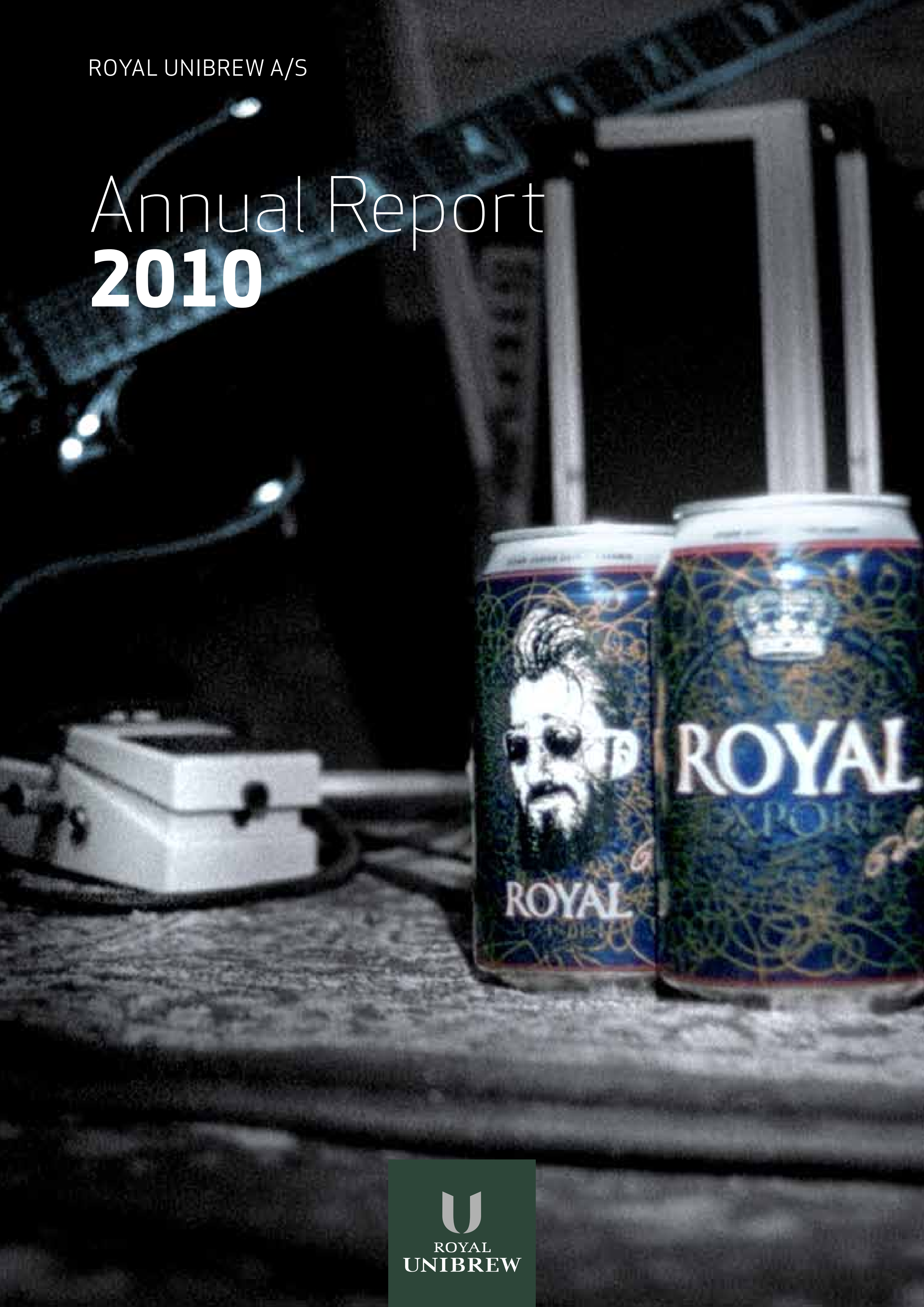
ROYAL UNIBREW A/S

Annual Report 2010



ROYAL UNIBREW

Royal Unibrew produces, markets, sells and distributes quality beverages.
We have focus on branded products within beer, malt and soft drinks, including carbonated soft drinks, 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 Denmark, Italy as well as Border Trade and Germany. The Eastern European markets comprise Lithuania, Latvia and Poland. The international malt drinks markets comprise 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 Poland we are a regional brewery with an increasing market share for our main brand Lomza.

In the international malt drinks markets, we are among the market leaders in the premium segment with Vitamalt.

Royal Unibrew

Western Europe
- Denmark
- Italy
- Germany and Cross-border Trade

Eastern Europe
- Lithuania
- Latvia
- Poland

Malt and Overseas Markets
- The Americas
- Europe
- Africa and other markets

Associated Companies
- Nuuk Imeq, Greenland
- Hansa Borg Bryggerierne, Norway
- Solomon Breweries, Solomon Islands

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

Strategic focus creates continued progress

”In 2010 we reinforced our market positions through increased marketing efforts and several new product launches. At the same time, we maintained focus on increasing efficiency and reducing our costs. This has enabled us to continue the Group’s positive performance trend in spite of generally lower demand and keen competition. Royal Unibrew is in a good position to capitalise on market opportunities in 2011, and we will continue developing our products and brands.”

Our objective for 2010 was to ensure that the considerable reorganisation and efficiency-enhancing measures implemented in 2009 were deeply rooted in the organisation with full effect in 2010, while we continued optimising our business. Moreover, the successful capital increase in December 2009 enabled us to take greater business risks and selectively pursue attractive growth opportunities. We achieved the targets set for 2010, which is clearly reflected in our financial performance.

Innovation and marketing resulting in increased revenue

As expected, market conditions continued to be challenging and characterised by volatility, consumer restraint and keen competition in most of our markets in 2010. In the Western European markets, we saw continued decline in the consumption of both beer and soft drinks. The Eastern European markets were also difficult, especially the Baltic countries which have been severely affected by the global economic crisis. However, several of our overseas markets saw an incipient upturn. In spite of the challenging markets, we launched a number of activities during the year to strengthen our market positions and brands, which resulted in increasing sales as well as net revenue.

We developed new and innovative marketing campaigns. An example of this is the Faxe Kondi ”Vær Med” (Join in) campaign, which was the world’s longest football relay race through Denmark from Skagen to the Tivoli Gardens in Copenhagen. The campaign engaged a large number of consumers and won an award as one of the most innovative campaigns in 2010. Another example is the Royal Rock campaign ”Tak Rock” (Thank you, rock) based on cooperation between Royal Unibrew and the rock band Kashmir. We wanted to focus on Danish rock music and to support new rock talents in the making, while strengthening the profile and positioning of the Royal brand. More than 800 bands competed in the contest to become warm-up band on Kashmir’s Denmark tour, while we activated Royal brand through eg a special Royal can designed by Kashmir lead singer, Kasper Eistrup.

Along the same lines, a number of other campaigns activated customers and consumers in our markets for Royal, Nikoline, Egekilde, Heineken and Pepsi in Denmark, Ceres Strong Ale in Italy, Lomza in Poland, Kanapilis, Lacplesis and Cido in the Baltic countries as well as Vitamalt and Supermalt in the overseas markets.

Finally, we launched new products and brands; for example Tempt Cider achieved a strong position in the cider segment of the Danish market.

Strong results form the basis of new ambitious financial targets

In 2009 we established long-term financial targets for Royal Unibrew. The overall objective was to restore the profitability of our business and to reduce debts to a significantly lower and sustainable level. We have succeeded in achieving this at a faster rate than expected, and we reached our long-term financial targets already at the end of 2010.

The achievement of the long-term financial targets is due to, among other things, the increased marketing efforts, new product and campaign launches as well as the continued reorganisation and efficiency enhancement. Moreover, we have improved the Company's cash flow by optimising investments and by further reducing working capital as compared to 2009. We also continued focusing Royal Unibrew by divesting our three Caribbean breweries at the beginning of the year and by entering into a conditional agreement in late 2010 to combine Royal Unibrew's Polish activities with the Polish brewery business Van Pur S.A. The agreement will make Royal Unibrew a 20% shareholder of Poland's, currently, 4th largest brewery business, which is expected to achieve a strategically strong position in the mainstream market. The performance development and the strategic focusing enabled a considerable reduction in Royal Unibrew's net interest-bearing debt.

Against this background, we published new financial targets for our earnings, debts and equity ratio for the coming 3-5 years in connection with the Q3 Report 2010.

Clear strategy

Royal Unibrew's goal remains to be an efficient, regional player within beer, malt and soft drinks holding leading positions in the markets or the segments in which we operate.

We will realise this goal by focusing on markets and segments in which Royal Unibrew holds or may achieve a significant position and through innovation and development of Royal Unibrew products and brands. At the same time, we will work continuously to increase operational efficiency and to capitalise on all opportunities of enhancing the efficiency in the Company's value chain.

Royal Unibrew's natural market area is characterised by industry concentration and to the extent that structural growth opportunities might reinforce existing or create new market positions, these will be exploited - provided that long-term shareholder value can be created.

Royal Unibrew wants to maintain financial flexibility, competitive power and scope for strategic action eg through an appropriate capital structure.

As Royal Unibrew is still expected to generate a rather significant liquidity surplus, it is the intention currently to make distributions to shareholders through a combination of annual dividend and share buy-backs - taking into account the above targets.

Ready for the next steps

At the end of 2010, we have adapted Royal Unibrew so that, across our organisation, we live up to our strategic objective of being a key provider in the markets and the segments in which we operate. This is a good starting point for our further development.

In 2011 we will maintain and reinforce Royal Unibrew's market positions and high efficiency. This work will be based on the development of our product and brand platforms, strengthening of consumer loyalty and customer working relationships as well as continued improvement of our operational efficiency and optimisation of the Company's capital resources.

Obviously, our success in living up to the ambitious targets for our business relies on our employees' efforts and competences as well as the organisational development capability. Employees at all levels in Royal Unibrew have worked hard and dedicatedly to realise the many changes over the past couple of years – and in 2010 we have changed focus from reorganisation to business development and innovation. I am impressed and extremely satisfied with this performance. We will continue to work along these lines and will in every aspect endeavour to be a flexible, innovative, value-adding and sympathetic supplier and business partner.

Henrik Brandt
CEO

Financial Highlights and Key Ratios

(mDKK)	2010	2009	2008	2007	2006
Sales (million hectolitres)	6,6	6,6	7,5	7,1	6,4

Income Statement

Net revenue	3,775.4	3,816.4	4,178.7	3,881.8	3,439.0
EBITDA before special items	601.3	460.5	337.4	408.0	535.9
Operating profit before special items	416.9	243.3	134.9	244.1	347.7
Profit margin (%)	11.0	6.4	3.2	6.3	10.1
Special items (expenses)	0.0	-49.6	-82.8	-15.5	0.0
EBITDA	601.3	410.9	254.6	392.5	535.9
Special items (depr./amort. and impair.; profit/loss)	0.0	14.7	32.7	35.7	-14.3
Provision for impairment	0.0	0.0	-385.0	0.0	0.0
Profit before financial income and expenses (EBIT)	416.9	208.4	-300.2	264.3	333.4
EBIT margin (%)	11.0	5.5	-7.2	6.8	9.7
Impairment of other investments	0.0	0.0	-70.1	0.0	0.0
Income after tax from investments in associates	31.5	25.8	22.7	28.0	26.1
Other financials, net	-73.3	-157.6	-105.4	-72.1	-39.1
Profit/loss before tax	375.0	76.6	-453.0	220.2	320.4
Net profit/loss for the year	277.8	52.5	-483.2	155.2	230.3
Royal Unibrew A/S' share of profit/loss	278.1	47.1	-484.3	151.7	227.6

Balance Sheet

Non-current assets	2,375.1	2,674.1	2,742.9	2,597.5	2,215.0
Total assets	3,056.8	3,489.7	4,051.4	3,781.3	3,413.6
Equity	1,280.5	995.1	574.8	1,119.5	1,148.1
Net interest-bearing debt	769.7	1,416.3	2.191.9	1,586.1	1,047.8
Net working capital	-134.0	-84.6	186.1	316.0	165.5

Cash Flows

From operating activities	492.3	513.2	103.2	151.5	425.2
From investing activities	159.7	-111.8	-589.0	-372.3	-304.4
Free cash flow	463.0	374.2	-356.2	157.0	206.0

Sharerelated Key Ratios

Royal Unibrew A/S' share of earnings per share (DKK)	25.1	5.8	-89.0	26.4	38.0
Royal Unibrew A/S' diluted share of earnings per share (DKK)	25.1	5.8	-89.0	26.2	37.6
Cash flow per share (DKK)	44.4	62.0	19.0	26.3	70.9
Diluted cash flow per share (DKK)	44.4	62.0	19.0	26.1	70.2
Dividend per share (DKK)	12.5	0.0	0.0	10.0	10.0
Year-end price per share	332.0	139.0	118.5	534.0	740.0

Employees

Average number of employees	2,210	2,498	2,755	2,659	2,278

Financial Key Ratios (%)

Return on invested capital (ROIC)	14.1	6.4	3.1	7.4	12.1
Free cash flow as a percentage of net revenue	12.3	9.8	-8.5	4.0	6.0
Cash conversion	166.7	713.5	73.7	101.2	89.4
Net interest-bearing debt/EBITDA before special items	1.3	3.1	6.5	3.9	2.0
Equity ratio	41.9	28.5	14.2	29.6	33.6
Return on equity after tax	24.4	5.3	-57.0	13.7	20.0
Dividend rate	50.3	0.0	0.0	38.9	27.2

The key ratios comprised by the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts have been calculated in accordance with these.

Highlights 2010

Strengthening of Royal Unibrew's market positions

Significant performance improvement

Significant reduction of interest-bearing debt

Realisation of long-term financial targets in 2010 – earlier than expected

Establishment of new and ambitious targets for Royal Unibrew's further development

The Supervisory Board proposes significant distribution

Development in 2010

- Generally market shares were won or maintained on branded beer as well as soft and malt drinks.
- Net revenue declined by 1% to DKK 3,775 million in 2010. Adjusted for the divestment of the Caribbean breweries, organic net revenue growth of 3% was achieved.
- EBITDA (before special items) increased by DKK 141 million (31%) to DKK 601 million.
- Operating profit (EBIT before special items) increased by DKK 174 million (72%) to DKK 417 million. DKK 20 million of the increase was caused by the change of accounting estimates.
- Profit before tax amounted to DKK 375 million compared to DKK 77 million in 2009.
- Net profit for the year amounted to DKK 278 million compared to DKK 52 million in 2009.
- Free cash flow amounted to DKK 463 million – DKK 89 million above the 2009 figure.
- Net interest-bearing debt was reduced in 2010 by DKK 646 million to DKK 770 million against approx DKK 850 million previously announced.
- The Supervisory Board proposes distribution by way of dividend of DKK 12.5 per share and a share buy-back of DKK 110 million, corresponding to a total distribution of DKK 250 million, which is DKK 50 million more than previously annnounced.

Outlook for 2011

	Outlook 2011 *	Actual in 2010
Net revenue (mDKK)	3,400-3,550	3,775
EBITDA (mDKK)	575-625	601
EBIT (mDKK)	435-485 **	417

* In 2011 Poland is included in the results until expected closing, whereas the Caribbean breweries are not included. In 2010 Poland and the Caribbean were recognised with revenue of DKK 345 million, EBITDA of DKK 26 million and EBIT of DKK 18 million in the periods that are not estimated to be included in 2011.

** Full-year effect in 2011 of changed estimate of depreciation affects the figure positively by approx DKK 20 million.

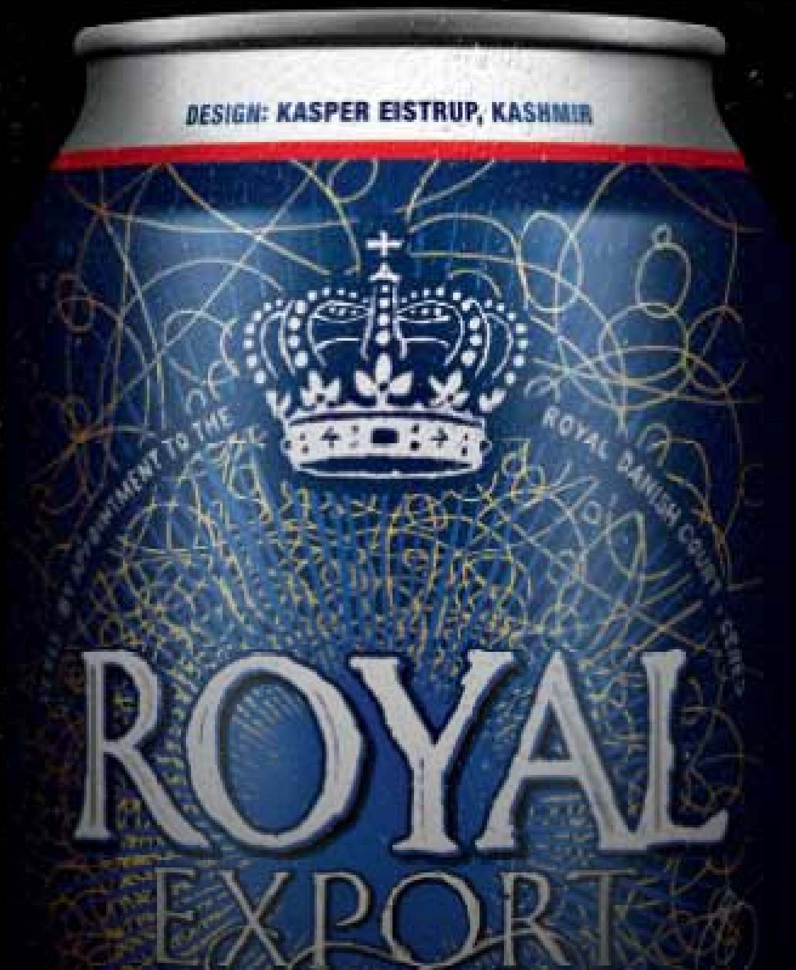
72 %

Increase in EBIT

646 mio.

Reduction in net interest-bearing debt

Royal Rock says ”Tak Rock” (Thank you, rock)



Royal Rock says ”Tak Rock” (Thank you, rock)
”Tak Rock” is the name of a relationship established in 2010 between Royal Unibrew and the rock band Kashmir. The purpose of the working relationship was to strengthen the profile and positioning of the Royal brand and to focus on Danish rock music and to support new rock talents in the making.

An intensive campaign was launched when Kashmir lead singer, Kasper Eistrup, designed a new and creative label for the Royal can. At the same time, this was the starting signal for an ambitious contest, the prize of which was to become warm-up band on Kashmir’s three-day Denmark tour.

”Tak Rock” has achieved great success and attracted substantial interest from consumers and young rock talents. Close to 800 bands competed in the contest. The website royalbeer.tv alone had 120,000 visitors, and in addition to that the campaign achieved massive press coverage in all media from local to national media, which resulted in considerable sales increases and exposure of Royal Beer.

Strategy

In 2010 targeted efforts have been directed at the established strategic main priorities and at realising the long-term financial targets established in 2009. The long-term financial targets were achieved faster than expected, and new ambitious targets and main priorities have now been established for 2011.

Main priorities for 2010

Royal Unibrew's main priorities for 2010 have been to reinforce our market positions by investing in and strengthening business development through selective growth initiatives as well as to focus our business and consolidate the positive effects of the structural changes in 2009. At the same time, it has been a key objective in continuation of the capital increase at the end of 2009 to further reduce the Group's net interest-bearing debt and to achieve more favourable conditions with the Group's financial institutions, including achieving lower costs as well as remove the requirement for provision of security and restrictions on distribution.

Royal Unibrew has in 2010 directed targeted efforts at the established main priorities, and the targets set were achieved earlier than expected.

Due to lower net interest-bearing debt than previously expected, the Supervisory Board recommends increasing the distribution to shareholders from the previously expected figure of DKK 200 million to DKK 250 million. The distribution will comprise dividend of DKK 140 million, corresponding to DKK 12.5 per share, and a share buy-back of DKK 110 million, corresponding to a total distribution of DKK 250 million. At the Annual General Meeting, the Supervisory Board will seek authorisation to buy back shares for treasury.

Overall strategy

In connection with the Q3 Report 2010, Royal Unibrew Management has determined the strategic main priorities for 2011 and has updated the long-term financial targets. This has been done within the framework of the strategy presented in connection with the capital increase in late 2009.

Royal Unibrew's goal remains to be an efficient, regional player within beer, malt and soft drinks hold-

Targets for 2010	Actual	Outlook (announced in Q3 Report)	Outlook (beginning of year)
Net revenue (mDKK)	3,775	3,750 - 3,800	3,400 - 3,600
EBITDA (mDKK)	601	590 - 610	475 - 525
EBIT (mDKK)	417 *	410 - 430 *	275 - 325
Profit before tax (mDKK)	375 *	355 - 375 *	205 - 255
Net interest-bearing debt (mDKK)	770	approx. 850	approx. 1,000
NIBD/EBITDA	1.3x	1.4x - 1.6x	1.9x - 2.1x
Distribution to shareholders	250	200	-

* Changed estimate of depreciation has affected the figure positively by approx DKK 20 million.

ing leading positions in the markets or the segments in which Royal Unibrew operates.

The overall strategy has the following main elements:

- **Focus on markets and segments in which Royal Unibrew holds or may achieve a considerable position.** Royal Unibrew will focus on further developing established market and segment positions where the Company holds either a leading position, such as in Denmark, or considerable and leading niche positions, such as in Italy or in the international malt drinks markets. Royal Unibrew's natural market area is characterised by industry concentration. To the extent that structural growth opportunities might reinforce existing market positions or create new market positions, these will be pursued provided that long-term shareholder value can be created.

- **Focus on innovation and development of Royal Unibrew's products and brands.** Royal Unibrew owns a number of well-known brands holding strong market positions which will be continuously further developed. The product portfolio development includes the Group's own development of new taste varieties, products and brands as well as the conclusion of new licence agreements both as licensee and licensor.

- **Focus on operational efficiency.** Royal Unibrew will continue its focus on pursuing all opportunities of enhancing the efficiency of all links in the Company's value chain.

- **Focus on maintaining Royal Unibrew's financial flexibility, competitive power and scope for strategic manoeuvrability through an appropriate capital structure.**

Main priorities for 2011

In 2011 Royal Unibrew will focus on maintaining and reinforcing the Company's market positions and high efficiency. This work will be based on the following strategic main priorities:

Development of product and brand platforms
- Maintaining a high innovative level
- Leveraging the individual brands and brand portfolios
- Optimising product and channel mix

Strengthening relationships with customers and consumer loyalty
- Expanding cooperation with customers
- Increasing consumer cooperation and commitment
- Increasing market coverage

Continued focus on operational efficiency
- Maintaining efficiency and achieved economies of scale
- Rooting the merger between Van Pur and Royal Unibrew Polska

Optimisation of capital resources
- Continued focus on optimising investments and working capital
- Realising values from non-operational assets
- Returning capital to shareholders

Financial targets and capital structure

Since 2009 the long-term targets of the Group have been as follows:
- to achieve an EBIT margin of 10%,
- that net interest-bearing debt should not exceed 2.5 times EBITDA, and
- that Royal Unibrew's annual investments should be at the level of 4-6% of net revenue depending on the need for maintenance and streamlining or capacity investments, respectively.

The targets were established at a time when Royal Unibrew was in a difficult position, and when the future development was subject to considerable uncertainty.

The long-term targets were achieved by the end of 2010. This has happened at a higher pace than expected by Management, which has indeed resulted in several upwards adjustments of performance expectations. The faster achievement of the financial targets is due to, among other factors, the increased marketing efforts, new product launches and that the reorganisation and efficiency enhancement were realised at a significantly higher rate than anticipated. At the same time, it turned out to be possible to reduce Royal Unibrew's working capital more and earlier than assumed.

Royal Unibrew has emerged as a well-trimmed and efficient business that is in a good position to defend and expand its market positions.

The starting point for Royal Unibrew's further development and achievement of the future financial targets is therefore now very different from the one that existed when the original financial targets were established in 2009. The efforts going forward will be characterised by business development through continued focus on growth opportunities, sales and marketing as well as innovation, and by continuous efforts to improve, optimise and enhance the efficiency of Royal Unibrew.

Against this background and based on Royal Unibrew's strategy, including the strategic main priorities for 2011, development expectations for Royal Unibrew's main markets and existing raw materials prices and exchange rates, the framework for the new financial targets was established in connection with the announcement of the Q3 Report 2010.

