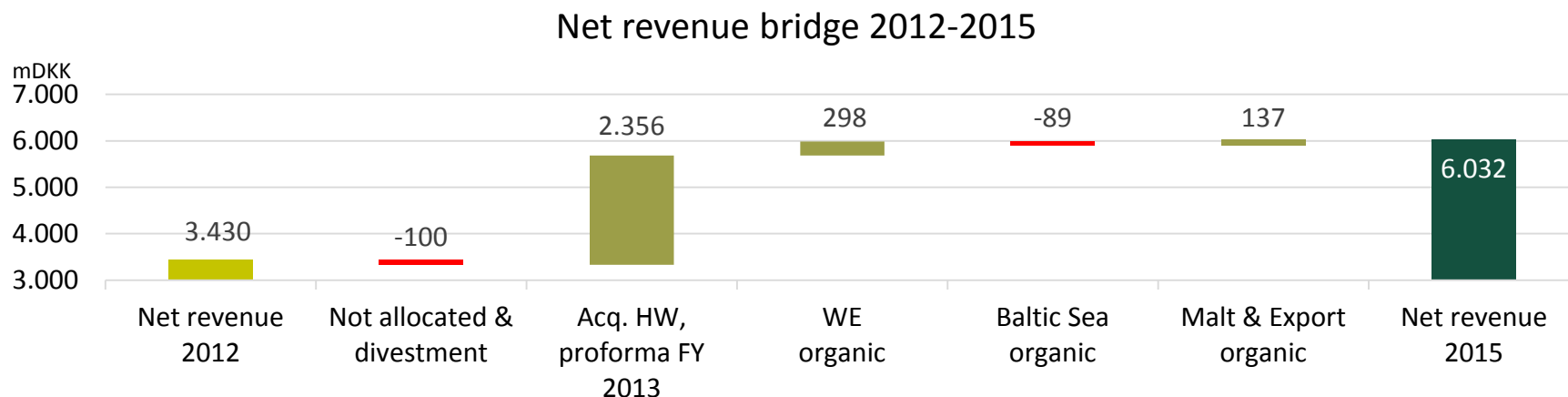


2015 EBIT

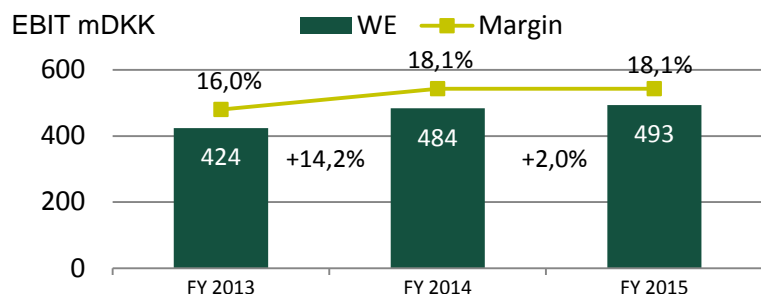
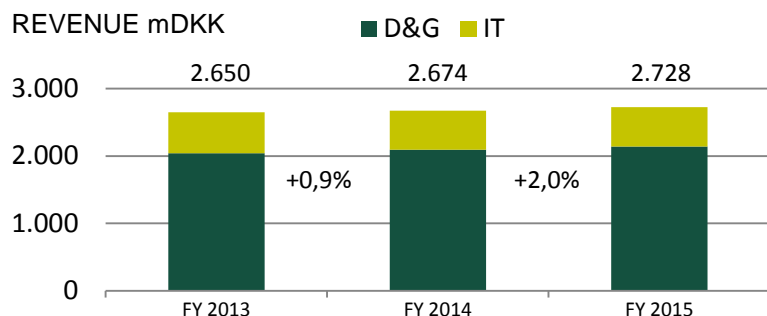
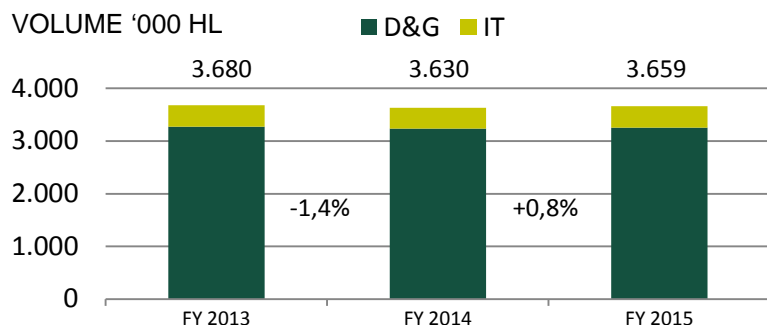
- Western Europe
- Baltic Sea
- Malt Beverages & Export



Significant organic improvement from 2012 to 2015 in all segments – EBIT growth of 89%



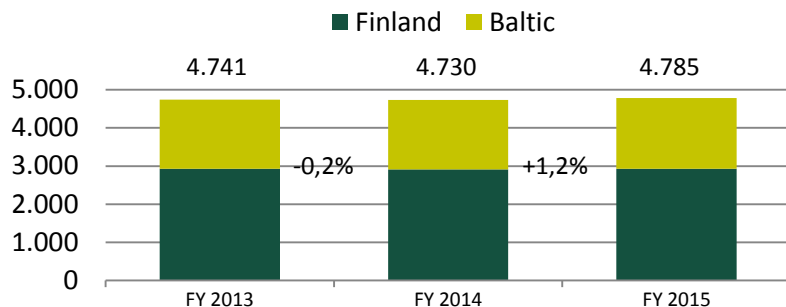
Western Europe: Organic growth in both topline and EBIT



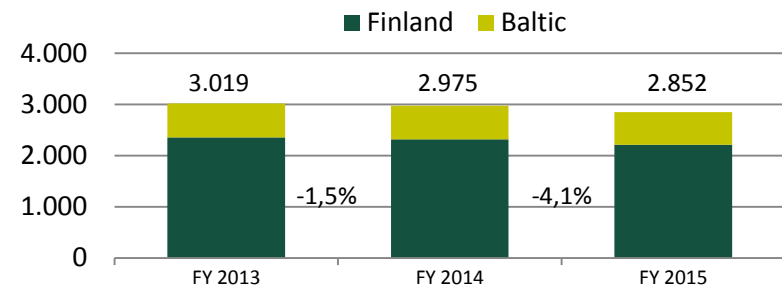
- **Denmark and Germany** - strong performance on tough weather comparison.
- **Improved market position**
- **Changing consumer preferences** - shift towards branded products. Increasing consumer interest in craft beer
- **Significant innovations** - launch of organic beer and two new craft beer brand families with strong references to our local beer history
- Preparation for launch of distribution of PepsiCo snacks business in Denmark
- **Italy**, overall beer consumption unchanged on longer and better high season
- **Super-premium slightly increasing** share of beer market
- **Market position maintained**

Baltic Sea: Earnings increase on efficiencies and continued commercial focus

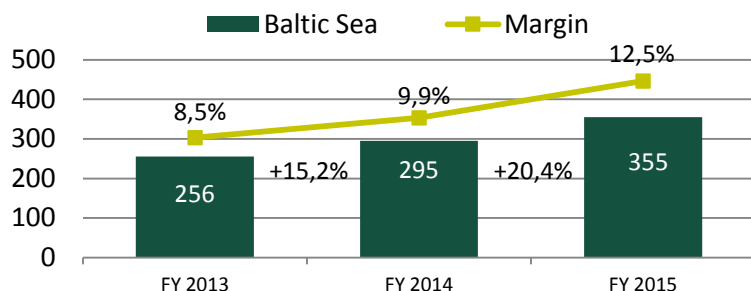
VOLUME '000 HL (2013 incl. Hartwall proforma)



REVENUE mDKK (2013 incl. Hartwall proforma)