EBIT-margin

The target is to increase EBIT margin to a level of about 14% in the medium term – ie over a period of 3-5 years. The improvement is to be achieved by continued focus on marketing and development of products, continuous optimisation of product range and mix as well as actual operational improvements through efficiency enhancement and cost control. Moreover, changes of the accounting estimates of depreciation periods for property, plant and equipment and the expected combination of Royal Unibrew's Polish activities with Van Pur S.A. each contribute 1 percentage point.

Indebtedness

It is Royal Unibrew's objective to maintain its indebtedness at a level which, on the one hand, satisfies the request for flexibility with respect to acting on business opportunities and maintaining independence in relation to the Group's bankers, and, on the other hand, ensures that Royal Unibrew does not come across as heavily overcapitalised.

It remains Royal Unibrew's target that net interest-bearing debt should not exceed 2.5 times EBITDA and that an equity ratio of at least 30% should be maintained.

Until 2009 Royal Unibrew made considerable investments in both efficiency and capacity. Due to the global economic recession, demand has declined in Royal Unibrew's key markets, and today idle capacity generally exists. Material capacity expansion or new investments are, therefore, not expected to be required in the coming years.

Distribution policy

As Royal Unibrew is still expected to generate a rather significant liquidity surplus, it is the intention currently to make distributions to shareholders through a combination of annual dividend and share buy-backs taking into account the mentioned targets for equity ratio and indebtedness, annual earnings, cash flows as well as Royal Unibrew's strategic position in general.

It is Royal Unibrew's intention to distribute annual dividend of 40 - 60% of net profit for the year.

When it is considered appropriate to further optimise the Company's capital structure, this will be effected through share buy-back programmes. It is the intention that shares bought back will be cancelled. In addition to adjusting the Company's capital structure, share buy-backs will also increase the liquidity of the Royal Unibrew share to the benefit of all shareholders.

In connection with a future sale of the brewery site in Aarhus, it is the intention to increase distributions subject to the above assumptions and targets.

Tempt – our secrets, our temptations

Tempt Cider was launched in 2010, when the challenge consisted in developing an attractive positioning in a strongly competitive market.

The Tempt campaign elucidates all undertones of the name: secrets and temptations, as well as the characteristic taste of the product.

The campaign engages consumers e.g. by letting them share their secrets and thoughts through the Tempt website, which has resulted in many, different contributions. The Tempt site has had the intended effect, and more than 100,000 users have been active on the website and Facebook.

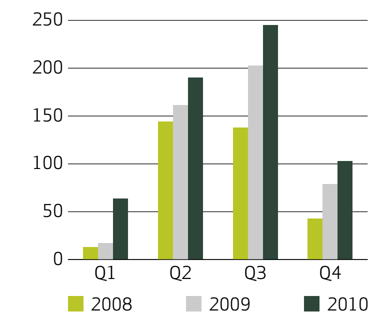
Financial review

In 2010 Royal Unibrew succeeded in achieving financial performance above expectations and also in reducing debts faster than expected. This created considerable financial and strategic leeway as well as a strong basis for further development of the business and its well-known brands.

For Royal Unibrew in general, EBITDA and profit margin developments quarter-on-quarter were positive since Q1 2008, and net interest-bearing debt has been continuously reduced since Q1 2009 from DKK 2,326 to DKK 770 million.

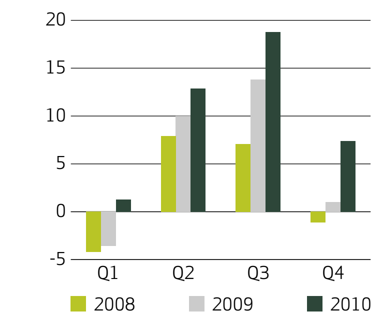
EBITDA BEFORE SPECIAL ITEMS

mDKK



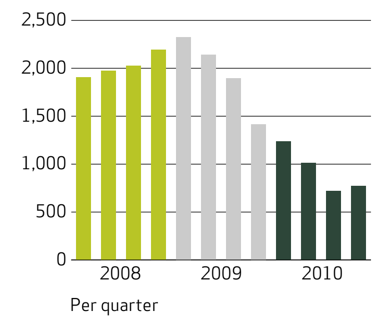
PROFIT MARGIN

%



NET INTEREST-BEARING DEBT

mDKK



DEVELOPMENT IN ACTIVITIES IN 2010 BREAK DOWN ON MARKET SEGMENTS:

	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Group 2010	Group 2009
Sales (thousand hectolitres)	3,253	2,924	466	-	6,643	6,602
Growth (%)	-2.0	6.1	-11.8		0.6	-11.5
Share of sales (%)	49	44	7	-	100	-
Net revenue (mDKK)	2,424	942	409	-	3,775	3,816
Growth (%)	0.3	3.6	-16.9		-1.1	-8.7
Share of net revenue (%)	64	25	11	-	100	-
Operating profit/loss (EBIT before special items) (mDKK)	365.3	45.9	48.2	-42.5	416.9	243.3
Profit margin (%)	15.1	4.9	11.8	-	11.0	6.4
Earnings before interest and tax (EBIT) (mDKK)	365.3	45.9	48.2	-42.5	416.9	208.4
EBIT margin (%)	15.1	4.9	11.8	-	11.0	5.5

In 2010 sales aggregated 6.6 million hectolitres of beer, malt and soft drinks, which is 0.6% above the 2009 figure. The divestment of activities reduced sales by 2.3%. Thus, organic sales growth of 2.9% has been realised from 2009 to 2010.

Keen competition continued in all markets in 2010, and several markets saw consumption decline during the year. Royal Unibrew's branded products generally won or defended their market shares.

Net revenue was in 2010 1.1% lower amounting to DKK 3,775 million compared to DKK 3,816 million in 2009. However, organic growth of 2.7% and positive developments in all segments were realised, primarily in the Malt and Overseas Markets segment. 1 percentage point of the growth is attributable to exchange rate developments. Net revenue was as expected and is assessed basically no longer to be positively affected by accumulation of inventories by distributors except for a certain accumulation of inventories within the malt business.

Gross profit increased by DKK 225 million in 2010 amounting to DKK 1,830 million. Organically (taking into account the sale of the Caribbean breweries), the gross profit increase amounted to DKK 259 million. The increase is primarily due to the gross margin realised increasing by 6.4 percentage points from 42.1% to 48.5% due to lower production costs and a more favourable product and market mix in Western Europe. The lower production costs were realised partly due to higher efficiency at the Danish breweries, partly due to the full effect in 2010 of the measures taken in 2009 to optimise the business. Moreover, raw materials prices were lower. The changed estimate of depreciation periods for property, plant and equipment affected the gross profit positively by 0.5 percentage point at EBIT level.

Sales and distribution expenses amounted to DKK 1,200 million, which was DKK 54 million above the 2009 figure (organically, DKK 64 million higher). Expenses for sales and marketing of new products and the key brands were thus increased considerably. On the other hand, the full effect of the change of the Danish and Baltic distribution structures achieved in 2010 contributed towards reducing sales and distribution expenses as compared to 2009.

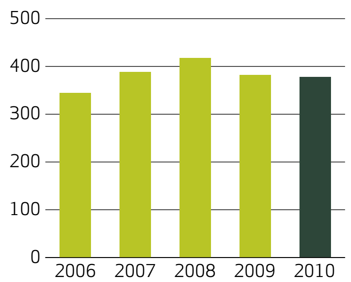
Administrative expenses of DKK 217 million in 2010 were DKK 2 million below the 2009 figure (organically, DKK 12 million higher). Expenses for, among other things, the Company's short- and long-term bonus schemes as well as the strategy process implemented have increased administrative expenses, whereas focus on enhancing cost efficiency has contributed towards a reduction.

Earnings before interest, tax, depreciation, amortisation and special items (EBITDA before special items) increased by DKK 141 million (organically, DKK 134 million) amounting to DKK 601 million compared to DKK 460 million in 2009. The EBITDA development quarter-on-quarter has been positive throughout 2010.

Operating profit (EBIT before special items) amounted to DKK 417 million in 2010, which is a DKK 174 million improvement on 2009 (an organic improvement of DKK 183 million). Significant improvements of operating profit and of profit margin were realised in all group segments. The change of depreciation periods affected the figure positively by DKK 20 million. In Q4 2010, Royal Unibrew realised considerably increased earnings as compared to the same period of last year, which was as expected and in line with developments in the preceding quarters of the year. Operating profit for 2010 was in accordance

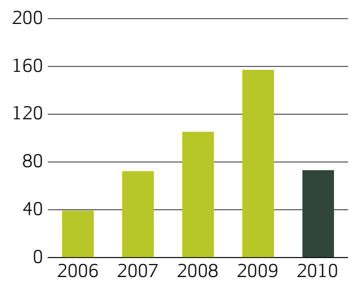
NET REVENUE

mDKK



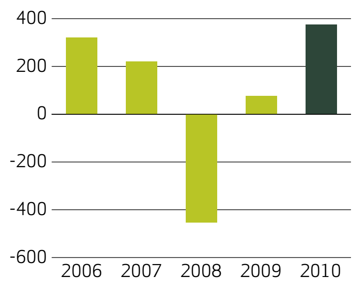
NET FINANCIAL EXPENSES

mDKK



PROFIT BEFORE TAX

mDKK



with the latest outlook announced, but significantly higher than expected at the beginning of the year.

There have been no special items in 2010, whereas in 2009 special items relating to reorganisation and sale of activities totalled a negative DKK 35 million.

Earnings before interest and taxes (EBIT) amounted to DKK 417 million compared to DKK 208 million in 2009.

Net financial expenses amounted to DKK 42 million, which is DKK 90 million below the 2009 figure. Income after tax (profit) from investments in associates for the period was DKK 6 million above the 2009 figure, whereas net interest expenses were DKK 84 million lower in 2010 than in 2009. The development in net interest expenses was in 2010 positively affected by DKK 58 million due to the significant reduction of the net interest-bearing debt and improved conditions achieved in connection with a new bank agreement. Non-recurring gains in 2009 relating to the establishment of new mortgage credit facilities and hedging transactions affected the development from 2009 to 2010 positively by DKK 26 million.

The profit before tax amounted to DKK 375 million compared to DKK 77 million in 2009.

Tax on the profit for the period was an expense of DKK 97 million, corresponding to a tax rate of 26%. In 2009, tax amounted to DKK 24 million and was positively affected by an adjustment of DKK 7 million relating to prior year. A tax expense of DKK 5 million was recognised in other comprehensive income in 2010, whereas, due to Danish interest deduction limitation rules, no tax was recognised in other comprehensive income in 2009.

The profit for the period amounted to DKK 278 million, which is a DKK 226 million improvement on the profit of DKK 52 million realised in 2009.

Balance sheet

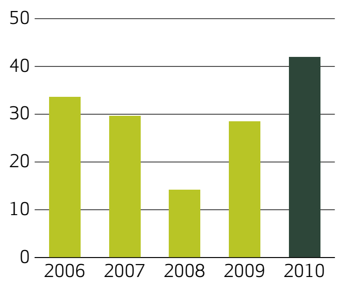
Royal Unibrew's balance sheet total amounted to DKK 3,057 million at 31 December 2010, which is DKK 433 million below the figure at 31 December 2009. The divestment of the Caribbean breweries reduced the balance sheet total by approx DKK 250 million, whereas focus on reducing working capital has reduced the investment in inventories and trade receivables organically by approx DKK 50 million compared to the year end 2009 figure. Moreover, the balance sheet total has been reduced due to depreciation of property, plant and equipment exceeding net investments in non-current assets in 2010, and cash at bank and in hand has been reduced organically by approx DKK 24 million.

The equity ratio increased in 2010 representing 41.9% at year end compared to 28.5% at the end of 2009. Group equity amounted to DKK 1,281 million at the end of 2010 and was increased in the period by the positive comprehensive income of DKK 312 million for the period and reduced by DKK 26 million relating to minority interests in the divested Caribbean companies and dividend to minority shareholders. The comprehensive income comprises the profit for the period of DKK 278 million, positive exchange adjustments of foreign group enterprises of DKK 13 million and a positive development in the value of hedging instruments of DKK 21 million.

Net interest-bearing debt was reduced by DKK 646 million in 2010 (2009: DKK 776 million, including

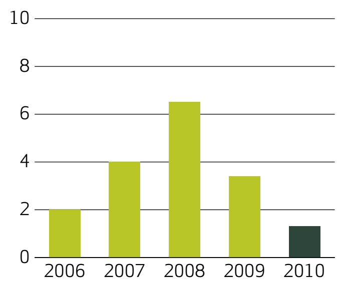
EQUITY RATIO

%



NET INTEREST-BEARING DEBT/EBITDA

Times



FREE CASH FLOW

mDKK

capital increase of DKK 394 million) amounting to DKK 770 million at 31 December 2010 (2009: DKK 1,416 million). DKK 187 million of the reduction in 2010 relates to the divestment of the Caribbean breweries. The organic reduction was thus significant in 2010. Net interest-bearing debt has been continuously reduced since Q1 2009 from DKK 2,326 to DKK 770 million.

Cash flows

Free cash flow for 2010 was DKK 89 million above the 2009 figure thus amounting to DKK 463 million compared to DKK 374 million in 2009. The improvement related to lower investments in non-current assets, whereas cash flows from operating activities were DKK 21 million lower amounting to DKK 492 million in 2010 compared to DKK 513 million in 2009. Net investments in non-current assets were in 2010 DKK 42 million compared to DKK 152 million in 2009 when the investment in the transfer of production from Aarhus to Faxe was completed in Q2. Dividend from associates amounted to DKK 13 million in 2010, which remains unchanged from 2009.

Cash flows from operating activities of DKK 492 million comprised the profit for the period adjusted for non-cash operating items of DKK 601 million (2009: DKK 410 million), positive working capital cash flow of DKK 64 million (2009: DKK 230 million), net interest paid of DKK 79 million (2009: DKK 140 million) and taxes paid of DKK 94 million (2009: a negative DKK 13 million). Investment in working capital at the end of 2010 was negative by DKK 134 million (2009: a negative DKK 85 million). All entities continue their strong focus on managing inventories and trade receivables as well as trade payables.

Financial matters

In 2010 Royal Unibrew entered into a new agreement with its bankers to the effect that the Group's bank commitments are now based on a 5-year agreement on attractive terms and with strengthened capital resources. Consequently, there are no longer any restrictions on the Company's right to distribute dividend or buy back shares; moreover, the agreement is no longer subject to provision of security. The related financial covenants allow Royal Unibrew considerable leeway. Furthermore, an agreement for a new 20-year mortgage credit facility on attractive terms was made in 2010. The establishment of the new mortgage credit facility has affected net interest expenses for the year positively by approx DKK 15 million related to repayment gains and adjustment of hedging instruments.

Brewery site in Aarhus

Subsequent to year end, Royal Unibrew has entered into a cooperation agreement with A. Enggaard A/S, Building Contractors, concerning the brewery site in Aarhus, see Company Announcement No 1/2011 of 4 March 2011. The agreement is conditional upon adoption of the final local plan for the area and is based on an option model. The first option comprises at least 30,000 square metres building rights and is to be exercised not later than 9 months after the approval of the final local plan. Conditional on the first option being exercised, the following options can be exercised for purchases in the period 2013-2016. The realisation and timing of the total sale will, therefore, be subject to uncertainty. In Royal Unibrew's opinion, the cooperation model adopted creates - given market conditions - a good basis for realising the value of the total brewery site. At Royal Unibrew's request, the draft local plan has been further adjusted to match potential user needs; consequently, approval by the municipal authorities of Aarhus is now not expected until in August 2011. The draft local plan comprises a project of 140,000 square metres in total distributed with 65% for business, education and culture and 35% for housing. The brewery site has been recognised in the Financial Statements for 2010 at a value levelling the value recognised in the Q3 Report 2010.

Outlook

The outlook for Royal Unibrew's financial development in 2011 has been prepared taking into account a number of circumstances, including how the Company's markets are affected in the wake of the financial crisis, expectations of the development in material expense categories as well as the effect of initiatives completed and initiated.

The financial performance outlook for 2011 is based on the following main assumptions:

- Royal Unibrew has entered into an agreement to combine its Polish activities with Van Pur. The agreement is conditional and is expected to be closed in Q1 2011.
- It is estimated that consumption in the Nordic market will show a slightly declining trend and be stable in the other markets.
- The market shares on branded products are expected to be maintained or increased for the key brands in the main markets.
- The fierce competition in the major markets is expected to continue.
- Net revenue is estimated to be lower in 2011 than in 2010 due to the above-mentioned transaction in Poland. Organically, net revenue is expected to be at the 2010 level.
- The prices of the key raw materials categories have been increasing in 2010. In 2010 Royal Unibrew entered into hedging agreements covering the majority of estimated consumption in 2011, but at a higher cost level than in 2010.
- It is estimated that the increasing cost inflation on a number of direct and indirect cost categories noted during 2010 will continue in 2011.
- Depreciation and amortisation are estimated to be at the level of DKK 140 million.
- Calculated tax is expected to amount to approx 27%
- Gross investments are expected to amount to approx DKK 110 - 125 million.
- Exchange rates between DKK and other currencies are expected to remain unchanged as compared to the end of 2010.

OUTLOOK FOR 2011

	Outlook 2011*	Actual 2010
Net revenue (mDKK)	3,400-3,550	3,775
EBITDA (mDKK)	575-625	601
EBIT (mDKK)	435-485**	417

* In 2011 Poland is included in the results until expected closing, whereas the Caribbean breweries are not included. In 2010 Poland and the Caribbean were recognised with revenue of DKK 345 million, EBITDA of DKK 26 million and EBIT of DKK 18 million in the periods that are not estimated to be included in 2011.

** Full-year effect in 2011 of changed estimate of depreciation affects the figure positively by approx DKK 20 million.

Statements about the future

This Annual Report 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.

The most important brands

Western Europe

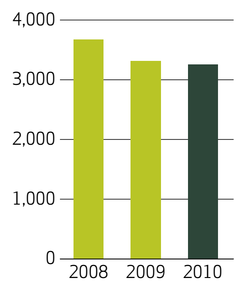
Eastern Europe

Malt and Overseas Markets

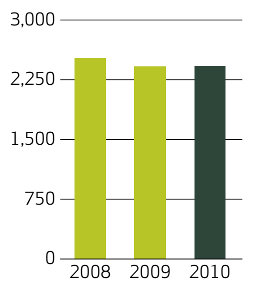
Western Europe

Material earnings increase in spite of slight volume decline - due to eg efficiency enhancement and improved market and product mix.

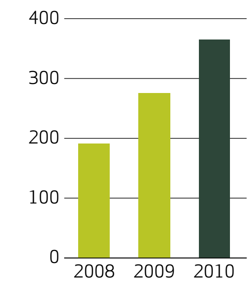
SALES
t hectolitres



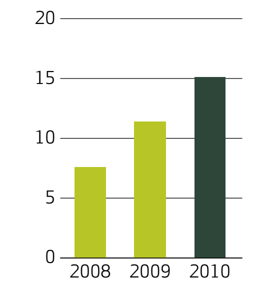
NET REVENUE
mDKK



EBIT BEFORE SPECIAL ITEMS
mDKK



PROFIT MARGIN
%



The Western Europe segment comprises the markets for beer and soft drinks in Denmark and the Nordic countries, Germany and Cross-border Trade as well as Italy. In 2010 Western Europe accounted for 49% of group sales and for 64% of net revenue (2009: 50% and 63%, respectively).

In 2010 sales in Western Europe decreased by 2% compared to 2009, whereas net revenue increased slightly. Generally, Royal Unibrew won market shares on branded beer and soft drinks.

The operating profit (EBIT before special items) increased from DKK 275 million in 2009 to DKK 365 million and profit margin increased by 3.7 percentage points to 15.1%. The earnings increase is attributable to several factors: better market and product mix than in 2009; lower production costs than in 2009 due to higher efficiency at the Danish breweries; achievement of the full effect of the change of the distribution structure in Denmark in 2010; and lower raw materials prices.

EBIT was not affected by any special items in 2010 and increased by DKK 114 million to DKK 365 million.

WESTERN EUROPE

	Actual 2010		Change from 2009	
	Net revenue (mDKK)	Sales (t hectolitres)	Net revenue i %	Sales %
Denmark	1,191	1,478	2	1
Italy	675	450	1	-2
Germany and Cross-border Trade	536	1,264	-3	-4
Nordic countries	22	61	-8	-16
Total Western Europe	**2,424**	**3,253**	**0**	**-2**

DENMARK

Profile

Royal Unibrew is the number two provider of beer and soft drinks in Denmark in terms of size. In the Danish beer market, Royal Unibrew offers a combination of strong international, national and local brands. Royal and the international licence brand Heineken are offered to the entire Danish market, whereas brands like Albani, Ceres and Thor are offered in areas with strong local rooting.

Within soft drinks, Royal Unibrew offers its own brands as well as licence-based brands. Own brands comprise Faxe Kondi, which is the leading brand in the lemon/lime segment, as well as Nikoline. The Pepsi Group products, including Pepsi, Pepsi Max, 7UP and the Mirinda products, are bottled/canned and distributed on the basis of licence agreements.

Within the spring water and natural mineral water segment, Egekilde has captured a leading position in the Danish market. Egekilde was developed and launched in 2006, and since then a number of taste varieties have been launched, including citrus, cranberry and blueberry/pomegranate.

Royal Unibrew has breweries in Faxe and Odense, from which the market is supplied through the Company's own nationwide distribution system.

Development in 2010

It is estimated that total branded beer sales in Denmark decreased by approx 6% in 2010, whereas the decline in branded soft drinks sales is estimated at approx 3%. Keen price competition continued.

Royal Unibrew's total sales increased by 1% in 2010 and net revenue by 2%. This means that Royal Unibrew's market shares on both branded beer products and branded soft drinks products increased in 2010 due to, among other things, significantly enhanced marketing efforts and innovative measures, including new product launches.

In 2010 Royal Unibrew developed and launched Tempt, which is a new brand in the cider category. Tempt was well received by the market and won a significant market share in spite of keen competition from the other products in the market.

Tempt
is Royal Unibrew's new cider. Tempt was launched in 2010 and won a considerable market share. Tempt is available in three varieties, Tempt No 2 (apple), Tempt No 7(elderflower and blueberries) and Tempt No 9 (strawberry and lime)

ITALY

Profile

Ceres Strong Ale is among the market leaders in Italy in the super premium segment and holds a considerable market share. Ceres Strong Ale is available at about 75% of the estimated 175,000 HoReCa outlets.

The Italian organisation is engaged in sales and marketing as Ceres Strong Ale is brewed in Denmark and exported to Italy. The sales efforts are directed at the largest retail chains as well as wholesalers servicing customers in the HoReCa segment who also handle physical distribution.

Moreover, Royal Unibrew sells Ceres Old 9 in the super premium segment as well as the lager types Ceres Top Pilsner and Faxe in the mainstream segment.

In Italy Royal Unibrew focuses on intensive and continuous above the line marketing aimed at consumers by means of eg TV commercials as well as trade marketing activities to sustain and expand Ceres Strong Ale's market position as a leading brand in its segment.

Development in 2010

In Italy Royal Unibrew's sales went down by 2% in 2010 in a slightly declining market, which was affected by the weather not being as nice as usual in the spring months. Sales of Royal Unibrew's super premium brand, Ceres Strong Ale, went up by just below 2% and Royal Unibrew's net revenue increased by 1% in spite of declining sales due to a favourable product mix development. It is assessed that Ceres Strong Ales defended its market share, and continuous efforts are being directed at reinforcing the product positioning through targeted sales and marketing activities.

Ceres Strong Ale
is a recognised and leading brand in the super premium segment. Here in an art edition.

Germany and Cross-border Trade

Profile

Royal Unibrew exports a number of products to Germany and supplies retail customers who deliver to the Cross-border Trade as well as retail customers in the German market in general.

Royal Unibrew is a player in the Cross-border Trade where it primarily sells the beers Royal, Thor and Slots as well as the soft drinks Egekilde and Faxe Kondi.

The German retail customers are primarily serviced with Faxe.

Development in 2010

Sales decreased by 4% in 2010, whereas revenue only decreased by 3% as the product mix was better than in 2009. It is estimated that Royal Unibrew's market shares have been defended.

Egekilde cranberry

Egekilde takes its rise deep down below the old oak trees in a forest in South Sealand. The pure, crystal-clear water from the spring gives a fresh and authentic taste. Egekilde comes in several varieties, like this one added natural bubbles and a refined cranberry taste.

Faxe Kondi – ”Vær med” (Join in)

The Faxe Kondi campaign ”Vær Med” is the world’s longest football relay race and was kicked off in the spring of 2010 to strengthen the brand profile. The ”Vær Med” campaign engaged consumers across Denmark in dribbling a football 790 kilometres through Denmark from the Northernmost point of Jutland in Skagen across the finishing line in Tivoli Gardens in Copenhagen.

The Danish freestyle football champion kicked off from the Northernmost point of Denmark. During the 16 days of the race, more than 5,000 consumers participated actively – in every say. The participants dribbled the ball along the street, into stadiums, through all Bilka stores en route, and even on water skis and below water football dribbling took place.

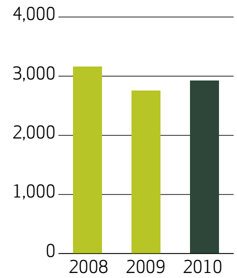
”Vær Med” was a great success, and the Faxe Kondi website had more than 50,000 unique visitors and 400,000 page views. At the same time, the campaign engaged 80,000 fans on Facebook. On the website interested fans could follow the ball being dribbled through Denmark. The campaign has subsequently won an AEA award in Denmark as well as a bronze medal at the prestigious European Epica Awards.

Eastern Europe

The considerable performance increase is due to increase in volume, higher efficiency and lower raw materials prices .

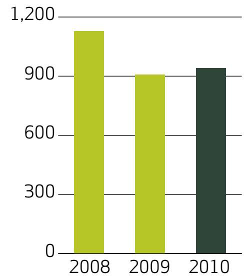
SALES

t hectolitres



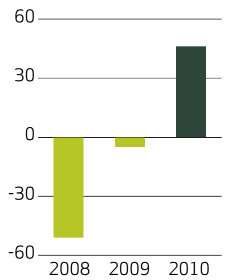
NET REVENUE

mDKK



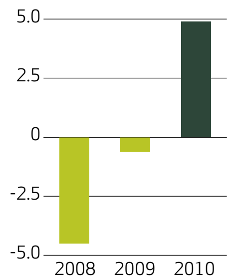
EBIT BEFORE SPECIAL ITEMS

mDKK



PROFIT MARGIN

%



The Eastern Europe segment primarily comprises the markets for beer, fruit juices and soft drinks in Latvia, Lithuania and Poland. In 2010 Eastern Europe accounted for 44% of group sales and 25% of net revenue (2009: 42% and 24%, respectively).

Sales increased by 6% in 2010, whereas net revenue in the segment was 4% above the 2009 figure. The sale of the Polish Koszalin brewery in June 2009 has reduced sales and net revenue by 1%. Thus, organic sales and net revenue growths were 7% and 5%, respectively. A stronger PLN affected net revenue positively by 3%. It is estimated that Royal Unibrew's market shares have generally been increased or defended.

Operating profit/loss (EBIT before special items) improved by DKK 51 million in 2010 as compared to 2009, and profit margin increased from a negative 0.6% to a positive 4.9%. The considerable improvement is partly due to increased volumes, partly to higher efficiency as a result of the costs savings realised in 2009 having full impact in 2010 as well as lower raw materials prices. Focus on optimising and integrating activities in the Baltic countries continues. Moreover, the measures to ensure break-even in Poland have been realised earlier than expected, and in 2010 break-even was achieved at EBIT level. The performance improvement in the segment comprises considerable performance improvements in Poland and Latvia, whereas results in Lithuania were below the 2009 level.

EBIT for the period was DKK 60 million above the 2009 figure; in 2009 DKK 9 million was attributable to special items relating to reorganisation.

EASTERN EUROPE

	Actual 2010		Change from 2009	
	Net revenue (mDKK)	Sales (t hectolitres)	Net revenue %	Sales i %
Lithuania	317	835	-6	1
Latvia	253	890	-4	6
Poland	367	1.197	20	9
Other markets	5	2	243	-16
Total Eastern Europe	**942**	**2.924**	**4**	**6**

THE BALTIC COUNTRIES

Profile

Royal Unibrew's Kalnapilio-Tauro Grupe is the second largest brewery in Lithuania holding considerable market positions within both beer and soft drinks. The activities in Lithuania were established in 1999 through the acquisition of the Vilnius Tauras brewery and were later expanded through the acquisition of the country's third largest brewery, Kalnapilis, in 2001.

In the Lithuanian beer market, Royal Unibrew markets the Kalnapilis and Taurus brands, which are national brands, as well as Faxe, which is a leading international brand in the market. Cido is the number three fruit juice brand in Lithuania in terms of size.

The organisation in Lithuania handles sales and distribution to the retail trade as well as the HoReCa segment through its own nationwide distribution system.

In Latvia Royal Unibrew is the market leader on fruit juices and soft drinks and the number three provider of beer. In 2004, Royal Unibrew acquired Cido, which was the largest provider of soft drinks in Latvia, and a leading provider of beer, Lacplesa Alus. In 2007, the platform in Latvia was extended through the acquisition of Livu Alus, which was the number three provider of beer in Latvia.

Within soft drinks, a series of fruit juice products is offered under the Cido brand, which is one of Latvia's most well-known brands. Moreover, mineral water of the Mangali brand is sold primarily as natural mineral water, and under the Fruts brand a number of nectar drinks are sold. As regards beer, the key brands are Lacplesis and Livu Alus, which are both marketed in the mainstream segment.

The organisation in Latvia handles sales and distribution to the retail trade as well as the HoReCa segment through its own nationwide distribution system.

Development in 2010

In Lithuania the total beer market in 2010 is estimated to have been at the 2009 level, whereas the total decline in the fruit juice market is estimated at approx 20%. Overall, Royal Unibrew's sales increased by 1%, whereas net revenue decreased by 6%. It is estimated that Kalnapilio-Tauro Grupe has defended its branded beer and fruit juice market shares.

In Latvia it is estimated that the fruit juice and soft drinks markets declined by approx 10% in 2010, whereas total beer consumption is estimated to have increased by just below 6%. Royal Unibrew increased its sales by 6%. Net revenue decreased by 4%. Royal Unibrew increased its market share for branded beer, and it is estimated that the Group has defended its market shares for fruit juices and soft drinks in spite of consumers in Latvia converting part of their consumption to the discount segment.

Both Lithuania and Latvia seem to be seeing stabilisation of the economies following a substantial recession in recent years.

Cido Morning Juice
In Latvia Royal Unibrew is the market leader on fruit juices, and Cido is the key brand. However, it is not traditional to drink fruit juice in the morning. In 2010 Royal Unibrew, therefore, launched "Cido Morning Juice" and through a distinctive campaign emphasised that juice is an obvious way of giving yourself and your children vitamins and energy already from the early morning.

Poland

Profile

In Poland Royal Unibrew operates within beer – primarily in the North Eastern region of the country, the Warsaw region and Southern Poland. In these areas, Royal Unibrew markets and distributes its brands in the mainstream segment.

In North Eastern Poland Royal Unibrew is the second largest provider of beer with the Lomza brand and holds an estimated 15% market share of the retail segment in the region.

In late 2010, Royal Unibrew entered into a conditional agreement to combine Royal Unibrew Polska and its ownership share of the Perla Browary Lubelskie brewery with Van Pur in Poland. The agreement is expected to be closed in Q1 2011, after which Royal Unibrew A/S will be a 20% shareholder of Van Pur S.A. With the added activities, Van Pur will be Poland's number four brewery business in terms of size with a strategically strong position in the mainstream market, total annual volumes of approx 3.3 million hectolitres, corresponding to a market share of approx 7%, and expected net revenue of approx DKK 1 billion.

Development in 2010

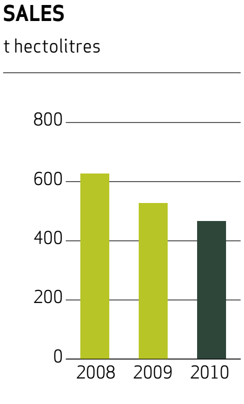
Beer consumption is estimated at an approximate 3% decline in 2010 as compared to 2009, and the market remained volatile. Royal Unibrew's sales increased by 9%. The sale in mid 2009 of the Koszalin brewery and the related brands resulted in a sales reduction of 2%. Organic sales growth was thus 11% in 2010. Net revenue increased by 20% in the period, including approx 9 percentage points related to the stronger PLN. Adjusted for sale of activities and exchange rate developments, revenue went up by 13%. The increase was primarily due to innovative sales and marketing efforts.

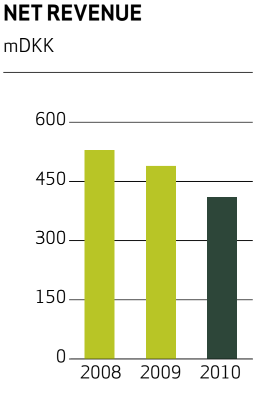
Lomza

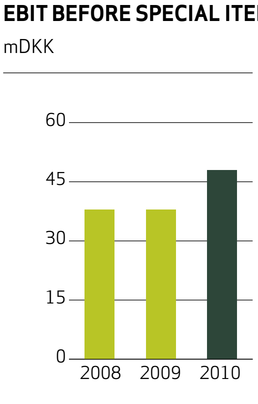
Lomza is Royal Unibrew's key brand in Poland. In 2010, Royal Unibrew launched a new, unpasteurised Lomza variety. Supported by a national TV campaign, outdoor advertising and use of social media, Lomza sales increased considerably in 2010, whereas demand for branded products in the total market declined. The campaign established Lomza as one of the three fastest growing beer brands in Poland.

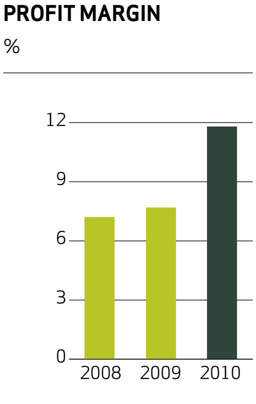
Malt and Overseas Markets

High organic growth and performance improvements.









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 exports to other markets.

In 2010 sales and revenue represented 7% and 11%, respectively, of total group sales and revenue (2009: 8% and 12%, respectively). Sales decreased by 12% in 2010 and the sale of the Caribbean breweries reduced sales by 28%. Net revenue decreased by 16% and the sale of the Caribbean breweries reduced net revenue by 27%. Organically, both sales and net revenue were increased by 16%. Net revenue was positively affected by exchange rate movements by approx DKK 8 million corresponding to just below 2%.

Operating profit (EBIT before special items) was DKK 11 million higher in 2010 than in 2009. The sale of the Caribbean breweries reduced operating profit by DKK 10 million as compared to 2009. Moreover, in Q4 the operating profit was, as expected, negatively affected by individual circumstances supporting business development. Organically, the operating profit has thus increased by DKK 21 million in 2010. It is assessed that, following a considerable decline in 2009, revenue and earnings have returned to a higher and more normalised level.

MALT AND OVERSEAS MARKETS

	Actual 2010		Change from 2009	
	Net revenue (mDKK)	Sales (t hectolitres)	Net revenue %	Sales i %
The Americas	240	202	-30	-31
Europe	87	111	12	12
Africa and other markets	82	153	15	14
Total Malt and Overseas Markets	**409**	**466**	**-16**	**-12**

Profile

The business area Malt and Overseas Market comprises an export and licence business, primarily of non-alcoholic malt drinks.

Royal Unibrew has several internationally strong malt drinks brands, and these are marketed in the premium segment. Vitamalt is assessed to be the number three malt brand in terms of size, whereas Supermalt is Royal Unibrew's second largest malt drinks brand and the leading malt brand in the UK.

The key market areas for Royal Unibrew's malt drinks are countries in Africa and the Caribbean as well as ethnic groups from these areas living in and around major cities in Europe and the USA.

The malt drinks markets are supplied either by exports from Royal Unibrew's Danish breweries or on the basis of licence agreements.

In the UK and in Guadeloupe and Martinique, the export activities are supported by own sales companies.

In order to expand the distribution of the Vitamalt brand, Royal Unibrew has entered into agreements on licence production of Vitamalt with local brewery companies.

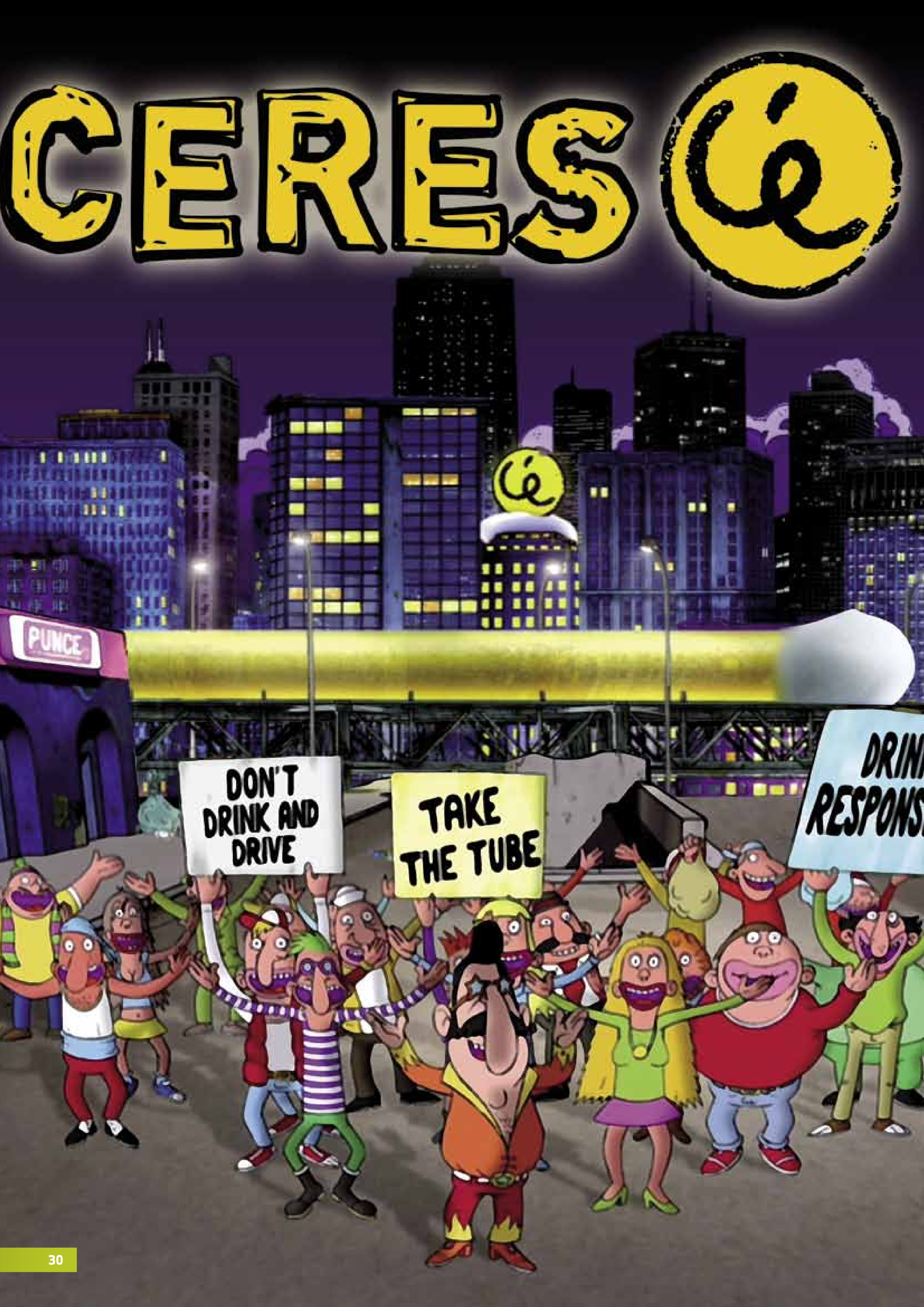
Vitamalt

Vitamalt is Royal Unibrew's most popular malt drink. Vitamalt is a non-alcoholic high-quality product. The product is aimed at consumers of African and Caribbean origin. Vitamalt is one of the prevailing malt drinks brands on a global scale.

The Americas comprise primarily the Caribbean, the USA and Canada. Sales and net revenue in the Americas adjusted for the divestment of the Caribbean breweries developed positively in 2010 showing increases of 21% and 17%, respectively. The positive development is partly explained by increased activity in Royal Unibrew's distribution companies in Guadeloupe and Martinique, partly by a satisfactory increase in licence-based sales in the Caribbean and sales in the USA.

In Europe sales and revenue increased compared to 2009. It is assessed that the market has to a certain extent accumulated inventories.

Also in Africa and in the other markets of the segment, Royal Unibrew's activities developed positively in 2010 showing increases in both sales and net revenue.


CERES
PUNCE
DON'T DRINK AND DRIVE
TAKE THE TUBE

Shareholder information

Royal Unibrew wants to keep its shareholders continuously up-to-date on the Company's development and also to increase interest in the Company on the stock market. Therefore, Royal Unibrew emphasises providing timely and adequate information on its objectives and strategy, business activities and on the development in the Company's markets.

Share capital, DKK	111,864,980
Number of shares	11,186,498
Denomination	DKK 10
Number of share classes	1
Restriction of voting	None
Place of listing	NASDAQ OMX Copenhagen A/S
Short name	RBREW
ISIN code	DK10242999
Bloomberg code	RBREW DC
Reuter code	RBREW.CO
Index	MidCap

Share information

The Supervisory Board has been authorised to increase the Company's share capital on one or several occasions by up to a nominal amount of DKK 11 million equal to approx 10% of the share capital until 1 May 2011. Moreover, the Supervisory Board has been authorised to buy back shares for treasury up to 10% of the share capital.

The Supervisory Board cannot without prior adoption at the general meeting decide to issue shares or acquire shares for treasury.

Each share of DKK 10 carries one vote. Any shareholder registered in the Company's register of shareholders is entitled to vote.

The shares are listed on NASDAQ OMX Copenhagen A/S, and as of 3 January 2011 Royal Unibrew is again included in the MidCap index.

At the end of 2010, the price of the Royal Unibrew share was 332 compared to 139 at the end of 2009. Royal Unibrew's market capitalisation amounted to DKK 3,714 million at the end of 2010 compared to DKK 1,555 million at the end of 2009.

Change of control

The realisation of a takeover bid resulting in change of control of the Company will entitle a few trading partners and lenders to terminate trading agreements made. For a description of agreements with Company Management, reference is made to the section "Remuneration".

Ownership

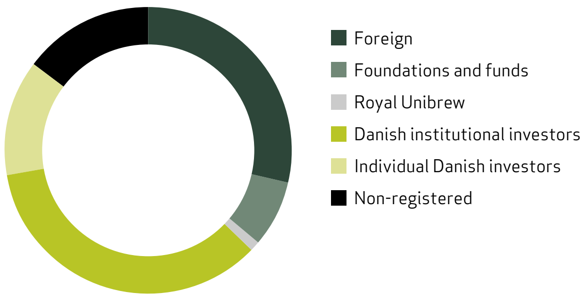
At the end of 2010, Royal Unibrew had approx 15,900 registered shareholders holding together 85% of the total share capital.

DEVELOPMENT IN ROYAL UNIBREW'S SHARE CAPITAL

DKK '000	2010	2009	2008	2007	2006
Balance 1/1	111,865	56,000	59,000	61,800	63,700
Capital reduction			-3,000	-2,800	-1,900
Capital increase		55,865			
Balance 31/12	**111,865**	**111,865**	**56,000**	**59,000**	**61,800**

SHAREHOLDERS STRUCTURE AT THE END OF 2010

%



According to the latest Company Announcements, the following shareholders hold more than 5% of the share capital:

Shareholder	End February 2011	End February 2010
Chr. Augustinus Fabrikker, Denmark	10.4 %	10.4 %
ATP, Denmark	7.2 %	9.3 %
Stodir, Iceland	5.9 %	5.9 %
Skagen AS, Norway	5.6 %	5.6 %

Members of the Supervisory and Executive Boards are governed by Royal Unibrew's insider rules, and their share transactions are subject to a notification requirement. Individuals with inside information as well as their spouses and children below the age of 18 may trade Royal Unibrew shares only when the Supervisory Board has announced that the window for trading shares is open (and they do not, incidentally, have inside information). This normally applies for a period of four weeks following an announcement of financial results.

At 31 December 2010, members of the Supervisory Board held 8,382 shares of the Company, and members of the Executive Board held 116,200 shares, corresponding to a total of 1.1% of the share capital.

At 31 December 2010, Royal Unibrew held 106,674 treasury shares, corresponding to 1.0% of the share capital.

General meeting

The Company's Annual General Meeting will be held on 28 April 2011, at 5 pm at Atletion in Aarhus. At the Extraordinary General Meeting of Royal Unibrew on 11 October 2010, the possibility of electronic communication with the Company's shareholders was provided for, including communication in connection with the holding of general meetings. In January 2011, all registered shareholders received a letter explaining how communication may henceforth be received electronically. The next Annual General Meeting will be convened electronically, and information on the registration for electronic communication is provided at Royal Unibrew's website www.royalunibrew.com under "Investor".

Registration of shareholder's name is effected by contacting the bank holding the shares in safe custody.

Supervisory Board resolutions and proposed resolutions for the Annual General Meeting

The Supervisory Board will propose that the Annual General Meeting authorise the Supervisory Board to acquire shares for treasury corresponding to up to 10% of the share capital, such authorisation being in force for the period up until the next Annual General Meeting. The Board also proposes that the Supervisory Board be authorised to realise capital increases by up to a nominal amount of DKK 11 million, corresponding to approx 10% of the share capital.

Moreover, the Supervisory Board proposes distribution of dividend of DKK 140 million for the 2010 financial year, corresponding to DKK 12.5 per share.

DIVIDEND DATES FOR 2011

Resolution at AGM	28 April 2011
Last trading day with right to dividend for 2010	28 April 2011
First trading day without right to dividend for 2010	29 April 2011
Distribution of dividend	4 May 2011

Investor relations activities

Royal Unibrew aims at ensuring open and timely information to its shareholders and other stakeholders.

A number of activities are carried out continuously to ensure good contacts with the Company's stakeholders. In 2010 Royal Unibrew held four webcasts in connection with the publication of the Annual Report 2009, the Q1 Report, H1 Report and Q3 Report 2010, respectively. Moreover, Royal Unibrew holds analyst and investor meetings in both Denmark and abroad in connection with the publication of Interim and Annual Reports.

Furthermore, in 2010 Royal Unibrew participated in the SEB Enskilda Annual Nordic Seminar, the SEB Enskilda Capital World Investors Seminar, the Danske Bank Small and MidCap Seminar and the Carnegie Nordic Small and MidCap Seminar.

Webcasts, the presentations from the above seminars and Company Announcements are accessible at Royal Unibrew's website, www.royalunibrew.com "Investor".

THE FOLLOWING INSTITUTIONS COVER ROYAL UNIBREW:

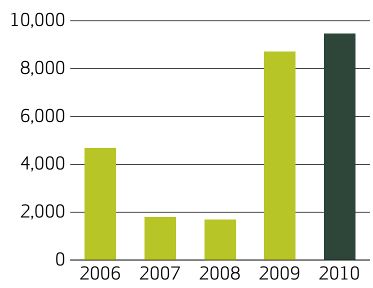
Firm of analysts	Analyst
ABG Sundal Collier	Franz Høyer
Carnegie	Jesper Breitenstein
Danske Equities	Søren Samsøe
Handelsbanken	Casper Blom
Jyske Bank	Jens Houe Thomsen
Nordea Bank	Hans Gregersen
Nykredit Markets	Ricky Steen Rasmussen
SEB Enskilda Securities	Michael K. Rasmussen
Sydbank	Morten Imsgaard

Share trading at NASDAQ OMX

In 2010 a total of 9,468,635 shares were traded at NASDAQ OMX Copenhagen, corresponding to 85% of the weighted number of shares.