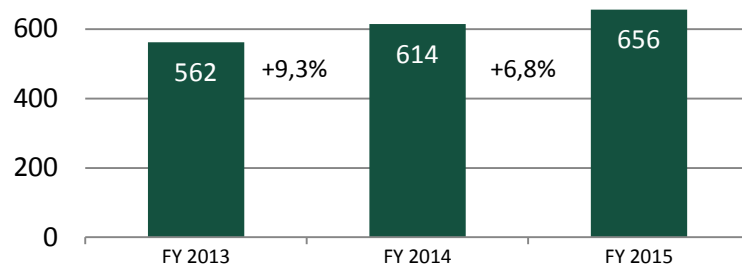
EBIT mDKK (2013 incl. Hartwall proforma)



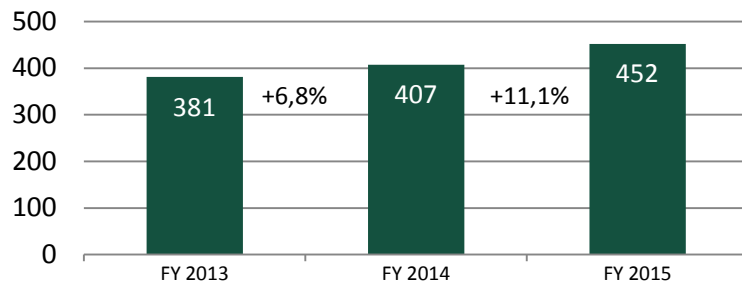
- **Finland** – overall and weather adjusted consumption declined
- **Continued low consumer confidence** - unfavorable macro-economics
- **Declining consumption** - in On-trade and Off-trade
- **Market share maintained** - following years of gradual decline
- **Hartwall migrated to group IT platform** - completed in the beginning of 2016
- **Commercial agenda in progress** – focus on relationship with the trade, in-store execution and selective innovations in line with consumer preferences
- **Baltic** - Market position maintained
- **Excise increases** - hurting Latvian beer consumption
- **Launch of co-operation with PepsiCo** - production, sale and distribution of PepsiCo soft drinks from 2016
- **Commercial initiatives** – strong innovation pipeline with several successful product launches.

Malt Beverages and Exports: Continued solid growth

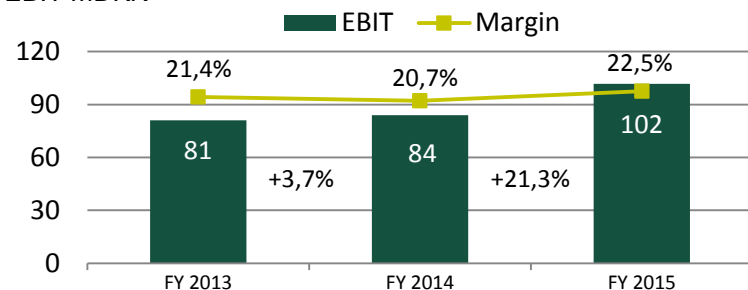
VOLUME '000 HL



REVENUE mDKK



EBIT mDKK



- **Solid growth** - broad based
- **Good results of expanded product offerings** – increasing export of beer
- **Developing countries** challenged by low commodity and energy prices
- **Imported products** suffering from depreciation of local currency against USD and EUR
- **Hard currency increasingly restricted**
- **Increased penetration** – solid revenue growth in spite of difficult macroeconomic and FX situation in some emerging markets.
- **Deeper penetration** – leverage on existing markets and distributors
- **Marketing and organizational investment** continues as planned. Focus on brand building and positions

Improved financial performance

mDKK

P&L ITEMS:

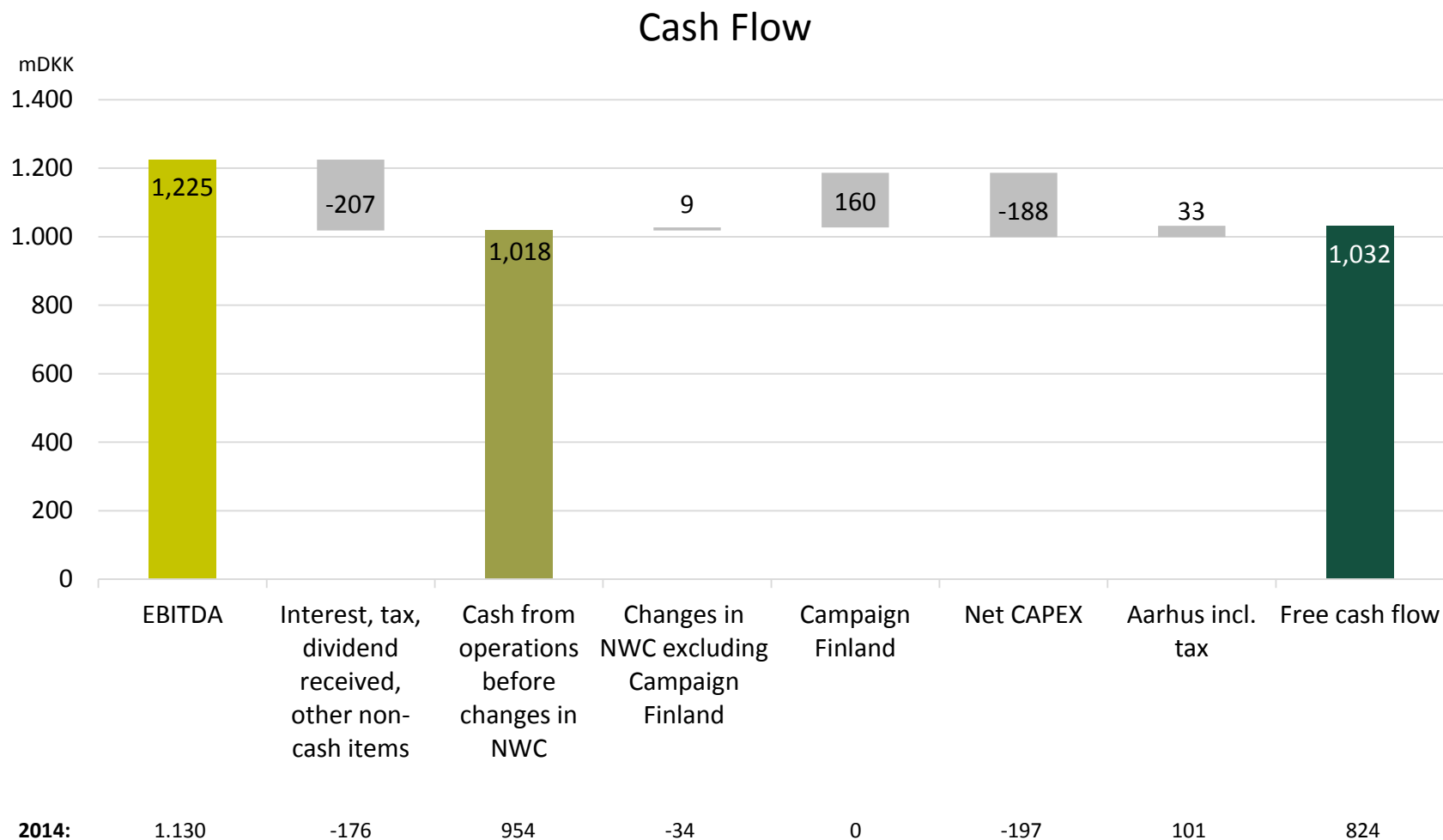
	FY 2015	FY 2014	Change
Net revenue	6,032	6,056	-24
Gross margin	52.6%	52.0%	0,6pp
EBIT	917	826	91
EBIT margin	15.2%	13.6%	1.6pp
Profit before tax	902	801	101
Consolidated profit	711	624	87

BALANCE SHEET ITEMS:

Net interest bearing debt	1,184	1,553	-369
Net working capital	-990	-814	-176
Total assets	6,748	7,024	-276
Equity	2,935	2,818	117
Equity ratio	43.5%	40.1%	3.4pp