VOLUME OF TRADE

Shares '000



FINANCIAL CALENDAR FOR 2011

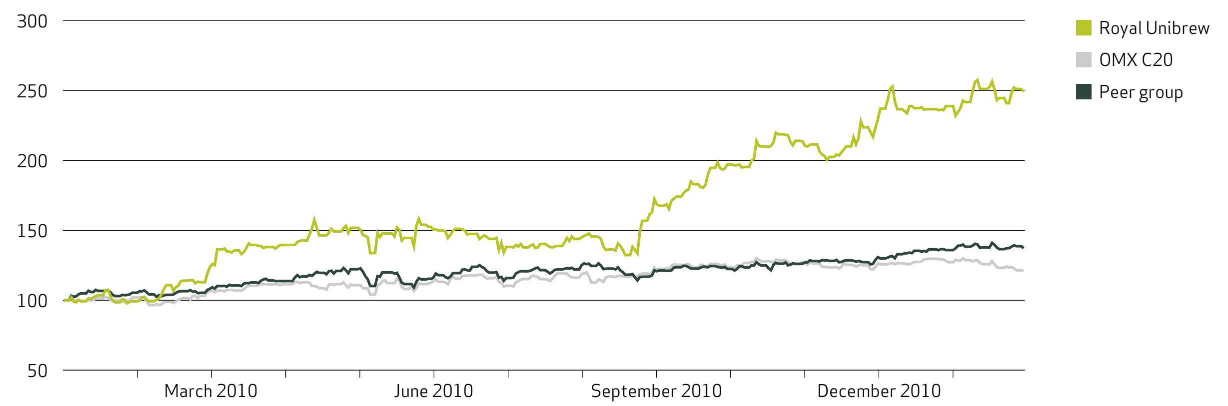
28 April 2011	Annual General Meeting in Aarhus

Announcements of financial results:

28 April 2011	Q1 Report 2011
24 August 2011	Q2 Report 2011
30 November 2011	Q3 Report 2011

SHARE PERFORMANCE

Index



Note: The peer group consists of Carlsberg, Heineken, SABMiller and Anheuser-Busch InBev.

SHARE-RELATED RATIOS

Per share – DKK	2010	2009	2008	2007	2006
Royal Unibrew A/S' share of earnings per share	25.1	5.8	-89.0	26.4	38.0
Royal Unibrew A/S' diluted share of earnings per share	25.1	5.8	-89.0	26.2	37.6
Cash flow per share	44.4	62.0	19,0	26.3	70.9
Diluted cash flow per share	44.4	62.0	19,0	26.1	70.2
Year-end price per share	332.0	139.0	118.5	534.0	740.0
Dividend per share	12.5	0.0	0.0	10.0	10.0
Number of shares	11,186,498	11,186,498	5,600,000	5,900,000	6,180,000

ANNOUNCEMENTS TO NASDAQ OMX COPENHAGEN IN 2010

05 January 2010	01/2010	New CFO in Royal Unibrew A/S
08 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
05 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
27 April 2010	10/2010	Q1 Report 2010
27 April 2010	11/2010	Annual General Meeting 2010
28 April 2010	12/2010	Royal Unibrew's Articles of Association
29 April 2010	13/2010	Reporting according to the Danish Securities Trading Act section 28a
05 May 2010	14/2010	Reporting according to the Danish Securities Trading Act section 28a
05 May2010	15/2010	Reporting according to the Danish Securities Trading Act section 28a
11 May 2010	16/2010	Reporting according to the Danish Securities Trading Act section 28a
19 May 2010	17/2010	New Chairman of Royal Unibrew's Supervisory Board
25 May 2010	18/2010	Reporting according to the Danish Securities Trading Act section 28a
26 May 2010	19/2010	Reporting according to the Danish Securities Trading Act section 28a
26 August 2010	20/2010	Interim Report for 1 January – 30 June 2010
27 August 2010	21/2010	Reporting according to the Danish Securities Trading Act section 28a
15 September 2010	22/2010	Notice of Extraordinary General Meeting
11 October 2010	23/2010	Extraordinary General Meeting in Royal Unibrew A/S
25 November 2010	24/2010	Interim Report for 1 January – 30 September 2010
26 November 2010	25/2010	Financial calendar 2011
03 December 2010	26/2010	Royal Unibrew and Van Pur team up in Poland
04 March 2011	01/2011	Royal Unibrew enters into a conditional agreement on the brewery site in Aarhus.

IR contacts
Shareholders, analysts, investors, stockbrokers and other stakeholders who have questions concerning Royal Unibrew may contact:

Royal Unibrew
Faxe Allé 1
DK-4640 Faxe

Contacts:
Peter Ryttergaard, CFO (responsible for IR)
peter.ryttergaard@royalunibrew.com

Ginette Maasbøl (daily IR contact)
ginette.maasbol@royalunibrew.com

Telephone: +45 56 77 15 12

Kalnapilis and basketball

During 2010 Royal Unibrew strengthened its already considerable market position and distinct profile in Lithuania within beer by focusing on the Lithuanian national sport, basketball. About 60% of Lithuanians are interested in basketball, which has a status comparable to football in other markets.

Royal Unibrew has become official sponsor of the national basketball league, and the national championship was named Kalnapilis LKL – "Kalnapilis Basketball Liga".

In that connection, Royal Unibrew has designed a beer can using the visuals of basketball, and consumers have responded positively to the campaign – total Kalnapilis sales have been increasing, and the basketball can version of Kalnapilis has achieved a handsome market position.

Corporate governance

Royal Unibrew Management emphasises corporate governance and regularly performs reviews of the Company's rules, policies and practice. The objective is to ensure that the Company meets its obligations to shareholders, customers, employees, authorities and other stakeholders in the best possible way and that long-term value creation is supported.

With only few exceptions described below, Royal Unibrew lives up to the Corporate Governance Recommendations issued by NASDAQ OMX Copenhagen.

Shareholder and stakeholder relations

Royal Unibrew's Management wants and works actively to maintain good and open communication and dialogue with its shareholders and other stakeholders. The Company believes that a high level of openness in the communication of information on the Company's development supports the Company's work and a fair valuation of the Company's shares. The Group's openness is limited only by the duties of disclosure of NASDAQ OMX Copenhagen and by competitive considerations.

The dialogue with and communication to shareholders and stakeholders take place by the issuing of Interim Reports and other announcements by the Company, via webcasts, meetings with investors, analysts and the press. Interim Reports and other announcements are accessible at Royal Unibrew's website immediately after being published. Our website also includes material used in connection with investor presentations and webcasts.

According to the Articles of Association of the Company, general meetings shall be convened not more than five weeks and not less than three weeks prior to the general meeting. It is an objective to formulate the notice convening the meeting and the agenda so as to give shareholders an adequate presentation of the business to be transacted at the general meeting. Proxies are limited to a specific general meeting and are formulated in such a way as to allow absent shareholders to give specific proxies for individual items of the agenda.

Each share denomination of DKK 10 entitles the holder to one vote. Royal Unibrew's shares are not subject to any restrictions of voting rights, and the Company has only one class of shares.

Work of the Supervisory Board

The Supervisory Board handles overall strategic management, financial and managerial supervision of the Company as well as continuous evaluation of the work performed by the Executive Board.

The Supervisory Board performs its work in accordance with the Rules of Procedure of the Company governing the Supervisory and Executive Boards. These Rules of Procedure are reviewed and updated regularly by the full Supervisory Board.

The Supervisory Board members meet for four annual ordinary board meetings, one of which focuses on the Company's strategic situation and prospects. In addition, the Supervisory Board members meet when required.

The Supervisory Board has established the following committees:

Nomination committee
The nomination committee consists of the Company's Chairman and Deputy Chairman. For a period of 2010, the committee consisted solely of the Company's Deputy Chairman (the then temporary Chairman) due to the death of the former Chairman, Erik Højsholt. In 2010 the primary task of the nomination committee has been to manage the board renewal process with four new members being elected to the Supervisory Board at the Annual General Meeting and the subsequent Extraordinary General Meeting, respectively. The committee members meet on an ad hoc basis.

Remuneration committee
The remuneration committee consists of the Company's Chairman and Deputy Chairman. In 2010 the committee recommended adoption of the "Overall Guidelines for Incentive Pay at Royal Unibrew A/S", which were adopted at the Annual General Meeting on 27 April 2010. Moreover, the remuneration committee, and thus

the Supervisory Board, recommends that a remuneration policy for the Supervisory and Executive Boards be adopted at the next Annual General Meeting on 28 April 2011. The committee members meet on an ad hoc basis.

Audit committee

The Supervisory Board of Royal Unibrew has decided to take on the audit committee tasks jointly. This should be viewed in light of the Company's size, transparency of reporting and clear procedures, due to which the Company's Supervisory Board finds no need for a separate audit committee.

Composition of the Supervisory Board

When composing the Supervisory Board, we emphasise that the members have the competences required to solve the task. Candidates for the Supervisory Board are recommended for election by the general meeting supported by motivation in writing by the Supervisory Board as well as a description of the recruiting criteria. The individual members' competences are described in the section "Supervisory and Executive Boards". When joining Royal Unibrew, new members of the Supervisory Board are given an introduction to the Company and to the markets in which it operates.

At present, the Supervisory Board consists of seven members elected by the general meeting and three members elected by the employees. Election of members by the employees takes place in compliance with the company law rules. When joining the Supervisory Board, the members elected by the employees are offered relevant training in serving on a board.

The Deputy Chairman of the Supervisory Board, Tommy Pedersen, has been a member of the Supervisory Board for 12 years and cannot, therefore, be considered independent. As an element in the board succession process, Tommy Pedersen has decided not to accept renomination at the next Annual General Meeting as announced at the Company's Extraordinary General Meeting on 11 October 2010. The Supervisory Board intends to elect Kåre Schultz Chairman and Walther Thygesen new Deputy Chairman.

All other members of the Supervisory Board elected by the general meeting are considered independent.

The retirement age of members of the Supervisory Board of Royal Unibrew is 65 according to the Rules of Procedure governing the Supervisory Board. The Supervisory Board considers its composition annually, including that the competences and diversity of the Supervisory Board match the Company's activities.

Annual evaluation of the work of the Supervisory Board is performed. The evaluation is made by the Chairman of the Supervisory Board.

The Executive Board and the cooperation between the Supervisory Board and the Executive Board are evaluated on an annual basis as a minimum.

An all-in description of Royal Unibrew's corporate governance practice is provided at www.royalunibrew.com under "Investor".
Generally, Royal Unibrew complies with the Corporate Governance Recommendations issued by NASDAQ OMX Copenhagen with the following few exceptions:

Retirement age, (recommendation 5.8):
The Committee recommends that the company's articles of association fix a retirement age for members of the supreme governing body and that the annual report contain information on such retirement age as well as the age of each member of the board of directors (supervisory board).
Royal Unibrew's Articles of Association do not fix a retirement age for members of the supreme governing body. However, it appears from the Rules of Procedure governing the Supervisory Board that Royal Unibrew A/S has fixed a retirement age of 65 for members of the Supervisory Board. The age of each member of the Supervisory Board is disclosed in the Annual Report.

Board committees, (recommendation 5.10):
The Committee recommends that the supreme governing body establish an actual audit committee.
The Supervisory Board of Royal Unibrew has decided to take on the audit committee tasks jointly. This should be viewed in light of the Company's size, transparency of reporting and clear procedures, due to which the Company's Supervisory Board finds no need for a separate audit committee.

Disclosure of the remuneration policy, (recommendation 6.2):
The Committee recommends that the total remuneration granted to each member of the supreme governing body and the executive board by the company and other consolidated companies be disclosed in the (consolidated) financial statements and that the linkage with the remuneration policy be explained.
The remuneration of members of the Supervisory Board is disclosed in the section "Remuneration of Supervisory Board and Executive Board". Disclosure of the remuneration of the individual members of the Executive Board is not at present considered material to stakeholders' assessment. The total remuneration of the Executive Board is disclosed in note 4. The remuneration of the Executive Board is considered in line with that of peer companies. The remuneration of the Executive Board is in accordance with the remuneration policy.

Risk management

On an annual basis, the Supervisory Board assesses the various risks with which an internationally operating enterprise like Royal Unibrew is faced.

The key risks are summarised by the following main areas:

- Financial risks (currency, interest rates, liquidity)
- Exposure hazard and third-party risks
- Credit risks (financial institutions and commercial receivables)
- Market risks
- Environmental risks

Furthermore, the Supervisory Board monitors the special risks that may result from the Company's involvement in the production and sale of alcoholic beverages.

A detailed description of the Company's risks is provided in note 2.

Control and risk management systems

The Supervisory and Executive Boards have overall responsibility for the Group's risk management and internal controls relating to the financial reporting process.

Control environment

The audit committee's functions are undertaken by the full Supervisory Board.

Responsibilities and authority are defined in the Rules of Procedure governing the Supervisory and Executive Boards, policies and procedures. The organisational structure and the internal guidelines constitute the control environment in combination with legislation and other regulations. Management assesses the Group's organisational structure and staffing continuously, and determines and approves overall policies, procedures and controls relating to the financial reporting process.

Risk assessment

As part of the annual updating and approval of the strategic plan, Management makes an assessment of business risks. In connection with the risk assessment, Management also, as required, considers the Group's treasury, hedging and insurance policies approved by the Supervisory Board.

The key risks relating to the financial reporting are described in Management's Review and in the notes to the financial statements, to which reference is made.

Control activities

Royal Unibrew has established a formalised group reporting process comprising monthly reporting, including budget follow-up, assessment of performance and achievement of established targets.

Moreover, a central corporate function is responsible for controlling the financial reporting from the subsidiaries, which also includes a statement from each reporting group entity in relation to compliance with adopted group policies and internal control measures. In 2010 controlling visits were conducted to key subsidiaries.

Information and communication

The Supervisory Board emphasises that the Group communicates openly, with due regard to the confidentiality required for listed companies, and that the individual knows his/her role with respect to internal control.

The individual business areas of the Group have been established as business units with responsibility for their own strategies, action plans and budgets. This division results in efficient follow-up and distribution of responsibilities in the Group.

Royal Unibrew's accounting manual as well as other reporting instructions are continuously updated and are available at Royal Unibrew's intranet, where they can be accessed by all relevant employees. The instructions include account coding instructions and procedures for financial reconciliation and analyses, verifying the existence of assets as well as policy for credit granting and approval of fixed asset investments. In the event of major changes, all responsible finance officers of the group enterprises are informed in writing of the key changes.

Royal Unibrew's information systems are designed with a view to continuously, with due regard to the confidentiality required for listed companies, identifying, capturing and communicating at relevant levels relevant information, reports, etc which enable the individual to perform tasks and controls efficiently and reliably.

Monitoring

Monitoring is effected by continuous assessments and controls at all group levels. The scope and frequency of the periodic assessments depend primarily on the related risk assessment and the efficiency of the continuous controls.

The auditors elected by the general meeting report in the Auditor's Long-form Report to the Supervisory Board material weaknesses in the Group's internal control systems in connection with the financial reporting process. Less material issues are reported in management letters to the Executive Board.

The Supervisory Board meets annually with the auditors without the Executive Board being present.

”Beer election”

The financial crisis, which has been substantial in the Baltic countries, has made some consumers in both Lithuania and Latvia opt for discount products instead of branded products. This also applies to beer. Royal Unibrew has therefore focused part of its marketing effort on activating consumers in order to rekindle their interest in branded products.

The selection of ”beer of the year” was a successful campaign. The campaign was carried out both in Lithuania with focus on the national Kalnapilis brand and in Latvia with focus on the national Lacplesis brand. The campaign aimed at involving consumers in selecting one of the three new Royal Unibrew products Brown Ale, Honey Beer and Black Pilsner as beer of the year.

About 40,000 consumers participated in the campaign in Latvia, and about 50,000 in Lithuania, and Royal Unibrew achieved progress in both markets.

Remuneration

The remuneration policy applying to Royal Unibrew's Supervisory and Executive Boards has been formulated so as to reflect shareholder and company interests. Moreover, the remuneration policy is intended to promote long-term objectives.

The following is a brief description of the fixed salary, pension plans and severance programmes as well as other benefits offered to the Supervisory and Executive Boards.

The complete remuneration policy for the Supervisory and Executive Boards is disclosed at the Company's website www.royalunibrew.com and will be submitted for approval by the general meeting at the Annual General Meeting in 2011.

For a description of incentive pay, reference is made to the Overall Guidelines for Incentive Pay adopted at the Company's general meeting, which may be downloaded from www.royalunibrew.com under "Investor".

Supervisory Board fee

Efforts are made to ensure that the Supervisory Board remuneration matches the level of peer companies and to accommodate the requirements relating to members' competences, performance and scope of board work, including the number of meetings.

The annual remuneration paid to ordinary board members amounts to DKK 250,000. The Chairman and Deputy Chairman receive remuneration of 2.5 and 1.75 times, respectively, the remuneration paid to ordinary members.

The Supervisory Board fee is fixed and is submitted for approval retrospectively as an integrated part of the Annual Report in accordance with the Danish Companies Act and, as of 2011, also for the year in progress. The Supervisory Board does not participate in any incentive schemes.

Executive Board remuneration

The Supervisory Board believes that a combination of fixed and performance-driven remuneration to the Executive Board contributes towards ensuring that Royal Unibrew can attract and retain key employees. At the same time, the Executive Board is given an incentive to create shareholder value through partially incentive-based remuneration.

The Executive Board members are employed on individual service contracts, and the terms are fixed by the remuneration committee within the framework of the contracts; see also below.

The remuneration committee assesses and determines the Executive Board remuneration annually to ensure that the remuneration matches the situation at peer companies.

The Executive Board is remunerated by a market-conform and competitive compensation package com-prising four elements:

- *Fixed salary*, based on market level.
- *Ordinary bonus*, cf. the overall guidelines for Incentive Pay.
- *Long-term bonus.*, cf. the overall guidelines for Incentive Pay.
- *Extraordinary bonus*, cf. the overall guidelines for Incentive Pay.

A number of work-related benefits are made available to the Executive Board, including a company car, and the Executive Board members are covered by Royal Unibrew's standard insurance schemes such as accident and life insurance.

The total remuneration of the Supervisory Board and the Executive Board, respectively, is disclosed in note 4. The Supervisory Board considers this information sufficient for shareholders to be able to assess the level of remuneration of the Supervisory and Executive Boards.

Royal Unibrew A/S may terminate the employment at up to 12 months' notice. A member of the Executive Board may terminate the employment with Royal Unibrew A/S at six months' notice.

In case of a full or partial takeover of Royal Unibrew A/S, the Executive Board will receive no compensation. However, two members of the Executive Board may choose to consider themselves dismissed in such event.

Supervisory and Executive Boards

Supervisory Board


Kåre Schultz


Tommy Pedersen


Ulrik Bülow


Søren Eriksen


Steen Justesen


Kirsten Wendelboe Liisberg


Søren Lorentzen


Jens Due Olsen


Walther Thygesen


Hemming Van

Name	Year of birth	Initially elected	Term of office	Position	Number of Royal Unibrew shares held at 1 January 2011	Change from 1 January 2010
Kåre Schultz	1961	2010	2010	Chairman	-	-
Tommy Pedersen	1949	1998	2010	Deputy Chairman	4.000	+ 1.581
Ulrik Bülow	1954	2000	2010	Board member	3.000	-
Søren Eriksen	1959	2010	2010	Board member	-	-
Steen Justesen	1961	2010	2010-2014	Board member elected by the employees	-	-
Kirsten Wendelboe Liisberg	1956	2006	2010-2014	Board member elected by the employees	162	-
Søren Lorentzen	1965	2010	2010-2014	Board member elected by the employees	172	-
Jens Due Olsen	1963	2010	2010	Board member	-	-
Walther Thygesen	1950	2010	2010	Board member	-	-
Hemming Van	1956	2004	2010	Board member	1.048	+274

Kåre Schultz
Chairman of the nomination committee and the remuneration committee

Position
Since November 2000 member of the Executive Board of Novo Nordisk A/S and since March 2002 Chief Operating Officer (COO) of Novo Nordisk A/S

Special competences
Special expertise in strategic management as well as experience of sales and marketing of brands on a global scale

Independence
Considered independent

Supervisory board member
LEGO A/S

Tommy Pedersen
Member of the nomination committee and the remuneration committee

Position
CEO of Augustinus Fonden and Chr. Augustinus Fabrikker Aktieselskab

Special competences
Special expertise in economic, financial and capital market aspects from a variety of industries

Independence
Is not considered independent as Mr Pedersen has been a member of the Supervisory Board since 1998, and has thus been a board member for more than 12 years. Reference is made to the section on Corporate Governance.

Executive board service
TP Advisers ApS

Supervisory board chairman
Gjensidiges Arbejdsskadeforsikring A/S
LD Invest Holding A/S including subsidiary
Rungsted Sundpark A/S
Skodsborg Sundpark A/S

Supervisory board deputy chairman
Jeudan A/S

Supervisory board member
Brock & Michelsen A/S including subsidiary
Gregers Brock Holding A/S
Løvenholm Fonden
Peter Bodum A/S
Pharmacosmos Holding A/S including subsidiary
Skandinavisk Holding A/S including subsidiary
Tivoli A/S

Ulrik Bülow
Position
CEO of Otto Mønsted A/S
CEO of House of Business Partners A/S

Special competences
Special expertise in international retail, consumer marketing and general management

Independence
Considered independent

Supervisory board chairman
Tæppeland A/S
Tæppeland Holding A/S
Tæppeland Erhverv A/S
GateHouse A/S

Supervisory board deputy chairman
Arator A/S

Supervisory board member
Egmont Fonden
Egmont International Holding A/S
Ejendomsselskabet Gothersgade 55 ApS
Ejendomsselskabet Vognmagergade 11 ApS
Oreco A/S
Plaza Ure & Smykker A/S
Tivoli Friheden A/S
Toms Gruppen A/S

Søren Eriksen
Position
CEO of DSB

Special competences
Special expertise in finance and accounting as well as general management

Independence
Considered independent.

Supervisory board chairman
DSB S-tog a/s
DSB First Danmark A/S
DSB Rejsekort A/S
DSB First Sverige AB
DSB Sverige AB
DSB Vedligehold A/S

Other duties
Member of Danske Bank's Advisory Board of Representatives

Steen Justesen
Terminal Worker, elected by the employees

Kirsten Wendelboe Liisberg
Brewery Hand, elected by the employees

Søren Lorentzen
Brewery Hand, elected by the employees

Jens Due Olsen
Position
Professional supervisory board member and consultant to a number of enterprises

Special competences
Special expertise in economic, financial and capital market aspects as well as general management from a variety of industries

Independence
Considered independent

Supervisory board chairman
AtchikRealtime A/S
Pierre.DK A/S

Supervisory board deputy chairman
NKT Holding A/S (and chairman of audit committee)

Supervisory board member
Cryptomathic A/S
EG A/S (and chairman of audit committee)
Industriens Pension A/S (Investment committee member)

Other duties
Member of investment committee of LD Invest 2

Walther Thygesen
Position
Since September 2007 CEO of Thrane & Thrane A/S

Special competences
Special expertise in general management with experience from both Denmark and abroad as well as sales and marketing expertise, especially in the business to business market

Independence
Considered independent

Supervisory board chairman
Hewlett-Packard Danmark A/S
Vækstfonden

Hemming Van
Position
CEO of Daloon A/S

Special competences:
Special expertise in retailing and marketing as well as production and general management.

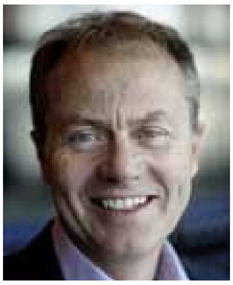
Independence
Considered independent

Executive board service
CEO of Easy Holding A/S
Director of HV Invest ApS
HV Properties ApS

Supervisory board chairman
Easyfood A/S
Easy Production A/S

Supervisory board member
Daloon A/S
Easy Holding A/S
Halberg A/S
Halberg Kapital A/S
Halberg Investering A/S
HV Invest ApS
HV Properties ApS
SE 274711 A/S

Executive Board


Henrik Brandt


Peter Ryttergaard


Johannes F.C.M. Savonije

Name	Year of birth	Position	Number of Royal Unibrew shares held at 1 January 2011	Change from 1 January 2010
Henrik Brandt	1955	CEO	76.800	+ 12.600
Peter Ryttergaard	1970	CFO	16.700	+ 14.300
Johannes F.C.M. Savonije	1956	International Director, Europe	22.700	+ 2.700

Henrik Brandt
CEO as of November 2008

Qualifications
MSc (Economics and Business Administration),
MBA Stanford University, California

Executive board service
Brandt Equity ApS
Brandt Equity 2 ApS
Uno Equity ApS

Supervisory board chairman
Brandt Equity ApS
Brandt Equity 2 ApS
Uno Equity ApS

Supervisory board member
Ferd Holding AS, Norway
Hansa Borg Skandinavisk Holding A/S

Other duties
Member of the corporate governance committee

Peter Ryttergaard
CFO as of January 2010

Qualifications
MSc (Business Administration and Auditing),
Executive MBA Cranfield University, UK

Executive board service
CEO of Hansa Borg Skandinavisk Holding A/S
Ryttergaard Invest A/S including subsidiaries

Supervisory board chairman
Ketner Outdoor A/S

Supervisory board member
Ryttergaard Invest A/S

Johannes F.C.M. Savonije
International Director, Europe as of September 2008

Qualifications
BA Business Administration

Supervisory board member
Dansk Retursystem A/S
Dansk Retursystem Holding A/S
Hansa Borg Skandinavisk Holding A/S
Global Sports Marketing S.A., Zürich, Switzerland
Globalpraxis S.A., Barcelona, Spain

Organisation and employees

In 2010 Royal Unibrew recruited new employees at all levels of the business. This has contributed towards supplementing existing competences and provides in total new opportunities of strengthening Royal Unibrew.

One of the main prerequisites of being able to maintain and strengthen Royal Unibrew's position is the Company's ability to develop intellectual capital and competences. Enterprises across the Group therefore focus on developing and retaining existing employees with the right competences and on attracting new talent.

The employees of Royal Unibrew possess crucial knowledge of the many brands, markets and customer categories serviced by the Group, including supply and distribution issues within the product categories. This knowledge secures and expands our competitive position and forms the basis of achieving the Group's strategies and objectives.

There has been great focus on establishing the framework for developing brands and segments by maintaining and developing intellectual capital at Royal Unibrew. Moreover, there has been focus on knowledge transfer in parts of the business where functions have been combined. It is assessed that these efforts have been successful to a great extent thanks to dedicated and competent employees.

During 2010 new employees have been recruited at all levels of the business, which has contributed towards supplementing already existing competences with new intellectual capital from outside.

Royal Unibrew works in a targeted and structured manner to develop employees' competences and knowledge. The individual employee is obliged to take responsibility for his/her own development, and it is Royal Unibrew's responsibility to ensure that adequate development opportunities exist.

In connection with the annual appraisal interviews, individual development plans are prepared with a view to ensuring that employee competences are developed in accordance with business requirements and the employee's potential. At the same time, employees are developed through internal as well as external training programmes via job training and other upgrading.

The Group focuses on creating career development and career paths for the individual employee. As part of these efforts, emphasis is on, among other things, carrying out internal recruiting. This ensures rooting of knowledge of the markets as well as optimisation of cooperation across the business.

Royal Unibrew emphasises coordinated sharing and communication of the knowledge and information existing in the organisation. Royal Unibrew works continuously to develop IT systems to form the basis of efficient knowledge management and sharing across geographical and professional boundaries. The systems contribute towards streamlining and increasing the rate at which information is distributed across the Group and ensure that decisions can be made on the basis of the existence of relevant and necessary information.

Corporate social responsibility

To Royal Unibrew, corporate social responsibility work is an integrated part of our business approach, and we focus on continuously creating results. The corporate social responsibility work is also an important element in developing the Company's brands and maintaining good relations with the Company's key stakeholders.

Royal Unibrew's ethical guidelines

Royal Unibrew's corporate social responsibility work is based on the principles of the UN Global Compact, and Royal Unibrew has prepared a set of ethical guidelines providing the overall framework for the corporate social responsibility work. The main elements of these guidelines are as follows:

- Royal Unibrew's products and production should meet customer requirements and international standards for quality, food safety, environment, working environment and human rights;
- Royal Unibrew engages in open dialogue on its corporate social responsibility;
- There is focus on the efforts made by Royal Unibrew suppliers to improve quality and the environment.

Based on these guidelines, specific policies have been prepared for a number of areas which are of special importance to Royal Unibrew.

Royal Unibrew's corporate social responsibility work is an important element in protecting the Company's brands as consumers must be given certainty that Royal Unibrew products have been manufactured in a satisfactory manner. Moreover, the corporate social responsibility work contributes towards ensuring good working relations with customers and suppliers, increasing production efficiency and decreasing wastage, reducing non-financial risks and strengthening the Company's identity and culture.

Health & safety
Royal Unibrew aims at creating a safe and healthy working environment for its employees and continuously takes measures to protect employees from work-related risks. Among other things, regular working environment checks are carried out, risk assessment of the individual job functions are performed, systematic training and education are carried out and risk-reducing measures are initiated with a view to avoiding work-related injuries.

Human rights
Royal Unibrew does not tolerate discrimination of its employees due to gender, race or religion. Child labour and slave labour are not permitted, and Royal Unibrew seeks to ensure that partners and suppliers live up to this policy. In the supply area, the preparation of guidelines for assessing suppliers on quality, food safety, environment and their general corporate social responsibility work has been initiated.

Royal Unibrew employees have the right to unionise and the right to strike in accordance with the legislation in the countries in which Royal Unibrew has activities.

Food safety
In 2010 the international ISO 22000 standard was implemented at the brewery in Odense, Denmark, which means that the food safety standard has been fully implemented at the Danish breweries. ISO 22000 is a management system within food safety.

In Poland, certification under the BRC Global Standard was commenced in 2010. The BRC Global Standard is a globally recognised programme for product safety and quality.

All production workers regularly attend courses on hygiene and food safety.

Responsible alcohol consumption
Royal Unibrew takes responsibility for its communication on beer consumption in relation to advertising, sponsorships and campaigns, especially with respect to minors. Royal Unibrew complies with relevant legislation and voluntary industry agreements in the countries in which the Company's products are marketed, and Royal Unibrew participates actively in Brewers of Europe's work to ensure responsible alcohol consumption.

Competition
Royal Unibrew's business practice should always comply fully with competition regulation irrespective of the place of operation. To ensure this, Royal Unibrew has prepared specific policies, and training and follow-up in the area are carried out regularly.

Bribery
Royal Unibrew employees may neither pay nor accept any bribe or inappropriate payment for the sake of their own or the Company's gain. Involvement in bribery will lead to disciplinary actions against the employees in question.

Environment

All Royal Unibrew production units and places of distribution have focus on continuously limiting the environmental impacts of the Company's production. The discharge of substances with environmental impact including waste water must at all times as a minimum meet regulatory requirements and current legislation.

In recent years, positive results have been achieved, and efforts are still primarily targeted at:

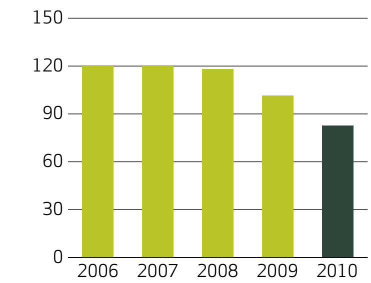
- Reduction of energy consumption
- Reduction of water consumption
- Reduction of waste water discharge
- Waste recycling

The Danish breweries have environmental certification under the ISO14001 environmental standard as well as EMAS registration. A special environmental report is prepared for production in Denmark.

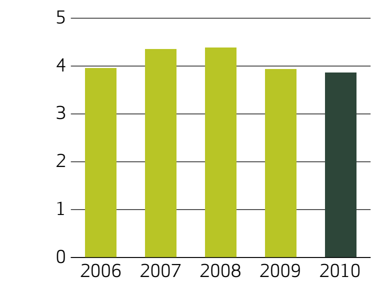
Energy
Energy consumption per unit produced for the Group as a whole decreased by 18.5% in 2010 as compared to 2009. This was due to, among other things, efficiency enhancement and optimisation at various levels.

Water consumption and waste water
Water consumption per unit produced for the Group as a whole decreased by 1.8% in 2010 as compared to 2009.

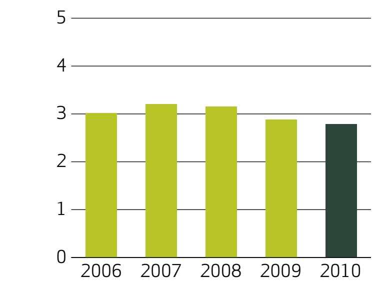
ENERGY CONSUMPTION
Mega joules per produced hectoliter



WATER CONSUMPTION
Hectoliter per produced hectoliter



WASTE WATER
Hectoliter per produced hectoliter



Waste water discharge per unit produced for the Group as a whole decreased by 3.5% in 2010 as compared to 2009. This positive development was due to great focus on efficiency enhancement, optimisation as well as higher environmental awareness on the part of our employees.

Resources
An important means of improving our environmental results is the minimisation of all types of waste of resources. Wastage and shrinkage are currently measured, both in production and in the rest of the supply chain, and continuous improvement projects are implemented.

"Project Wastage" at the Faxe and Odense breweries has been a key activity in production in 2010. The project has focused on minimising wastage in relation to the canning/bottling process.

The change of the distribution structure in Denmark as well as the change to more disposable materials have implied, among other things, increased utilisation of the trucks and lower mileage per hectolitre delivered, which has resulted in a reduction of CO2 emissions.

Moreover, efforts are directed at increasing the recycling of water and waste. To the extent possible, water is recycled in places where water quality is not so crucial. Mask and surplus yeast, which are residual products from production, are sold to local farmers as animal feed. In 2010 Royal Unibrew in Denmark achieved certification under GMP+ B2, which is the standard for quality control of feed materials.

Solid waste, such as glass, is returned to the manufacturer, who uses the returned glass for new bottles. Plastic is crushed and sold for recycling too. Royal Unibrew in Denmark recycles approx 80% of its waste and to maintain focus and further improve the recycling rate, new targets and plans for 2011 are being prepared.

At the Danish breweries, capture plants have been installed for the carbon dioxide released in the brewing process. By this, the environment is protected from carbon dioxide discharges from the brewery, and at the same time the impact from the carbon dioxide quantities that the brewery would otherwise have purchased is saved.

Targets for 2011

In the environmental area, Royal Unibrew will in 2011 continue working at implementing the joint policy and at reducing environmental impacts.

Targets and improvements will be realised locally at the breweries to ensure the optimum implementation. Our efforts will concentrate on wastage and energy and will have continuous focus on water savings. Furthermore, working environment and health & safety will be target areas of high priority. Also in 2011 targeted efforts will be directed at reducing Royal Unibrew's indirect environmental impacts in areas, eg through the development of lighter packaging and container types.

Additional information and documentation on environmental issues of Royal Unibrew
In April 2011 the EMAS registered breweries will issue their Environmental Report for 2010. This report provides detailed environmental information on the external and internal environmental work of Royal Unibrew, Denmark.

The Environmental Report may be read at our website (www.royalunibrew.com).

Statement and Report

Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Royal Unibrew A/S for 1 January - 31 December 2010.

The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2010 as well as of the results of the Group and Company operations and cash flows for the financial year 1 January - 31 December 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 and the Parent Company, of results of operations for the year, of the Parent Company's financial position and of the overall financial position of the enterprises comprised by the Consolidated Financial Statements, as well as a description of the key risks and uncertainties facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Faxe, 9 March 2011

Executive Board

Henrik Brandt
CEO

Peter Ryttergaard
CFO

Johannes F.C.M. Savonije
International Director

Supervisory Board

Kåre Schultz
Chairman

Tommy Pedersen
Deputy Chairman

Ulrik Bülow

Søren Eriksen

Steen Justesen

Kirsten Liisberg

Søren Lorentzen

Jens Due Olsen

Walther Thygesen

Hemming Van

Independent Auditor's Report

To the shareholders of Royal Unibrew A/S

We have audited the consolidated financial statements and the parent company financial statements of Royal Unibrew A/S for the financial year 1 January - 31 December 2010, which comprise a summary of significant accounting policies, income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes for the Group as well as for the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In addition to the audit, we have read the management's review, which is prepared in accordance with Danish disclosure requirements for listed companies, and provided a statement on this.

Supervisory Board's and Executive Board's Responsibility

The Supervisory Board and the Executive Board are responsible for the presentation and preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies. This responsibility includes: Designing, implementing and maintaining internal control relevant for the presenation and preparation of consolidated financial statements and parent company financial statements that give a true and fair view that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Supervisory Board and the Executive Board are also responsible for the preparation of a management's review that includes a fair review in accordance with Danish disclosure requirements for listed companies.

Auditor's Responsibility and Basis of Opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's presentation and preparation of the consolidated financial statements and the parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Supervisory Board and the Executive Board, as well as the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the the Group's and the Parent Company's financial position at 31 December 2010 of and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 January - 31 December 2010 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on Management's Review

Pursuant to the Danish Financial Statements Act we have read the management's review. We have not performed any further procedures in addition to the audit of to the consolidated financial statements. On this basis, it is our opinion,that the information provided in the management's review is consistent with the consolidated financial statements and the Parent Company financial statements.

Faxe, 9 March 2011

Ernst & Young
Godkendt Revisionspartnerselskab

Leif Shermer   Henrik Kofoed
State Authorised Public Accountants

Financial Statements

Income Statement for 1 January - 31 December

	Parent Company				Group	
DKK '000	2009	2010	Note		2010	2009
	2,469,238	**2,566,130**		**Net revenue**	**3,775,431**	**3,816,421**
	-1,422,398	-1,293,532	4,5	Production costs	-1,945,672	-2,211,134
	1,046,840	**1,272,598**		**Gross profit**	**1,829,759**	**1,605,287**
	-710,047	-744,811	4,5	Sales and distribution expenses	-1,200,160	-1,146,604
	-164,115	-189,264	4,5	Administrative expenses	-216,635	-219,068
	3,691	3,929		Other operating income	3,929	3,691
	176,369	**342,452**		**Operating profit before special items**	**416,893**	**243,306**
			6	Special income		21,500
	-23,889		6	Special expenses		-56,366
	152,480	**342,452**		**Profit/loss before financial income and expenses**	**416,893**	**208,440**
			15	Income after tax from investments in associates	31,460	25,836
	243,113	65,865		Dividend from subsidiaries and associates		
	39,084	47,394	7	Financial income	46,513	32,666
	-164,751	-113,030	8	Financial expenses	-119,853	-190,295
	269,926	**342,681**		**Profit/loss before tax**	**375,013**	**76,647**
	-14,406	-80,400	9	Tax on the profit/loss for the year	-97,240	-24,196
	255,520	**262,281**		**Net profit/loss for the year**	**277,773**	**52,451**
				distributed as follows:		
				Parent Company shareholders' share of net profit/loss	278,073	47,062
				Minority shareholders' share of net profit/loss	-300	5,389
				Net profit/loss for the year	**277,773**	**52,451**
			16	Parent Company shareholders' share of earnings per share (DKK)	25.1	5.8
			16	Parent Company shareholders' share of diluted earnings per share (DKK)	25.1	5.8

Statement of Comprehensive Income for 1 January - 31 December

	Parent Company				Group	
DKK '000	2009	2010	Note		2010	2009
	255,520	262,281		**Net profit/loss for the year**	277,773	52,451
				Other comprehensive income		
				Exchange adjustment of foreign group enterprises a.o.	14,026	-11,970
	34,289	51,764		Value adjustment of hedging instruments, beginning of year	52,596	34,603
	-51,764	-26,928		Value adjustment of hedging instruments, end of year	-27,957	-52,596
		-4,901	9	Tax on equity entries	-4,901	
	-17,475	19,935		**Other comprehensive income after tax**	33,764	-29,963
	238,045	282,216		**Total comprehensive income**	311,537	22,488
				distributed as follows:		
				Parent Company shareholders' share of comprehensive income	311,776	19,330
				Minority shareholders' share of comprehensive income	-239	3,158
					311,537	22,488

Assets at 31 December

DKK '000	Parent Company 2009	Parent Company 2010	Note		Group 2010	Group 2009
				NON-CURRENT ASSETS		
	80,645	80,645	11	Goodwill	263,982	307,524
	2,990	2,990	11	Trademarks	133,647	166,193
	5,223	4,039		Distribution rights	4,513	6,237
	88,858	**87,674**	10	**Intangible assets**	**402,142**	**479,954**
	386,195	370,322		Land and buildings	661,062	723,786
	403,552	406,427	14	Project development properties	406,427	403,552
	399,248	336,699		Plant and machinery	513,373	650,786
	149,821	124,138		Other fixtures and fittings, tools and equipment	178,550	224,146
	6,495	9,085		Property, plant and equipment in progress	12,233	11,386
	1,345,311	**1,246,671**	12	**Property, plant and equipment**	**1,771,645**	**2,013,656**
	996,210	794,408		Investments in subsidiaries		
	117,957	117,957	15	Investments in associates	136,187	110,842
	28,769	89,833		Receivables from subsidiaries		
	56,370	56,370	14	Other investments	59,027	56,748
	11,226	5,508		Other receivables	6,093	12,892
	1,210,532	**1,064,076**	13	**Fixed asset investments**	**201,307**	**180,482**
	2,644,701	**2,398,421**		**Non-current assets**	**2,375,094**	**2,674,092**
				CURRENT ASSETS		
	41,270	33,343		Raw materials and consumables	58,415	92,199
	11,013	10,713		Work in progress	18,012	20,980
	63,837	47,595		Finished goods and purchased finished goods	110,717	124,945
	116,120	**91,651**		**Inventories**	**187,144**	**238,124**
	142,933	141,203		Trade receivables	407,029	408,958
	78,421	220,468		Receivables from subsidiaries		
	1,039	1,786		Receivables from associates	1,786	1,039
	10,630	15,630		Other receivables	26,105	21,082
	41,544	16,460		Prepayments	22,291	53,885
	274,567	**395,547**		**Receivables**	**457,211**	**484,964**
	15,538	**9,854**		**Cash at bank and in hand**	**37,391**	**92,474**
	406,225	**497,052**		**Current assets**	**681,746**	**815,562**
	3,050,926	**2,895,473**		**Assets**	**3,056,840**	**3,489,654**

Liabilities and Equity at 31 December

	Parent Company				Group	
DKK '000	2009	2010	Note		2010	2009
				EQUITY		
	111,865	111,865	16	Share capital	111,865	111,865
	337,825	337,825		Share premium account	337,825	337,825
	180,000	180,000		Revaluation reserves	180,000	180,000
				Translation reserve	-99,054	-112,018
	-51,764	-26,928		Hedging reserve	-27,957	-52,596
	543,246	660,795		Retained earnings	626,300	491,958
		139,831		Proposed dividend	139,831	
	1,121,172	**1,403,388**		**Equity of Parent Company shareholders**	**1,268,810**	**957,034**
	0	**0**		**Minority interests**	**11,709**	**38,080**
	1,121,172	**1,403,388**		**Equity**	**1,280,519**	**995,114**
	163,427	168,887	17	Deferred tax	170,011	171,831
	734,793	595,534	2	Mortgage debt	595,534	735,516
	449,861		2	Credit institutions	79	773,301
		12,585		Other payables	12,585	
	1,348,081	**777,006**		**Non-current liabilities**	**778,209**	**1,680,648**
		2,430	2	Mortgage debt	2,430	
		179,003	2	Credit institutions	209,003	
	50,718	48,625	18	Repurchase obligation, returnable packaging	57,278	61,793
	279,830	244,748		Trade payables	429,501	419,381
	3,464	16,543		Payables to subsidiaries		
	4,144	3,263		Corporation tax	8,329	6,227
	61,518	39,522		VAT, excise duties, etc	66,001	98,012
	181,999	180,945		Other payables	225,570	228,479
	581,673	**715,079**		**Current liabilities**	**998,112**	**813,892**
	1,929,754	**1,492,085**		**Liabilities**	**1,776,321**	**2,494,540**
	3,050,926	**2,895,473**		**Liabilities and equity**	**3,056,840**	**3,489,654**

Cash Flow Statement for 1 January - 31 December

Parent Company				Group	
DKK '000 2009	2010	Note		2010	2009
255,520	262,281		Net profit/loss for the year	277,773	52,451
41,209	209,546	19	Adjustments for non-cash operating items	322,803	357,979
296,729	**471,827**			**600,576**	**410,430**
			Change in working capital:		
167,884	-116,044		+/- change in receivables	8,733	143,380
104,940	24,469		+/- change in inventories	31,711	175,701
-136,411	-13,915		+/- change in payables	23,791	-88,988
433,142	**366,337**		**Cash flows from operating activities before financial income and expenses**	**664,811**	**640,523**
81,302	47,394		Financial income	31,259	74,990
-208,466	-99,754		Financial expenses	-110,035	-215,306
305,978	**313,977**		**Cash flows from ordinary activities**	**586,035**	**500,207**
18,058	-80,722		Corporation tax paid	-93,702	13,036
324,036	**233,255**		**Cash flows from operating activities**	**492,333**	**513,243**
320,313	99,365		Dividends received from subsidiaries and associates	12,869	12,738
10,740	7,818		Sale of property, plant and equipment	16,562	47,435
-166,447	-38,115		Purchase of property, plant and equipment	-58,729	-199,167
488,642	**302,323**		**Free cash flow**	**463,035**	**374,249**
20,634			Repayment of loans to associates		20,634
	155,026	19	Sale of subsidiaries	187,415	
11,458	5,718		Change in intangible assets and fixed asset investments	1,558	6,569
196,698	**229,812**		**Cash flows from investing activities**	**159,675**	**-111,791**
	595,534		Proceeds from raising of non-current debt	595,534	
-807,734	-1,184,654		Repayment of non-current debt	-1,512,161	-796,196
	181,433		Change in current debt to credit institutions	211,433	
-131,221	-61,064		Change in financing of subsidiaries		
			Dividends paid to minority shareholders	-2,394	
393,690			Proceeds from share issue		393,690
4,014			Sale of treasury shares and rights		4,014
-541,251	**-468,751**		**Cash flows from financing activities**	**-707,588**	**-398,492**
-20,517	-5,684		Change in cash and cash equivalents	-55,580	2,960
36,055	15,538		Cash and cash equivalents at 1 January	92,474	90,384
			Exchange adjustment	497	-870
15,538	**9,854**		**Cash and cash equivalents at 31 December**	**37,391**	**92,474**

Statement of Changes in Equity for 1 January - 31 December

Group

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**	**0**	**180.000**	**-102.279**	**-34.603**	**440.788**	**0**	**34.922**	**574.828**
Changes in equity in 2009									
Profit for the year						52,451			52,451
Other comprehensive income				-9,739	-17,993	-5,389		3,158	-29,963
Total comprehensive income	**0**	**0**	**0**	**-9,739**	**-17,993**	**47,062**	**0**	**3,158**	**22,488**
Increase of capital	55,865	337,825							393,690
Sale of subscription rights						4,014			4,014
Share-based payments						94			94
Total shareholders	**55,865**	**337,825**	**0**	**0**	**0**	**4,108**	**0**	**0**	**397,798**
Total changes in equity in 2009	**55,865**	**337,825**	**0**	**-9,739**	**-17,993**	**51,170**	**0**	**3,158**	**420,286**
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									
Profit for the year						278,073		-300	277,773
Other comprehensive income				12,964	24,639	-3,900		61	33,764
Total comprehensive income	**0**	**0**	**0**	**12,964**	**24,639**	**274,173**	**0**	**-239**	**311,537**
Minority shareholders' share of subsidiaries sold								-23,738	-23,738
Dividends paid to shareholders						-139,831	139,831	-2,394	-2,394
Total shareholders	**0**	**0**	**0**	**0**	**0**	**-139,831**	**139,831**	**-26,132**	**-26,132**
Total changes in equity in 2010	**0**	**0**	**0**	**12,964**	**24,639**	**134,342**	**139,831**	**-26,371**	**285,405**
Equity at 31 December 2010	**111,865**	**337,825**	**180,000**	**-99,054**	**-27,957**	**626,300**	**139,831**	**11,709**	**1,280,519**

Statement of Changes in Equity for 1 January - 31 December

Parent Company

DKK '000	Share capital	Share premium account	Revaluation reserves	Hedging reserve	Retained earnings	Proposed dividend for the year	Total
Equity at 31 December 2008	**56,000**	**0**	**180,000**	**-34,289**	**283,618**	**0**	**485,329**
Changes in equity in 2009							
Profit for the year					255,520		255,520
Other comprehensive income				-17,475			-17,475
Total comprehensive income	**0**	**0**	**0**	**-17,475**	**255,520**	**0**	**238,045**
Increase of capital	55,865	337,825					393,690
Sale of subscription rights					4,014		4,014
Share-based payments					94		94
Total shareholders	**55,865**	**337,825**	**0**	**0**	**4,108**	**0**	**397,798**
Total changes in equity in 2009	**55,865**	**337,825**	**0**	**-17,475**	**259,628**	**0**	**635,843**
Equity at 31 December 2009	**111,865**	**337,825**	**180,000**	**-51,764**	**543,246**	**0**	**1,121,172**
Changes in equity in 2010							
Profit for the year					262,281		262,281
Other comprehensive income				24,836	-4,901		19,935
Total comprehensive income	**0**	**0**	**0**	**24,836**	**257,380**	**0**	**282,216**
Dividends paid to shareholders					-139,831	139,831	0
Total shareholders	**0**	**0**	**0**	**0**	**-139,831**	**139,831**	**0**
Total changes in equity in 2010	**0**	**0**	**0**	**24,836**	**117,549**	**139,831**	**282,216**
Equity at 31 December 2010	**111,865**	**337,825**	**180,000**	**-26,928**	**660,795**	**139,831**	**1,403,388**

Only the share premium account, hedging reserve and retained earnings may be used for distribution of dividend to Parent Company shareholders.