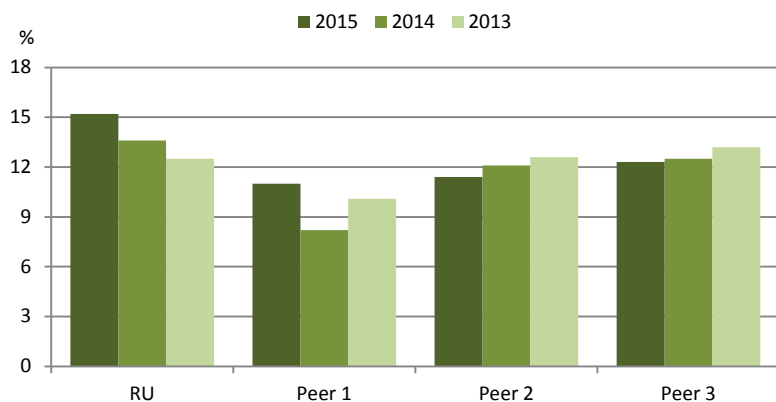


Strong cash flow on higher earnings & Finnish campaign

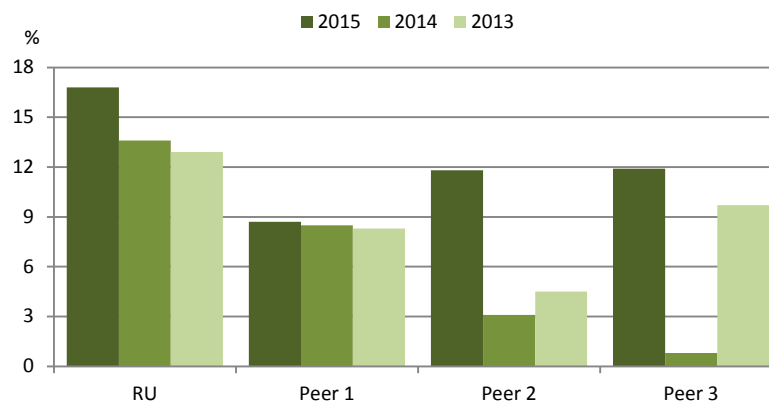


Solid performance to peers 2015

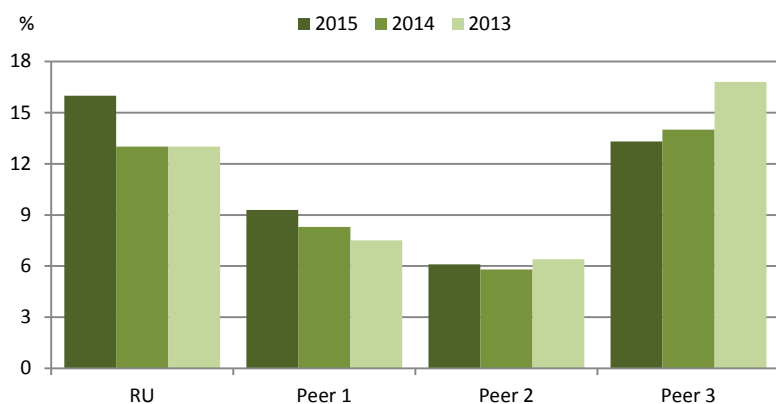
EBIT MARGIN (COMPARABLE REGION)*



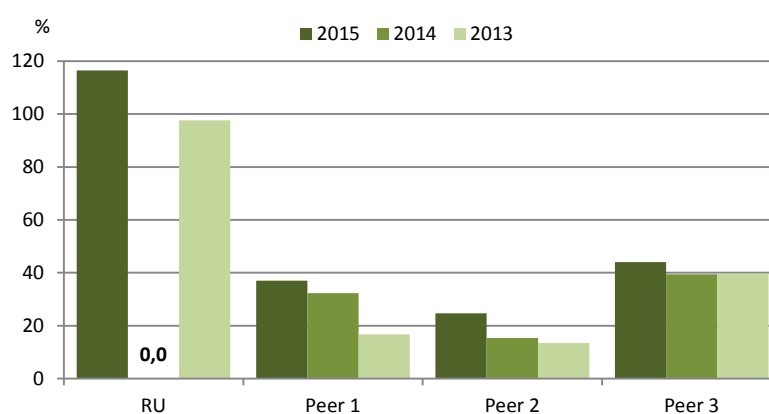
FREE CASH FLOW – % OF REVENUE



RETURN ON INVESTED CAPITAL**



CASH RETURN TO SHAREHOLDERS



* Based on FY2013 and FY2014 results on comparable basis. RU proforma 2013 EBIT margin 12,0%