Notes to Financial Statements 2010

Descriptive notes

Note 1 Critical accounting estimates and judgements

In connection with the preparation of the Parent Company and Consolidated Annual Report, Management makes estimates and judgements as to how recognition and measurement of assets and liabilities should take place based on the accounting policies applied.

Management's estimates are based on assumptions which Management considers reasonable but which are inherently uncertain and unpredictable.

The calculation of carrying amounts of certain assets and liabilities requires judgement as to how assets and liabilities should be classified in the financial statements and how future events will affect the value of these assets and liabilities at the balance sheet date. In connection with the financial reporting for 2010, critical estimates and judgments have been made affecting the items mentioned below.

Valuation and classification of the Polish activities
A conditional agreement has been made, which, if realised, will involve a structural change of Royal Unibrew's activities in Poland in 2011, to the effect that Royal Unibrew will contribute its investments in the fully-owned subsidiary, Royal Unibrew Polska Sp.Z.o.o., and in the 48.4% owned Polish brewery company, Perla Browary Lubelskie S.A., in the Polish brewery company, Van Pur S.A. The contribution will be remunerated by 20% of the equity investments in Van Pur S.A. In Management's assessment, the value of the equity investments acquired in Van Pur S.A. on certain conditions corresponds to the values of the investments in Royal Unibrew Polska Sp.Z.o.o. and Perla Browary Lubelskie S.A. recognised in the financial statements for 2010.

Royal Unibrew's investments in Royal Unibrew Polska Sp.Z.o.o. and Perla Browary Lubelskie S.A. have been recognised unchanged in the Parent Company and Consolidated Financial Statements as subsidiary and other investments, respectively, as compared to 2009.

Intangible assets
As regards the estimates and judgements made in connection with impairment tests of goodwill and trademarks, reference is made to the description in note 11 and to note 24 "Significant accounting policies". Trademarks related to the value recognised in the financial statements are assessed to have indefinite useful lives.

Property, plant and equipment
Management has opted to apply the exemption provision of IAS 16 which allows the measurement of project development properties at fair value. The basis of Management's estimate of fair value and the related conclusion are described in note 14.

Note 24 "Significant accounting policies" describes the estimated useful lives applied when calculating depreciation of property, pant and equipment.

In connection with presenting the Interim Report for the period 1 January - 30 September 2010, Management changed its estimate of deprecation periods for property, plant and equipment. The changed estimate is based on experience of the actual life of the assets, whereas the previously estimated depreciation periods differed from the actual useful lives. The changed estimate has primarily resulted in a shorter depreciation period for buildings and a longer depreciation period for plant and machinery. The changed estimate has reduced depreciation for the period 1 July - 31 December 2010 by DKK 20 million. The full-year effect of the changed estimate is DKK 40 million.

Receivables
Provisions for bad debts are made on the basis of an individual assessment of the risk of incurring losses on the receivables, including the maturity profile of the receivables and debtors' current credit rating. Reference is made to note 2 for a summary of trade receivables due.

Repurchase obligation, returnable packaging
The repurchase obligation in respect of returnable packaging in circulation has been recognised in the financial statements on the basis of the estimated total volumes of packaging less packaging in inventory, see note 18.

Deferred tax
Deferred tax assets, including the value of tax losses to be carried forward for set-off against positive taxable income in later years, are recognised if, based on Management's assessment, utilisation of the assets is considered possible. The assessment is made annually, see note 17.

Descriptive notes

Note 2 Financial risk management

The Group's financial risks are managed centrally according to the Treasury Policy approved by the Supervisory Board, which includes guidelines for the handling of currency, interest rate, liquidity and credit risks. Commodity risks are also managed under a commodity risk policy approved by the Supervisory Board.

Currency risk
Royal Unibrew is exposed to currency risks through the geographic spread of the Group's activities. This currency exposure is particularly reflected through the Parent Company's export activities where income and cash flows are denominated in foreign currencies, and in connection with the purchase of raw materials, which involves an indirect USD risk on the part of the purchase price related to the raw material element. Purchases are in all materiality made in the currencies in which the Group has income, which results in a total reduction of the currency risk. Furthermore, the translation of loans to/from subsidiaries as well as the Group's net debt is subject to currency risk where these are not established in DKK.

The above describes Royal Unibrew's transaction risks, which are hedged actively according to the Treasury Policy. The objective is to reduce negative effects on the Group's profit and cash flows. The risk is monitored and hedged continually so as not to exceed 1% of expected EBITDA. The Group's cash flows are primarily in EUR, GBP, LVL and LTL. The key currency risks are related to GBP, LVL, LTL and PLN.

The total gross currency risk (before hedging) on the balance sheet items was calculated at 31 December 2010. The following table shows the sensitivity of a positive change in the cross rates at 31 December 2010 with all other variables remaining unchanged. A negative change has a corresponding effect merely with the sign reversed.

Moreover, Royal Unibrew has a translation risk primarily related to Latvia and Lithuania. The translation risk related to Royal Unibrew's investments in foreign subsidiaries is, as a general rule, not hedged.

Financial risks such as the loss of competitive strength due to long-term exchange rate changes are not hedged by financial instruments but are included in Royal Unibrew's strategic considerations.

Interest rate risk
Royal Unibrew's interest rate risk is substantially related to the Group's loan portfolio only. Interest rate changes will affect the market value of fixed-interest loans as well as interest payments on floating-rate liabilities. Debt is established only in currencies in which the Group has commercial activities.

In Royal Unibrew's assessment, the key interest rate risk is related to the immediate effect of interest rate changes on the Group's interest payment flows and Royal Unibrew focuses only secondarily on changes in the market value of the debt. It is group policy to limit the effect of interest rate changes on profit and cash flows while, within this framework, also achieving the lowest possible financing cost. At the end of 2010, net interest-bearing debt amounted to DKK 770 million, 78% of which comprised mortgage loans with an average term to maturity of 18 years. The remaining part of the debt comprises committed bank credit facilities in force until mid 2015. Some 72% of the net debt is fixed-rate with a fixed-interest period of more than 1 year. A one percentage point interest rate change will affect the Group's interest expenses by approx +/- DKK 2 million (Parent Company: DKK 0 million).

Credit risks
The Group's credit risks relate primarily to trade receivables and counterparty risks.

Royal Unibrew seeks to limit risks relating to credit granting to customers outside Denmark through extensive use of insurance

DKK '000	Change	Earnings impact before tax 2010	Earnings impact before tax 2009	Equity effect 2010	Equity effect 2009
CAD	10%	488	204	488	204
CHF	5%	-10	-89	29	-46
EUR	2%	681	-6,984	1,430	-5,612
GBP	10%	-137	-700	1,762	913
LTL	2%	-133	9	3,431	3,679
LVL	5%	1,356	4	7,342	6,564
NOK	5%	96	43	96	43
PLN	5%	2,481	1,349	2,286	1,610
SEK	5%	-454	-343	-314	-222
USD	10%	2,220	1,054	2,750	1,500

Descriptive notes

cover. Where insurance cover is not established or is exceeded, Royal Unibrew has established procedures for approval of such risks. There are no material credit risks on individual customers.

Current receivables, other than trade receivables, all fall due for payment in 2010.

The maximum credit risk corresponds to the carrying amount of the financial assets.

Liquidity risks
It is group policy that its cash resources should be adequate to meet the expected liquidity requirements in the current and next financial year. The cash resources may be bank deposits, short-term bonds and unutilised credit facilities.

Capital management
Royal Unibrew wants to ensure structural and financial flexibility as well as competitive power. To ensure this, continuous assessment is made to determine the appropriate capital structure of Royal Unibrew. At the end of 2010, it is assessed that the Group's net interest-bearing debt should not exceed 2.5 times EBITDA and that the equity ratio should be 30%, which was the case at the end of 2010.

At the operational level, continuous efforts are directed at optimising working capital investments. Subject to adequate capacity, investments in production facilities will be limited to replacement of individual components, related to specific products or to optimisation of selected processes as well as maintenance.

Commodity risks
The commodity risk relates primarily to the purchasing of cans (aluminium), malt (barley), hops and packaging materials (cardboard) as well as energy. The assumptions for making purchases and establishing hedges differ for the commodity groups mentioned.

The objective of managing Royal Unibrew's commodity risk is to achieve a smooth and time-differentiated effect of commodity price increases, which is primarily achieved by entering into fixed-price agreements with the relevant suppliers. As regards the Group's purchase of cans, financial contracts have further been made to hedge the risk of aluminium price increases. Exchange rate changes with respect to the settlement currency of aluminium (USD) are an element of the overall currency risk management.

The most significant part of purchases for the next 12 months has, in accordance with Royal Unibrew's policy, been hedged by entering into supplier agreements and financial contracts.

Other risks
Market risks have in 2010 affected Royal Unibrew's results materially, which may also be the case in future years. Currently, the economic development in many of the Group's markets and the resulting consumer reluctance have affected volume sales of the Group's products, and thus also earnings, negatively. Furthermore, competition has intensified resulting in limited possibilities of realising sales price increases.

For quite a number of years, Royal Unibrew has recorded significant revenue in the Italian market. In 2010 this market represented 18% (2009: 18%) of total group sales. Changes to consumption patterns or the competitive situation in Italy could therefore influence Royal Unibrew's results materially. Changes to consumption patterns in the Group's other markets, eg changed views on alcohol consumption and consumption of soft

Trade receivables fall due as follows:

DKK '000		**31/12 2010**		**31/12 2009**
Not due		310,642		288,723
Due:				
From 1-15 days	76,800		99,382	
From 16-90 days	29,509		31,401	
More than 90 days	39,615	145,924	32,289	163,078
Provisions for bad debts, not due	-4,237		-10,049	
Provisions for bad debts, 1-15 days	-2,368		-374	
Provisions for bad debts, 16-90 days	-5,970		-2,548	
Provisions for bad debts, more than 90 days	-36,962	-49,537	-29,872	-42,843
		407,029		**408,958**
Provisions for bad debts, beginning of year		42,843		34,100
Bad debts realised during the year		12,648		14,039
Adjustment upon sale of Caribbean companies		-1,356		
Provisions for the year		-4,598		-5,296
		49,537		**42,843**

Descriptive notes

drinks, may also affect Royal Unibrew's development and results materially.

As a producer of alcoholic products, Royal Unibrew is sensitive to changes in the public alcohol policy - including indirect tax policies in the Group's respective markets. For example, a change of the Danish indirect tax policy as compared to those of neighbouring countries could lead to a change of cross-border trading patterns. This applies primarily to Germany, Norway and Sweden.

Legislative changes with respect to permitted types of containers and returning of containers could also result in significant changes to consumption patterns. In Germany (including cross-border trading) large parts of the Group's products are sold in cans, whereas sales in Italy are primarily related to products in non-returnable glass bottles.

The Group's Insurance Guidelines determine the framework of covering risks in general insurance areas (buildings, movables and trading losses) The risks are covered partly through insurance and partly by own risks. The total risks are assessed by the Supervisory Board on an annual basis and external specialists review the breweries for relevant risks on a regular basis.

Currency and interest rate risks and use of derivative financial instruments

Financial instruments entered into to hedge expected future transactions and qualifying as hedge accounting under IAS 39:

Group and Parent Company

			2010			**2009**	
DKK '000	**Period**	**Contract amount**	**Market value**	**Deferred gain (+) / loss (-)**	**Contract amount**	**Market value**	**Deferred gain (+) / loss (-)**
Forward contracts:							
GBP	0 - 1 year	51,078	50,930	148			
CAD	0 - 1 year	22,977	23,427	-450	14,369	14,854	-485
EUR	0 - 1 year				298,638	298,954	-316
SEK	0 - 1 year	-33,148	-34,488	1,340	-27,938	-27,694	-244
EUR/PLN	0 - 1 year				-35,068	-35,040	-28
		40,907	**39,869**	**1,038**	**250,001**	**251,074**	**-1,073**

The financial instruments applied in 2010 and 2009 may all be classified as level-2 instruments.

The determined fair value of derivative financial instruments is based on observable market data such as yield curves or forward rates.

As of 31/12 2010 there are no hedging contracts or loan to secure the financial assets and -liabilities.

Descriptive notes

Note 2 Financial risk management (continued)

Group

Financial liabilities

DKK '000	Contractual cash flows	Maturity < 1 year	31/12 2010 Maturity > 1 year < 5 years	Maturity > 5 years	Carrying amount
Non-derivative financial instruments:					
Financial debt, gross	807,046	211,433	9,475	586,138	807,046
Interest expenses	349,825	29,895	109,180	210,750	
Trade payables and repayment obligation re packaging	486,779	486,779			486,779
	1,643,650	**728,107**	**118,655**	**796,888**	**1,293,825**

The effective rates of interest have been calculated based on the interest rate level at 31 December 2010.

Debt to mortgage credit institutes is repaid over a period of 17-20 years.

The floating-rate facilities are affected by the development in the short money market rates.

DKK '000	Contractual cash flows	Maturity < 1 year	31/12 2009 Maturity > 1 year < 5 years	Maturity > 5 years	Carrying amount
Non-derivative financial instruments:					
Financial debt, gross	1,508,817		773,301	735,516	1,508,817
Interest expenses	668,904	77,989	204,903	386,012	
Trade payables and repayment obligation re packaging	481,174	481,174			481,174
	2,658,895	**559,163**	**978,204**	**1,121,528**	**1,989,991**

The effective rates of interest have been calculated based on the interest rate level at 31 December 2009.

Debt to mortgage credit institutes is repaid over a period of 18-28 years.

The floating-rate facilities are affected by the development in the short money market rates.

Descriptive notes

Note 2 Financial risk management (continued)

Parent Company

Financial liabilities

DKK '000	Contractual cash flows	Maturity < 1 year	Maturity > 1 year < 5 years	Maturity > 5 years	Carrying amount
			31/12 2010		
Non-derivative financial instruments:					
Financial debt, gross	776,967	181,432	9,397	586,138	776,967
Interest expenses	349,263	29,333	109,180	210,750	
Trade payables and repayment obligation re packaging	293,373	293,373			293,373
	1,419,603	**504,138**	**118,577**	**796,888**	**1,070,340**

The effective rates of interest have been calculated based on the interest rate level at 31 December 2010.

Debt to mortgage credit institutes is repaid over a period of 17-20 years.

The floating-rate facilities are affected by the development in the short money market rates.

DKK '000	Contractual cash flows	Maturity < 1 year	Maturity > 1 year < 5 years	Maturity > 5 years	Carrying amount
			31/12 2009		
Non-derivative financial instruments:					
Financial debt, gross	1,184,654		449,861	734,793	1,184,654
Interest expenses	631,282	61,268	178,450	391,564	
Trade payables and repayment obligation re packaging	330,548	330,548			330,548
	2,146,484	**391,816**	**628,311**	**1,126,357**	**1,515,202**

The effective rates of interest have been calculated based on the interest rate level at 31 December 2009.

Debt to mortgage credit institutes is repaid over a period of 18-28 years.

The floating-rate facilities are affected by the development in the short money market rates.

Descriptive notes

Note 3 Segment reporting

The Group's activities break down as follows on geographic segments:

mDKK	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Total
2010					
Net revenue	2,424.5	941.7	409.2		3,775.4
Operating profit/loss	365.3	45.9	48.2	-42.5	416.9
Special items					0.0
Earnings before interest and tax (EBIT)	365.3	45.9	48.2	-42.5	416.9
Net financials	0.6	-26.2	-0.1	-47.7	-73.4
Share of income from associates	27.2		4.3		31.5
Profit/loss before tax	393.1	19.7	52.4	-90.2	375.0
Tax				-97.2	-97.2
Profit/loss for the year	393.1	19.7	52.4	-187.4	277.8
Depreciation and amortisation	129.4	52.2	1.5		183.1
Assets	1,806.2	996.9	117.5		2,920.6
Associates	103.5		32.7		136.2
Total assets	**1,909.7**	**996.9**	**150.2**	**0.0**	**3,056.8**
Purchase of property, plant and equipment	38.1	20.3	0.3		58.7
Purchase of property, plant and equipment on acquisition					0.0
Purchase of intangible assets					0.0
Purchase of intangible assets on acquisition					0.0
Liabilities	742.8	217.6	38.9	777.0	1,776.3
Sales (million hectolitres)	3.2	2.9	0.5		6.6

Descriptive notes

Note 3 Segment reporting (continued)

The Group's activities break down as follows on geographic segments:

mDKK	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Total
2009					
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
Net financials	2.8	-31.9	-1.0	-127.5	-157.6
Share of income from associates	21.7		4.1		25.8
Profit/loss before tax	275.5	-45.8	38.0	-191.1	76.6
Tax				-24.1	-24.1
Profit/loss for the year	275.5	-45.8	38.0	-215.2	52.5
Depreciation and amortisation	120.9	62.9	18.1		201.9
Assets	1,974.3	1,058.2	346.4		3,378.9
Associates	86.7		24.1		110.8
Total assets	**2,061.0**	**1,058.2**	**370.5**	**0.0**	**3,489.7**
Purchase of property, plant and equipment	166.4	22.2	10.6		199.2
Purchase of property, plant and equipment on acquisition					0.0
Purchase of intangible assets					0.0
Purchase of intangible assets on acquisition					0.0
Liabilities	781.8	414.2	113.9	1,184.6	2,494.5
Sales (million hectolitres)	3.3	2.8	0.5		6.6

Revenue and non-current assets break down as follows:

	2010	2010	2009	2009
mDKK	Net revenue	Non-current assets	Net revenue	Non-current assets
Denmark	1,191.0	1,514.2	1,167.2	1,617.6
Italy	675.2	27.6	671.5	28.2
Germany including cross-border trade	535.6		553.6	
Lithuania	317.4	173.2	338.3	193.0
Latvia	252.5	236.6	263.0	259.0
Poland	366.6	90.9	305.9	85.7
Other countries	437.1	332.6	516.9	490.6
	3,775.4	**2,375.1**	**3,816.4**	**2,674.1**

No single customer accounts for revenue in excess of 10 % of total revenue.

Descriptive notes

Note 3 Segment reporting (continued)

Segment reporting 2006 - 2010

The Group's activities break down as follows on geographic segments:

mDKK	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Group
2010					
Net revenue	2,424.5	941.7	409.2		3,775.4
Operating profit/loss	365.3	45.9	48.2	-42.5	416.9
Assets	1,909.7	996.9	150.2		3,056.8
Liabilities	742.8	217.6	38.9	777.0	1,776.3
Sales (million hectolitres)	3.2	2.9	0.5		6.6
2009					
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
Assets	2,061.0	1,058.2	370.5		3,489.7
Liabilities	781.8	414.2	113.9	1,184.6	2,494.5
Sales (million hectolitres)	3.3	2.8	0.5		6.6
2008					
Net revenue	2,520.4	1,129.2	529.1		4,178.7
Operating profit/loss	191.3	-51.1	38.1	-43.4	134.9
Assets	2,467.0	1,202.6	381.8		4,051.4
Liabilities	971.0	406.1	106.0	1,993.5	3,476.6
Sales (million hectolitres)	3.7	3.2	0.6		7.5
2007					
Net revenue	2,489.6	909.3	482.9		3,881.8
Operating profit/loss	251.6	-23.4	63.4	-47.5	244.1
Assets	2,169.1	975.4	396.2	240.6	3,781.3
Liabilities	746.1	293.6	97.1	1,525.0	2,661.8
Sales (million hectolitres)	3.8	2.7	0.6		7.1
2006					
Net revenue	2,414.1	671.5	353.4		3,439.0
Operating profit/loss	319.8	-22.0	97.6	-47.7	347.7
Assets	2,325.1	662.6	163.4	262.5	3,413.6
Liabilities	760.8	194.7	24.3	1,285.7	2,265.5
Sales (million hectolitres)	3.8	2.2	0.4		6.4

Notes to Income Statement and Balance Sheet

Note 4 Staff expenses

Staff expenses are included in production costs, sales and distribution expenses as well as administrative expenses and break down as follows:

	Parent Company			Group	
DKK '000	2009	2010		2010	2009
	15,617	11,338	Current remuneration of Executive Board	11,338	15,617
		6,197	Long-term bonus scheme for Executive Board	6,197	
	384		Share-based remuneration of Executive Board		384
	16,001	17,535		17,535	16,001
	2,575	2,461	Remuneration of Supervisory Board	2,461	2,575
	18,576	19,996		19,996	18,576
	335,956	339,838	Wages and salaries	487,110	502,763
	33,418	29,962	Contributions to pension schemes	52,174	54,953
	2,070		Share-based payments		2,070
	371,444	369,800		539,284	559,786
	5,895	6,115	Other social security expenses	12,729	7,178
	20,670	18,126	Other staff expenses	25,170	27,183
	416,585	**414,037**	**Total**	**597,179**	**612,723**
	1,056	974	Average number of employees	2,210	2,498

Notes to Income Statement and Balance Sheet

Note 4 Staff expenses (continued)

Until 2008 the following share option schemes had been established for the Executive Board and certain employees. Each option carries a right to acquire 1 share of DKK 10.

Options	Executive Board number	Certain other employees number	Total number	Exercise price	Exercise period
Unexercised at 31 December 2010					
distributed on:					
Granted re 2005		23,046	23,046	445	*4/2009-4/2011
Granted re 2006		22,074	22,074	477	*4/2010-4/2012
Granted re 2007		15,205	15,205	350	*4/2011-4/2013
	0	**60,325**	**60,325**		
Unexercised at 31 December 2009	**0**	**98.531**	**98.531**		
Market value at 31 December 2010		**0.5 million**	**0.5 million**		
Market value at 31 December 2009		**0.3 million**	**0.3 million**		

Based on a share price of the Royal Unibrew share of 332 at 31 December 2010, the market value of the options has been calculated by means of the Black-Scholes model.

The calculation is based on an assumption of 22 % volatility (2009: 33 %), a risk-free interest rate of 1.4-2.7 % (2009: 1.6-2.7 %) and annual dividend per share of DKK 125 % (2009: 0 %).

In 2010 the exercise period for 7,866 options granted re 2004 has expired, and the conditions for exercising 23,772 options granted re the Strategic Plan from 2008 have lapsed.

Notes to Income Statement and Balance Sheet

Note 5 Expenses broken down by type

Parent Company			Group	
DKK '000 2009	**2010**		**2010**	**2009**
		Aggregated		
1,422,398	1,293,532	production costs	1,945,672	2,211,134
710,047	744,811	Sales and distribution expenses	1,200,160	1,146,604
164,115	189,264	Administrative expenses	216,635	219,068
2,296,560	**2,227,607**	**Total**	**3,362,467**	**3,576,806**
		break down by type as follows:		
1,174,401	1,087,230	Materials, operating and maintenance expenses	1,686,380	1,869,058
416,585	414,037	Wages, salaries and other staff expenses	597,179	612,723
214,211	167,889	Distribution expenses and carriage	257,678	309,051
264,642	339,186	Sales and marketing expenses	507,018	429,545
3,264	1,008	Bad trade debts	12,648	14,039
88,359	89,318	Office supplies etc	118,471	125,228
135,098	128,939	Depreciation and profit from sale of property, plant and equipment	183,093	217,162
2,296,560	**2,227,607**	**Total**	**3,362,467**	**3,576,806**

Total depreciation and impairment losses as well as profit from sale of property, plant and equipment are included in the following items in the income statement:

Parent Company			Group	
DKK '000 2009	**2010**		**2010**	**2009**
105,506	95,156	Production costs	127,601	163,116
19,499	15,373	Sales and distribution expenses	38,901	41,545
10,093	18,410	Administrative expenses	16,591	12,501
135,098	128,939		183,093	217,162
7,367		Special expenses		-14,702
142,465	**128,939**	**Total**	**183,093**	**202,460**

Notes to Income Statement and Balance Sheet

Note 6 Special income and expenses

	Parent Company			Group	
DKK '000	2009	2010		2010	2009
			Profit on sale of non-current assets related to reorganisation		21,500
	0	**0**	**Total special income**	**0**	**21,500**
	-23,600		Expenses and value adjustment of assets related to reorganisation in Denmark		-23,600
	-289		Expenses and value adjustment of assets related to reorganisation in the rest of Western Europe and Eastern Europe		-32,766
	-23,889	**0**	**Total special expenses**	**0**	**-56,366**

Note 7 Financial income

	Parent Company			Group	
DKK '000	2009	2010		2010	2009
			Interest income		
	106	6	Cash at bank and in hand	118	232
	34	10	Trade receivables	11	41
	753		Receivables from associates		753
	5,015	6,947	Receivables from subsidiaries		
			Exchange adjustments		
	2,384	1,944	Cash at bank and in hand and external loans	2,027	1,182
	429		Trade payables		459
	2,070	2,330	Trade receivables	2,016	1,724
	3,309	3,933	Intercompany loans	3,933	3,309
	24,226		Gain on settlement of hedge loan		24,226
		1,179	Ineffective portion of hedge contracts	1,253	
			Profit on sale of subsidiary	6,025	
	758	466	Other financial income	551	740
		30,579	Gain on repayment of mortgage debt	30,579	
	39,084	**47,394**	**Total**	**46,513**	**32,666**

Notes to Income Statement and Balance Sheet

Note 8 Financial expenses

	Parent Company			Group	
DKK '000	2009	2010		2010	2009
			Interest expenses		
	40,328	37,684	Mortgage credit institutes	37,684	40,902
	79,624	25,950	Credit institutions	30,565	103,175
			Trade payables	38	
	2,048	202	Payables to subsidiaries		
	1,000	800	Other payables	800	1,000
	-4,000		Borrowing costs recognised in the cost of assets		-4,000
			Exchange adjustments		
		816	Trade payables	644	
	2,799		Hedge loans		
	2,467	4,852	Forward contracts	6,737	4,571
	17,865		Ineffective portion of hedge contracts		21,361
		13,276	Loss on sale of subsidiary		
	22,620	29,450	Other financial expenses	43,385	23,286
	164,751	**113,030**	**Total**	**119,853**	**190,295**
			Realised hedging transactions are included in the income statement as follows:		
	2,346	-736	Net revenue	-736	2,346
	-21,391	-18,352	Production cost	-20,060	-21,462
	-50,527	-49,874	Financial expenses	-49,961	-56,067

Note 9 Tax on the profit/loss for the year

	Parent Company			Group	
DKK '000	2009	2010		2010	2009
	24,565	80,397	Tax on the taxable income for the year	103,961	37,211
	-17,113	-658	Adjustment of previous year	-102	-18,726
	6,954	5,562	Adjustment of deferred tax	-1,718	5,711
	14,406	**85,301**	**Total**	**102,141**	**24,196**
			which breaks down as follows:		
	14,406	80,400	Tax on profit for the year	97,240	24,196
		4,901	Tax on equity entries	4,901	
	14,406	**85,301**	**Total tax**	**102,141**	**24,196**
	25.0	25.0	Current Danish tax rate	25.0	25.0
	-14.7	-1.3	Effect on tax rate of permanent differences	6.0	31.1
	-5.0	-0.2	Adjustment of previous year		-24.5
			Differences in effective tax rates of foreign subsidiaries	-5.1	
	5.3	**23.5**	**Effective tax rate**	**25.9**	**31.6**

Notes to Income Statement and Balance Sheet

Note 10 Intangible assets

Group

DKK '000	**Goodwill**	**Trademarks**	**Distribution rights**	**Total intangible assets**
Cost at 1 January 2009	472,367	267,438	13,235	753,040
Reclassification	-2,100			-2,100
Exchange adjustments	-1,084	-634	-1	-1,719
Additions for the year		389	389	778
Disposals for the year	-567	-1,447		-2,014
Cost at 31 December 2009	**468,616**	**265,746**	**13,623**	**747,985**
Amortisation and impairment losses at 1 January 2009	-161,092	-99,553	-6,049	-266,694
Amortisation for the year			-1,337	-1,337
Amortisation and impairment losses at 31 December 2009	**-161,092**	**-99,553**	**-7,386**	**-268,031**
Carrying amount at 31 December 2009	**307,524**	**166,193**	**6,237**	**479,954**
Cost at 1 January 2010	468,616	265,746	13,623	747,985
Reclassification			-362	-362
Exchange adjustments	1,855	1,681	3	3,539
Disposals for the year	-45,397	-34,227	-28	-79,652
Cost at 31 December 2010	**425,074**	**233,200**	**13,236**	**671,510**
Amortisation and impairment losses at 1 January 2010	-161,092	-99,553	-7,386	-268,031
Amortisation and impairment losses for the year			-1,337	-1,337
Amortisation and impairment losses at 31 December 2010	**-161,092**	**-99,553**	**-8,723**	**-269,368**
Carrying amount at 31 December 2010	**263,982**	**133,647**	**4,513**	**402,142**

Reference is made to note 11 for impairment tests.

Notes to Income Statement and Balance Sheet

Note 10 Intangible assets (continued)

Parent Company

DKK '000	Goodwill	Trademarks	Distribution rights	Total intangible assets
Cost at 1 January 2009	80,645	4,048	11,828	96,521
Disposals for the year		-1,058		-1,058
Cost at 31 December 2009	**80,645**	**2,990**	**11,828**	**95,463**
Amortisation and impairment losses at 1 January 2009	0	0	-5,422	-5,422
Amortisation for the year			-1,183	-1,183
Amortisation and impairment losses at 31 December 2009	**0**	**0**	**-6,605**	**-6,605**
Carrying amount at 31 December 2009	**80,645**	**2,990**	**5,223**	**88,858**
Cost at 1 January 2010	80,645	2,990	11,828	95,463
Disposals for the year				0
Cost at 31 December 2010	**80,645**	**2,990**	**11,828**	**95,463**
Amortisation and impairment losses at 1 January 2010	0	0	-6,605	-6,605
Amortisation for the year			-1,184	-1,184
Amortisation and impairment losses at 31 December 2010	**0**	**0**	**-7,789**	**-7,789**
Carrying amount at 31 December 2010	**80,645**	**2,990**	**4,039**	**87,674**

Notes to Income Statement and Balance Sheet

Note 11 Impairment tests

Impairment tests of goodwill and trademarks

Annual impairment tests are carried out of the carrying amount of goodwill and trademarks with indefinite useful lives. The impairment test in 2010 did not give rise to recognising any impairment losses.

The carrying amount of goodwill and trademarks at 31 December is related to the cash-generating operational units and breaks down as follows:

DKK '000	Goodwill	Trademarks	Total	Share
2010				
Denmark (Western Europe)	80,645	2,990	83,635	21 %
The Baltic countries and Poland (Eastern Europe)	176,276	127,415	303,691	76 %
Africe (Malt and Overseas Markets)	7,061	3,242	10,303	3 %
Total	**263,982**	**133,647**	**397,629**	**100 %**

The recoverable amount is based on value in use, which is calculated by means of estimated net cash flows on the basis of budgets and forecasts for 2011-2013 approved by Management as well as estimated market driven discount rates and growth rates. Generally, as for the relevant trademarks, only limited revenue growth is expected in 2011. However, the negative growth recorded in the Baltics is not expected to proceed. Gross margins are expected to remain stable. The key assumptions underlying the calculation of recoverable amount are as indicated below.

The recoverable amount of the value of trademarks related to Poland has been determined as unchanged compared to the carrying amount.

	Western Europe	Eastern Europe	Malt and Overseas Markets
Gross margin	54 %	37-45 %	30 %
Growth rate 2014-2017	2 %	0-6 %	0-3 %
Growth rate on terminal value	2 %	2 %	2 %
Discount rate (WACC)	7.2 %	10.1-10.5 %	7.1-15.5 %

The forecasted gross margins approved by Management are based on prior results and expected market developments. The average growth rates applied are in accordance with Management's expectations taking into account industry conditions in the individual markets. The discount rates applied are before tax and reflect current specific risks in the individual market. The assumptions applied by Management are inherently subject to uncertainty and unpredictability. Reasonably probable changes will not lead to recognition of impairment losses.

Notes to Income Statement and Balance Sheet

Note 11 Impairment tests (continued)

DKK '000	Goodwill	Trademarks	Total	Share
2009				
Denmark (Western Europe)	80,645	2,990	83,635	18 %
The Baltic countries (Eastern Europe)	156,400	114,849	271,249	57 %
Poland (Eastern Europe)		11,944	11,944	3 %
The Caribbean (Malt and Overseas)	63,772	33,330	97,102	20 %
Africa (Malt and Overseas)	6,707	3,080	9,787	2 %
Total	**307,524**	**166,193**	**473,717**	**100 %**

The key assumptions underlying the calculation of recoverable amount in 2009 were:

	Western Europe	Eastern Europe	Malt and Overseas Markets
Gross margin	45 %	25-50 %	25-30 %
Growth rate 2013-2016	1 %	5-6 %	2-3 %
Growth rate on terminal value	2 %	2 %	2 %
Discount rate (WACC)	7.6 %	9.8-10.8 %	8.9-16.1 %

The impairment test in 2009 did not give rise to recognising impairment losses on the value of assets.

Notes to assets

Note 12 Property, plant and equipment

Group

DKK '000	Land and buildings	Project development properties	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2009	929,986	259,845	1,624,261	663,431	291,787	3,769,310
Exchange adjustment	-2,433		-4,813	-1,843	-156	-9,245
Additions for the year	26,368	3,552	97,882	57,238	14,128	199,168
Disposals for the year	-27,566		-107,008	-93,004		-227,578
Transfers for the year	80,738		171,383	42,252	-294,373	0
Cost at 31 December 2009	**1,007,093**	**263,397**	**1,781,705**	**668,074**	**11,386**	**3,731,655**
Depreciation and impairment losses at 1 January 2009	-286,623	140,155	-1,094,970	-448,434	0	-1,689,872
Exchange adjustment	332		3,150	568		4,050
Depreciation for the year	-23,609		-116,654	-61,676		-201,939
Depreciation and impairment of assets sold and discontinued	26,593		77,555	65,614		169,762
Depreciation and impairment losses at 31 December 2009	**-283,307**	**140,155**	**-1,130,919**	**-443,928**	**0**	**-1,717,999**
Carrying amount at 31 December 2009	**723,786**	**403,552**	**650,786**	**224,146**	**11,386**	**2,013,656**

Land and buildings at a carrying amount of DKK 751.5 million have been provided as security for mortgage debt of DKK 734.8 million (2008: DKK 465.4 million and 734.5 million respectively).

DKK '000	Land and buildings	Project development properties	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2010	1,007,093	263,397	1,781,705	668,074	11,386	3,731,655
Exchange adjustment	4,576		9,667	3,795	58	18,096
Additions for the year	1,273	2,875	9,191	33,951	11,439	58,729
Disposal on sale of activities	-56,342		-195,699	-47,998	-435	-300,474
Disposals for the year	-5,949		-60,154	-66,378		-132,481
Transfers for the year	590		1,671	7,954	-10,215	0
Cost at 31 December 2010	**951,241**	**266,272**	**1,546,381**	**599,398**	**12,233**	**3,375,525**
Depreciation and impairment losses at 1 January 2010	-283,307	140,155	-1,130,919	-443,928	0	-1,717,999
Exchange adjustment	-1,777		-7,199	-2,010		-10,986
Reversal of depr. and impairment on sale	19,262		143,099	29,917		192,278
Depreciation for the year	-27,196		-98,038	-59,546		-184,780
Depreciation and impairment of assets sold and discontinued	2,839		60,049	54,719		117,607
Depreciation and impairment losses at 31 December 2010	**-290,179**	**140,155**	**-1,033,008**	**-420,848**	**0**	**-1,603,880**
Carrying amount at 31 December 2010	**661,062**	**406,427**	**513,373**	**178,550**	**12,233**	**1,771,645**
Value of financial leased assets included				**3,599**		**3,599**

Land and buildings at a carrying amount of DKK 352 million have been provided as security for mortgage debt of DKK 595.5 million (2009: DKK 751.5 million and DKK 734.8 million, respectively).

Notes to assets

Note 12 Property, plant and equipment (continued)

Parent Company

DKK '000	**Land and buildings**	**Project development properties**	**Plant and machinery**	**Other fixtures and fittings, tools and equipment**	**Property, plant and equipment in progress**	**Total**
Cost at 1 January 2009	520,654	259,845	1,030,942	498,684	210,477	2,520,602
Additions for the year	24,936	3,552	89,836	41,994	6,130	166,448
Disposals for the year	-1,589		-18,562	-67,659		-87,810
Transfers for the year	47,894		127,171	35,047	-210,112	0
Cost at 31 December 2009	**591,895**	**263,397**	**1,229,387**	**508,066**	**6,495**	**2,599,240**
Depreciation and impairment losses at 1 January 2009	-193,909	140,155	-767,779	-366,999	0	-1,188,532
Depreciation for the year	-12,406		-67,997	-40,498		-120,901
Depreciation and impairment of assets sold and discontinued	615		5,637	49,252		55,504
Depreciation and impairment losses at 31 December 2009	**-205,700**	**140,155**	**-830,139**	**-358,245**	**0**	**-1,253,929**
Carrying amount at 31 December 2009	**386,195**	**403,552**	**399,248**	**149,821**	**6,495**	**1,345,311**

Land and buildings at a carrying amount of DKK 751.5 million have been provided as security for mortgage debt of DKK 734.8 million (2008: DKK 465.4 million and DKK 734.5 million, respectively).

DKK '000	**Land and buildings**	**Project development properties**	**Plant and machinery**	**Other fixtures and fittings, tools and equipment**	**Property, plant and equipment in progress**	**Total**
Cost at 1 January 2010	591,895	263,397	1,229,387	508,066	6,495	2,599,240
Additions for the year	1,153	2,875	4,631	20,760	8,696	38,115
Disposals for the year	-4,626		-59,739	-52,114		-116,479
Transfers for the year	1		496	5,609	-6,106	0
Cost at 31 December 2010	**588,423**	**266,272**	**1,174,775**	**482,321**	**9,085**	**2,520,876**
Depreciation and impairment losses at 1 January 2010	-205,700	140,155	-830,139	-358,245	0	-1,253,929
Depreciation for the year	-14,767		-67,600	-45,566		-127,933
Depreciation and impairment of assets sold and discontinued	2,366		59,663	45,628		107,657
Depreciation and impairment losses at 31 December 2010	**-218,101**	**140,155**	**-838,076**	**-358,183**	**0**	**-1,274,205**
Carrying amount at 31 December 2010	**370,322**	**406,427**	**336,699**	**124,138**	**9,085**	**1,246,671**

Land and buildings at a carrying amount of DKK 352 million have been provided as security for mortgage debt of DKK 595.5 million (2009: DKK 751.5 million and DKK 734.8 million, respectively).

Notes to assets

Note 13 Fixed asset investments

Group

DKK '000	Investments in associates	Receivables from associates	Other investments	Other receivables	Total
Cost at 1 January 2009	50,827	20,634	109,517	11,939	192,917
Exchange adjustment	1,644		214	-14	1,844
Reclassification	2,100				2,100
Additions	2,387			4,306	6,693
Disposals		-20,634	-304	-3,339	-24,277
Cost at 31 December 2009	**56,958**	**0**	**109,427**	**12,892**	**179,277**
Revaluations and impairment losses at 1 January 2009	36,823	0	-52,617	0	-15,794
Exchange adjustment	216				216
Dividend	-12,738				-12,738
Revaluations and impairment losses for the year	29,583		-62		29,521
Revaluations and impairment losses at 31 December 2009	**53,884**	**0**	**-52,679**	**0**	**1,205**
Carrying amount at 31 December 2009	**110,842**	**0**	**56,748**	**12,892**	**180,482**
Value of goodwill included above	**5,719**				**5,719**
Cost at 1 January 2010	56,958	0	109,427	12,892	179,277
Exchange adjustment	5,852		2,279		8,131
Reclassification				-1,468	-1,468
Additions				411	411
Disposals				-5,742	-5,742
Cost at 31 December 2010	**62,810**	**0**	**111,706**	**6,093**	**180,609**
Revaluations and impairment losses at 1 January 2010	53,884	0	-52,679	0	1,205
Exchange adjustment	902				902
Dividend	-12,869				-12,869
Revaluations and impairment losses for the year	31,460				31,460
Revaluations and impairment losses at 31 December 2010	**73,377**	**0**	**-52,679**	**0**	**20,698**
Carrying amount at 31 December 2010	**136,187**	**0**	**59,027**	**6,093**	**201,307**
Value of goodwill included above	**6,602**				**6,602**

Notes to assets

Note 13 Fixed asset investments (continued)

Parent Company

DKK '000	Invest-ments in subsi-diaries	Invest-ments in associates	Receivables from subsi-diaries	Receivables from associates	Other invest-ments	Other receivables	Total
Cost at 1 January 2009	1,595,848	113,470	174,513	20,634	105,847	10,556	2,020,868
Reclassification	171,132	2,100	-174,513				-1,281
Additions		2,387	28,769			4,163	35,319
Disposals				-20,634		-3,493	-24,127
Cost at 31 December 2009	**1,766,980**	**117,957**	**28,769**	**0**	**105,847**	**11,226**	**2,030,779**
Revaluations and impairment losses at 1 January 2009	-581,152	0	-98,127	0	-49,415	0	-728,694
Reclassification	-98,127		98,127				0
Dividend	-91,491						-91,491
Revaluations and impairment losses for the year					-62		-62
Revaluations and impairment losses at 31 December 2009	**-770,770**	**0**	**0**	**0**	**-49,477**	**0**	**-820,247**
Carrying amount at 31 December 2009	**996,210**	**117,957**	**28,769**	**0**	**56,370**	**11,226**	**1,210,532**
Cost at 1 January 2010	1,766,980	117,957	28,769	0	105,847	11,226	2,030,779
Additions			61,064				61,064
Disposals	-168,302					-5,718	-174,020
Cost at 31 December 2010	**1,598,678**	**117,957**	**89,833**	**0**	**105,847**	**5,508**	**1,917,823**
Revaluations and impairment losses at 1 January 2010	-770,770	0	0	0	-49,477	0	-820,247
Dividend	-33,500						-33,500
Revaluations and impairment losses at 31 December 2010	**-804,270**	**0**	**0**	**0**	**-49,477**	**0**	**-853,747**
Carrying amount at 31 December 2010	**794,408**	**117,957**	**89,833**	**0**	**56,370**	**5,508**	**1,064,076**

Notes to Income Statement and Balance Sheet

Note 14 Non-current assets measured at fair value

Other investments

The Company's 48.4 % investment in the Polish brewery Perla Browary Lubelskie has been classified and recognised as other investments. It is Management's assessment that Royal Unibrew has since mid 2008 had very limited insight into the Polish brewery's financial results and financial position, and formal representation on the brewery's Supervisory Board has not resulted in any actual influence on Perla Browary Lubelskie Management. On this basis, Royal Unibrew finds that it is not correct to classify its 48.4 % investment as an investment in associate. The value of Royal Unibrew's investments has been recognised in the Consolidated and Parent Company Financial Statements at estimated fair value.

The fair value measurement of the investment at the end of 2010 is based on the conditional agreement entered into to dispose of the investment along with Royal Unibrew's other Polish activities.

The fair value of the Company's investment in Perla Browary Lubelskie remains unchanged from 2009 and is stated at PLN 30 million in the Consolidated and Parent Company Financial Statements.

Project development properties

Following the closure of the Aarhus brewery, Royal Unibrew has developed the brewery properties for alternative use, including managing the process of amending the existing local plan so that the properties may be used for other purposes than brewery activities.

Consequently, the brewery properties are classified as project development properties in the Consolidated and Parent Company Financial Statements.

The project development properties have been measured at fair value at 31 December 2010 based on an estimate.

As a basis of its estimate of the fair value at the beginning of 2011, the Company has obtained valuation reports from authorised valuers with knowledge of the area in which the properties are situated.

Furthermore, Management's estimate is based on an assessment as to which use of the project properties would be enabled by an amended local plan. The authorities are expected to make a decision in August 2011 on a draft local plan filed for approval in early 2011 and, accordingly, the use of the project properties enabled by the draft local plan remains subject to uncertainty. This uncertainty has led to a reduction of the estimated fair value as compared to the value at which Management expects to be able to sell the project properties at a later stage.

On the above-mentioned assumptions, Management has estimated the fair value of the project development properties in Aarhus at DKK 400 million added the development costs of some DKK 6 million incurred to date.

The carrying amount prior to the fair value adjustment was DKK 160 million. The valuation at a fair value of DKK 400 million has therefore implied a revaluation of DKK 240 million which was in 2008 recognised in revaluation reserves in equity with deduction of deferred tax of DKK 60 million.

The fair value of DKK 406 million recognised in the balance sheet has, as mentioned, been based on assessments taking into account the market situation at 31 December 2010 as well as the uncertainty relating to the local plan. In March 2011, Royal Unibrew entered into a conditional cooperation agreement with a potential purchaser based on an option model. The first option comprises at least 30,000 square meters building rights and is to be execised bot later than 9 months after the approval of the final local plan. Conditional on the first option being exercised, the following option can be exercised for purchases in the period 2013-2016. The agreement is conditional upon the authorities' adoption of the local plan filed. Therefore, the disposal of the project properties, including the related timing, is subject to significant uncertainty, and the value at the time of disposal may differ materially from the currently estimated fair value.

Notes to Income Statement and Balance Sheet

Note 15 Investments in associates

	Parent Company			Group	
DKK '000	2009	2010		2010	2009
	113,470	117,957	Balance at 1 January	110,842	87,650
			Exchange adjustments	902	1,860
	2,100		Reclassification		2,100
	2,387		Additions for the year		2,387
			Share of profit for the year	31,460	25,836
			Share of equity movements for the year	5,852	3,747
			Dividend	-12,869	-12,738
	117,957	**117,957**	**Balance at 31 December**	**136,187**	**110,842**

Stated on a pro rata basis, the Parent Company's and the Group's shares of assets, liabilities, revenue and profit basis break down on segments as follows:

2009	Assets	Liabilities	Revenue	Profit basis
Western Europe	315,990	225,613	433,876	21,090
Malt and Overseas Markets	32,383	10,349	21,137	3,217
Parent Company and Group	**348,373**	**235,962**	**455,013**	**24,307**

2010	Assets	Liabilities	Revenue	Profit basis
Western Europe	308,654	222,245	414,352	12,156
Malt and Overseas Markets	31,897	5,420	23,823	3,146
Parent Company and Group	**340,551**	**227,665**	**438,175**	**15,302**

Notes to Income Statement and Balance Sheet

Note 16 Portfolio of treasury shares and basis of earnings/cash flow per share

Value of treasury shares held:

	Parent Company	
DKK '000	**2010**	**2009**
Balance at 1 January	0	0
Additions		
Disposals		
Transferred to equity, net		
Balance at 31 December	**0**	**0**

Treasury shares held by the Parent Company:

	Number	Nom. value	% of capital
Portfolio at 1 January 2009	106,674	1,067	1.9
Additions			
Disposals			
Increase of capital			-0.9
Portfolio at 31 December 2009	**106,674**	**1,067**	**1.0**
Portfolio at 1 January 2010	106,674	1,067	1.0
Additions			
Disposals			
Portfolio at 31 December 2010	**106,674**	**1,067**	**1.0**

The Group holds no other treasury shares.

Basis of calculation of earnings and cash flow per share

The Parent Company shareholders' share of profit for the year amounts to DKK 278,273k (2009: DKK 47,062k).

The average number of treasury shares amounted to 106,674 shares (2009: 106,674).

The average number of shares in circulation amounted to 11,079,824 shares (2009: approx 5,833,000).