** Based on average invested capital vs. previously on year end figures

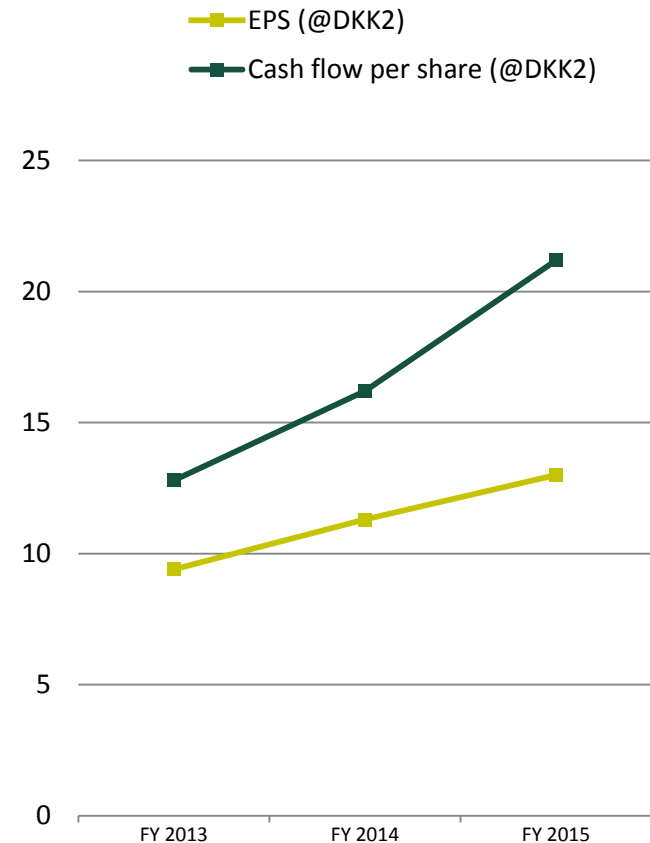
Shareholder distribution

Dividend of DKK 400m to be proposed at the AGM

- Dividend of DKK 7,20 per share

DKK 450m share buy-back

- Safe harbor program initiated
- Maximum 12 month period



Selected 2016 outlook assumptions

- Slight structural decline in consumption to continue in Nordics. Normal high season weather is expected to have a positive impact in Denmark & Germany and Finland, negative in Italy
- Unchanged market for malt beverages in Europe and Caribbean. Slightly increasing consumption of malt beverages and beer in Africa
- Overall stable beverages consumption in the Baltic. Higher than usual uncertainty in Lithuania due to excise increases and launch of deposit system
- Unchanged to slightly declining net selling prices due to deflationary environment and competition
- Input cost prices for major raw materials basically unchanged
- Other Costs, net expected to follow inflation
- Gross investments of DKK 230-250m.
- Free cash flow to be positively affected by net DKK 35m in 2016 on “extraordinary” items
- Tax rate at 21-22%

Outlook 2016

mDKK	Outlook 2016	Realized 2015	November outlook 2015	March outlook 2015
Net revenue	6,150 – 6,400	6,032	5,950 – 6,050	5,900 – 6,100
EBITDA	1,190 – 1,290	1,225	1,195 – 1,235	1,100 – 1,200
EBIT	885 – 985	917	885 – 925	790 – 890



Q&A



DISCLAIMER:

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, unless prescribed by law or by stock exchange regulations.

Financial targets

	November 2015 revised target	August 2014 revised target	Post Hartwall acquisition target**	Pre Hartwall acquisition target*
EARNINGS	EBIT margin 15%	EBIT margin 14%	EBIT margin 13%	EBIT margin 14%
EQUITY RATIO	Minimum 30%	Minimum 30%	Minimum 30%	Minimum 30%
NIBD/EBITDA	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x

- Dividends and share buy-backs resumed in 2015
- Distribution policy:
 - Dividends 40-60% of net result
 - Share buy-back to adjust capital structure

* Basically no amortization

** Amortization from the acquisition decreased EBIT-margin by approx. 50bp