The average number of shares in circulation incl share options "in-the-money" amounted to 11,079,824 shares (2009: approx 5,833,000).

Diluted earnings and cash flow per share have been calculated on the basis of the Parent Company shareholders' share of profit/loss for the year.

Notes to Income Statement and Balance Sheet

Note 17 Deferred tax

	Parent Company			Group	
DKK '000	**2009**	**2010**		**2010**	**2009**
	169,731	163,427	Deferred tax at 1 January	171,831	179,378
	6,954	5,562	Deferred tax for the year	-1,718	5,711
	-13,258	-102	Adjustment of previous year	-102	-13,258
	163,427	**168,887**	**Deferred tax at 31 December**	**170,011**	**171,831**
	3,235	3,565	Due within 1 year	6,068	6,732
			Deferred tax relates to:		
	853	969	Intangible assets	969	7,853
	160,089	165,103	Property, plant and equipment	163,723	162,283
	2,621	4,837	Current assets	7,426	3,049
	-136	-2,022	Current liabilities	-2,107	-1,354
	163,427	**168,887**		**170,011**	**171,831**

The utilisation of unutilised tax losses in some of the Group's foreign enterprises is not certain. Therefore, the tax asset corresponding to some DKK 44 million (2009: some DKK 42 million) has not been capitalised. Unutilised tax losses substantially expire over the next 5 years.

A foreign subsidiary has a recapture balance which has not been recognised in the basis of calculation of deferred tax. The deferred tax on the recapture balance amounts to some DKK 21 million, which is not expected to crystallise as tax payable.

Note 18 Repurchase obligation, returnable packaging:

	Parent Company			Group	
DKK '000	**2009**	**2010**		**2010**	**2009**
	59,572	50,718	Balance at 1 January	61,793	74,056
	-8,854	-2,093	Adjustment for the year	-4,515	-12,263
	50,718	**48,625**	**Balance at 31 December**	**57,278**	**61,793**

The change in the repurchase obligation for the year reflects net sales of returnable packaging for the year less estimated wastage of returnable packaging in circulation.

The reduction in the repurchase obligation in 2009 is primarily due to soft drinks in Denmark now being sold in recyclable disposable containers whereas previously they were sold in returnable containers.

Other notes

Note 19 Cash Flow Statement

Adjustments for non-cash operating items

DKK '000	Parent Company 2009	Parent Company 2010		Group 2010	Group 2009
	-243,113	-65,865	Dividend from subsidiaries		
	-39,084	-47,394	Financial income	-46,513	-32,666
	164,751	113,030	Financial expenses	119,853	190,295
	123,142	129,116	Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	186,117	202,123
	14,406	80,400	Tax on the profit for the year	97,240	24,196
			Income from investments in associates	-31,460	-25,836
	21,564	1,006	Net profit from sale of property, plant and equipment	-1,687	324
	94		Share-based payments and remuneration		94
	-551	-747	Other adjustments	-747	-551
	41,209	**209,546**	**Total**	**322,803**	**357,979**

Sale of subsidiaries

DKK '000	Parent Company 2009	Parent Company 2010		Group 2010	Group 2009
			Assets		
		155,026	Non-current assets	192,177	
			Current assets	31,835	
			Liabilities		
			Provisions	-6,056	
			Non-current debt	0	
			Current debt	-39,106	
			Minority interests	-23,824	
	0	**155,026**	**Sales / acquisition price**	**155,026**	**0**
			including net interest-bearing debt	32,389	
			including shares previously acquired		
	0	**155,026**	**Cash sales / acquisition price**	**187,415**	**0**

Other notes

Note 20 Fee to auditors

	Parent Company			Group	
DKK '000	**2009**	**2010**		**2010**	**2009**
			Fee for the audit of the Annual Report:		
	1,640	1,149	Ernst & Young	2,209	3,224
	1,640	**1,149**	**Total**	**2,209**	**3,224**
			Ernst & Young fee for non-audit services:		
	126	200	Tax assistance	342	148
	2,196	122	Other assurance assistance	211	2,306
	273	511	Other assistance	661	307
	2,595	**833**	**Total**	**1,214**	**2,761**

Note 21 Contingent liabilities and security

	Parent Company			Group	
mDKK	**2009**	**2010**		**2010**	**2009**
			Guarantees		
		83.7	Guarantees relating to subsidiaries		
			Other guarantees		
	0.0	**83.7**	**Total**	**0.0**	**0.0**
			Rental and lease agreements		
			Total future payments:		
	24.4	21.3	Within 1 year	32.7	37.9
	41.9	53.7	Between 1 and 5 years	59.9	53.4
			Beyond 5 years	1.6	0.3
	66.3	**75.0**	**Total lease obligations (operating leases)**	**94.2**	**91.6**
			The lease obligations relate to production machinery, operating equipment and IT equipment.		
	11.2	6.2	Within 1 year	8.9	15.1
	14.4	11.9	Between 1 and 5 years	13.0	16.0
	11.1	0.2	Beyond 5 years	0.6	11.1
	36.7	**18.3**	**Total rental obligations**	**22.5**	**42.2**
	0.0	**0.0**	**Guarantees to third parties**	**0.0**	**0.0**

Security

No security has been provided in respect of the Group's loan agreements other than the Parent Company's liability for the amounts drawn by subsidiaries under group credit facilities.

The outcome of pending legal actions is not expected to have any material impact on the financial position of the Parent Company or the Group.

Other notes

Note 22 Related parties

Related parties comprise the Supervisory Board and the Executive Board as well as subsidiaries and associates, cf. Group Structure, page 100. No shareholder exercises control.

All trade, including lending, are carried out on arm's lenght basis.

The following transactions have been made with related parties:

	Parent Company			Group	
DKK '000	**2009**	**2010**		**2010**	**2009**
			Revenue		
	9,828	9,217	Sales to associates	9,217	9,828
	572,860	703,750	Sales to subsidiaries		
			Purchases		
	11,083	77	Purchases from subsidiaries		
			Financial income and expenses		
	12,738	12,869	Dividends from associates	12,869	12,738
	230,375	53,017	Dividends from subsidiaries		
	753		Interest received from associates		753
	5,015	6,947	Interest received from subsidiaries		
	-2,048	-202	Interest paid to subsidiaries		
			Executive Board		
	15,617	17,535	Salaries	17,535	15,617
	384		Share options granted		384
			Intercompany balances at 31 December		
	28,769	236,721	Loans to subsidiaries		
	78,421	73,580	Receivables from subsidiaries		
	1,039	1,786	Receivables from associates	1,786	1,039
	2,735	15,276	Loans from subsidiaries		
	729	1,267	Debt to subsidiaries		
	76,162		**Capital contributed to subsidiaries**		
			Guarantees and security		
		83,700	Guarantee for subsidiary		

Transactions with subsidiaries are eliminated in the Consolidated Financial Statements in accordance with the accounting policies applied.

Other notes

Note 23 Acquisitions and sales

Sales

2010

In February, 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 has reduced Royal Unibrew's net interest-bearing debt by DKK 187 million. Net revenue and EBITDA in the Malt and Overseas Markets segment have been reduced from 2009 to 2010 by DKK 135 million and DKK 7 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, ret, packaging	6,123
Trade payables	7,480
Other payables	6,122
Minority shareholders' share of equity	23,738

2009

No acquisitions or sales were made in 2009.

Other notes

Note 24 Significant accounting policies

GENERAL
The Financial Statements of Royal Unibrew for 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for financial statements, cf the reporting requirements for listed companies laid down by NASDAQ OMX Copenhagen A/S and the Danish Statutory Order on Adoption of IFRS issued pursuant to the Danish Financial Statements Act.

The Financial Statements are presented in DKK.

New and amended standards and interpretations that have taken effect
Royal Unibrew has during the year implemented all new IFRSs, amendments to existing standards and IFRICs adopted by the EU, which take effect for the financial year 2010.

Below is described the standards, amendments to existing standards and interpretations of relevance to Royal Unibrew which have impact on the Financial Statements for 2010, or can have it prospectively.

- IFRS 3R, Business Combinations. The amendment has resulted in a number of changes to the rules of recognition and measurement of business combinations, including the possibility of recognising goodwill on non-controlling interests, statement of cost in connection with step acquisitions, recognition in the income statement of changes to estimates of contingent considerations, recognition of transaction costs, rules for repurchase of previously sold rights, etc (adopted by the EU, effective for financial years starting on or after 1 July 2009).
- Amendment to IAS 27 relating to investments in the parent company financial statements and consolidation. The amendments are a consequence of the amendments to IFRS 3R and concern eg purchase/sale of non-controlling interests being regarded as equity transactions, reassessment to fair value of the remaining ownership interest on loss of control of a former subsidiary, allocation of shares of profit/loss to non-controlling interests irrespective of the non-controlling interest turning negative (adopted by the EU, effective for financial years starting on or after 1 July 2009).

The amendments to IFRS 3R and IAS 27 have had no impact on the Financial Statements for 2010; they may have impact in the coming years in connection with future business combinations.

New and amended standards and interpretations that have not yet taken effect
The IASB has adopted a number of new standards and amendments to existing standards and interpretations which have not yet taken effect but will take effect in the financial year 2011 or later. The following standards, amendments and interpretations are expected to impact the Financial Statements:

- IFRS 9, Financial Instruments, which implies significant changes to the accounting treatment of financial instruments (effective date 1 January 2013).
- IAS 24, Related Party Disclosures – the definition of related parties is clarified and in some cases extended. This could imply additional disclosures on transactions with related parties (effective date 1 January 2011).

Royal Unibrew expects to implement the above when they take effect.

Moreover, the IASB has adopted a number of other new and amended standards and interpretations which are not relevant to the Company and are not expected to impact future Financial Statements.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when they are probable and can be measured reliably. Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates in the income statement.

Consolidated Financial Statements
The Consolidated Financial Statements comprise Royal Unibrew A/S (the Parent Company) and enterprises in which the Parent Company exercises control (subsidiaries).

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

The Consolidated Financial Statements are prepared on the basis of Financial Statements of all group enterprises prepared under the Group's accounting policies by combining accounting items of a uniform nature. Elimination is made of intercompany income and expenses, unrealised intercompany profits and losses, balances and shareholdings. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

Enterprises disposed of are recognised in the consolidated income statement up until the date of disposal.

Other notes

Business combinations
On acquisition of new enterprises the purchase method is applied, under which the identifiable assets and liabilities of newly acquired enterprises are measured at fair value at the time of acquisition.

In the case of business combinations made on or after 1 January 2004, positive differences between cost and fair value of identifiable assets and liabilities acquired are recognised as goodwill in intangible assets. At the time of acquisition, goodwill is allocated to the cash-generating units that subsequently form the basis of impairment tests. Goodwill and fair value adjustments in connection with the acquisition of a foreign enterprise with a functional currency that differs from the presentation currency of the Group are treated as assets and liabilities belonging to the foreign entity and are translated to the functional currency of the foreign entity at the exchange rates at the dates of transaction.

In the case of business combinations made prior to 1 January 2004, the accounting classification according to IFRS 1 has been maintained under the previous accounting policy. Goodwill is recognised on the basis of the cost recognised under the previous accounting policy (the Danish Financial Statements Act and Danish Accounting Standards) less amortisation and impairment losses up until 31 December 2003.

Gains or losses on disposal of subsidiaries and associates are calculated as the difference between the sales sum and the carrying amount of net assets at the time of sale (including the carrying amount of goodwill) net of expected expenses and adjusted for exchange adjustments previously recognised in equity.

Minority interests
Minority interests are initially recognised on the basis of fair values of the assets, liabilities and contingent liabilities of the acquired enterprise at the time of acquisition.

The accounting items of subsidiaries are recognised fully in the Consolidated Financial Statements. Minority interests' proportionate share of results of subsidiaries is shown as a separate item under distribution of profit. In the balance sheet, minority interests are recognised as part of equity but are shown separately from Parent Company shareholders' share of equity.

Translation policies
For each of the reporting entities of the Group, a functional currency is determined. The functional currency is the currency of the primary economic environment in which the reporting entity operates. Transactions in other currencies than the functional currency are transactions in foreign currencies.

Transactions in other currencies than the functional currency are initially translated into Danish kroner at the exchange rates at the dates of transaction. Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Exchange adjustments arising due to differences between the transaction date rates and the rates at the dates of payment or the rates at the balance sheet date, respectively, are recognised in financial income and expenses in the income statement. Property, plant and equipment and intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured at historical cost are translated at the transaction date rates.

On recognition in the Consolidated Financial Statements of enterprises with another functional currency than Danish kroner (DKK), income statements are translated at average annual exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the opening balance sheet items of foreign enterprises at exchange rates at the balance sheet date and on the translation of income statements from average exchange rates to exchange rates at the balance sheet date are recognised in other comprehensive income. Similarly, exchange adjustments arising due to changes made directly in equity of foreign enterprises are recognised in other comprehensive income.

On recognition in the Consolidated Financial Statements of associates with a functional currency that differs from the presentation currency of the Parent Company, the share of results for the year is translated at average exchange rates, and the share of equity including goodwill is translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the share of the opening equity of foreign associates at exchange rates at the balance sheet date and on the translation of the share of results for the year from average exchange rates to exchange rates at the balance sheet date are recognised in other comprehensive income and classified in equity under a separate translation reserve.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are included as other receivables and other payables, respectively.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the value of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of future cash flows are recognised in other comprehensive income. Income and expenses relating to such hedging transactions are transferred from other comprehensive income on realisation of the hedged item and are recognised in the same entry as the hedged item.

For derivative financial instruments which do not meet the criteria for hedge accounting, changes in fair values are recognised on a current basis in financial income and expenses in the income statement.

Leases
For accounting purposes, lease obligations are classified as either financial or operating lease obligations. A lease is classified as a finance lease if it substantially transfers the risks and rewards of ownership of the leased asset. All other leases are classified as operating leases.

Other notes

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Share-based payments
The Group only has schemes classified as equity-settled schemes. Share options are measured at fair value at the time of granting and are recognised in staff expenses in the income statement over the vesting period. The counter item is recognised directly in equity.

At the initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, the estimate of the number of vested options is revised so that the total recognition is based on the actual number of options vested.

The fair value of the options granted is estimated on the basis of the Black-Scholes model. In determining fair value, conditions and terms related to the share options granted are taken into account.

In the event of an increase or reduction of capital, the allocated, unexercised options are adjusted with a view to eliminating the effect of the Company's capital transaction.

Impairment
The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether impairment has incurred other than that expressed by normal amortisation and depreciation. If so, the asset is written down to the higher of net selling price and value in use. Goodwill and other assets for which a value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets (cash-generating units) to which they are attributable.

The carrying amount of goodwill and trademarks with indefinite useful lives is tested for impairment at least on an annual basis, together with the other non-current assets of the cash-generating unit to which goodwill has been allocated, and is written down to recoverable amount in the income statement if the carrying amount exceeds the recoverable amount.

The carrying amount of financial assets measured at cost or amortised cost is written down for impairment if, due to changed expected net payments, the net present value is lower than the carrying amount.

Assets held for sale
Assets held for sale comprise non-current assets held for sale. Assets are classified as "held for sale" if their carrying amount will principally be recovered through a sales transaction within 12 months according to a formalised plan.

Assets held for sale are measured at the date of classification at the lower of carrying amount and fair value less costs to sell. Subsequently, the assets are measured at fair value less costs to sell; however, any subsequent unrealised gain cannot exceed the accumulated impairment loss. Depreciation of assets ceases as of the date when they are classified as "held for sale".

Impairment losses arising on the initial classification as "held for sale" and subsequent losses or reversal of losses are recognised in the income statement in the items to which they relate. Gains and losses are disclosed in the notes. Assets held for sale are shown in a separate line in the balance sheet.

INCOME STATEMENT

Revenue
Net revenue from the sale of goods is recognised in the income statement if delivery has been made before year end, and if revenues can be measured reliably and are expected to be received.

Net revenue is measured exclusive of VAT and net of discounts as well as excise duties on beer and mineral water. All types of discounts granted are recognised in net revenue.

Production costs
Production costs comprise direct and indirect expenses incurred to manufacture the finished goods representing revenue for the year, including expenses for raw materials and consumables purchases, salaries and wages, renting and leasing as well as depreciation of and impairment losses on production plant.

Production costs also include development costs that do not meet the criteria for capitalisation.

Sales and distribution expenses
Sales and distribution expenses comprise expenses for distribution and sales campaigns relating to goods sold during the year, including expenses for sales personnel, marketing, depreciation and amortisation as well as losses on trade receivables.

Administrative expenses
Administrative expenses comprise expenses for management and administration of the Group, including expenses for administrative personnel, management, office supplies, insurance, depreciation and amortisation.

Other operating income and other operating expenses
Other operating income and other operating expenses comprise income or expenses of a secondary nature compared to the core activities of the Company, including renting of property, plant and equipment, etc.

Special income and expenses
Special income and expenses comprise material non-recurring income and expenses. These items are presented separately with a view to comparability in the income statement.

Income from investments in associates in the Consolidated Financial Statements
The proportionate share of the results of associates is recognised in the income statement of the Group after adjusting for impairment losses on goodwill and eliminating the proportionate share of unrealised intercompany gains and losses.

Other notes

Dividend on investments in subsidiaries and associates in the Parent Company Financial Statements
Dividend on investments in subsidiaries and associates is recognised in the Parent Company's income statement in the financial year in which dividend is declared.

Financial income and expenses
Financial income and financial expenses comprise interest, capital gains and losses on securities, balances and transactions in foreign currencies, amortisation of financial assets and liabilities, fair value adjustments of derivative financial instruments that do not qualify as hedge accounting as well as extra payments and repayment under the on-account taxation scheme, etc.

Tax
Tax for the year consists of current tax for the year and movements in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.

The Parent Company is jointly taxed with its Danish subsidiaries. The Danish current tax for the year is allocated to the jointly taxed Danish enterprises in proportion to their taxable incomes (full allocation with credit for tax losses).

BALANCE SHEET

Intangible assets

Goodwill
Goodwill is initially recognised in the balance sheet at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the time of acquisition. The determination of cash-generating units is based on management structure and internal financial management.

Trademarks and distribution rights
Trademarks and distribution rights are initially recognised in the balance sheet at cost. Subsequently, they are measured at cost less accumulated amortisation and less any accumulated impairment losses. Trademarks and distribution rights are amortised on a straight-line basis over their estimated useful lives, 10 years. Trademarks with indefinite useful lives are, however, not amortised but are tested annually for impairment. It is the Group's strategy to maintain trademarks and their value.

Property, plant and equipment
Land and buildings, production plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Borrowing costs relating to the acquisition of property, plant and equipment are expensed.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, which are:

Buildings and installations,	25-40 years (2009: 25-50 years)
Leasehold improvements over the term of the lease,	max. 10 years (unchanged from 2009)
Plant and machinery,	5-15 years (2009: 5-8 years)
Other fixtures and fittings, tools and equipment,	3-8 years (2009: 5-8 years)
Returable packaging,	3-10 years (2009: 6-10 years)

Profits and losses on the disposal of property, plant and equipment are calculated as the difference between the sales sum less the expenses necessary to make the sale and the carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to depreciation in production costs, sales or distribution expenses or administrative expenses, respectively.

Project development properties
Project development properties are measured at fair value based on valuations by expert valuers. Project development properties are revalued annually.

If the carrying amount is increased as a result of revaluation, the increase is recognised directly in equity in revaluation reserves. The increase is, however, recognised in the income statement if it offsets an impairment previously recognised in the income statement as a result of revaluation of the same property.

If the carrying amount is impaired as a result of revaluation, the impairment is recognised in the income statement. The impairment is, however, recognised directly in equity in revaluation reserves if a reserve has been made for the property in question under revaluation reserves.

Fixed asset investments

Investments in associates in the Consolidated Financial Statements
Investments in associates are measured in the balance sheet at the proportionate share of the net asset value of the enterprises calculated under the accounting policies of the Group with deduction or addition of the proportionate share of unrealised intercompany profits and losses and with addition of the carrying amount of goodwill.

Associates with a negative net asset value are measured at DKK 0. If the Group has a legal or constructive obligation to cover the negative balance of the associate, this obligation is recognised in liabilities.

Other notes

Investments in subsidiaries and associates in the Parent Company Financial Statements
Investments in subsidiaries and associates are measured at cost and tested in the event of indication of impairment. Where cost exceeds the recoverable amount, the investment is written down to its lower recoverable amount.

Other investments
Other investments not included in the Group's trading portfolio (available for sale) are recognised in non-current assets at cost at the trading date and are subsequently measured at fair value equal to the market price as regards listed securities and at estimated fair value calculated on the basis of market data and recognised valuation methods as regards unlisted securities. Unrealised value adjustments are recognised in other comprehensive income except for impairment losses and reversal of impairment losses which are recognised in financial income and expenses in the income statement. Upon realisation, the accumulated value adjustment recognised in other comprehensive income is transferred to financial income and expenses in the income statement.

Other receivables
Other receivables under fixed asset investments held to maturity are initially recognised at cost and are subsequently measured at amortised cost or an estimated lower value at the balance sheet date.

Current assets

Inventories
Inventories are measured at the lower of cost under the FIFO method and net realisable value of individual product groups. The net realisable value of inventories is calculated at the amount of future sales revenues expected to be generated by inventories at the balance sheet date in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum with deduction of calculated selling expenses.

The cost of raw materials, consumables, goods for resale and purchased finished goods comprises invoiced price plus expenses directly attributable to the acquisition.

The cost of work in progress and finished goods comprises the cost of materials and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of and impairment losses on the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables
Receivables are initially measured at cost and are subsequently measured at amortised cost or an estimated lower value at the balance sheet date. This lower value is determined on the basis of an individual assessment of each receivable.

Prepayments
Prepayments recognised in assets comprise expenses incurred in respect of subsequent financial years.

Equity

Proposed dividend
Dividend is recognised as a liability at the time of adoption at the Annual General Meeting. Dividend distribution for the year proposed by Management is disclosed as a separate equity item.

Treasury shares
Treasury shares acquired by the Parent Company or subsidiaries are recognised at cost directly in equity under retained earnings. Where treasury shares are subsequently sold, any consideration is also recognised directly in equity. Dividend on treasury shares is recognised directly in equity under retained earnings.

Translation reserve
The translation reserve in the Consolidated Financial Statements comprises exchange adjustments arising on the translation of the Financial Statements of foreign enterprises from their functional currencies into the presentation currency of the Group (DKK). Upon full or part realisation of the net investment in the foreign enterprises, exchange adjustments are recognised in the income statement.

The translation reserve was reset at 1 January 2004 in accordance with IFRS 1.

Hedging reserve
The hedging reserve comprises changes to fair values of derivative financial instruments that are designated and qualify as cash flow hedges.

The hedging instrument is recognised in the income statement in the same item as the hedged transaction.

Deferred tax
Deferred tax is recognised in respect of all temporary differences between the carrying amounts and the tax base of assets and liabilities except for temporary differences arising at the time of acquisition that do not affect the profit for the year or the taxable income and temporary differences concerning goodwill. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognised at the value at which they are expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates expected under the legislation at the balance sheet date to be effective when the deferred tax crystallises as current tax.

In the balance sheet, set-off is made between deferred tax assets and deferred tax liabilities within the same legal tax entity and jurisdiction.

Repurchase obligation relating to packaging in circulation
Plastic crates, bottles and kegs in circulation and held in inventory are recognised in property, plant and equipment, and the obligation to repurchase returnable packaging in circulation for which a deposit has been paid is recognised in provisions.

Other notes

The repurchase obligation relating to packaging in circulation is calculated on the basis of estimated total volumes of packaging less packaging held in inventory.

Corporation tax
Current tax liabilities are recognised in the balance sheet as calculated tax on the expected taxable income for the year adjusted for tax on taxable incomes for previous years and for tax paid on account.

Debts
Mortgage loans and loans from credit institutions are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the financial obligations are measured at amortised cost equal to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value is recognised in financial income and expenses in the income statement over the loan period.

Other debts, comprising trade payables, payables to subsidiaries and associates, VAT, excise duties, etc as well as other payables, are measured at amortised cost, substantially corresponding to the nominal debt.

CASH FLOW STATEMENT

The consolidated cash flow statement is presented under the indirect method based on the net profit for the year. The statement shows cash flows for the year, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for non-cash operating items, changes in working capital, financial income and financial expenses, and corporation tax paid.

Cash flows from investing activities comprise acquisitions and disposals of property, plant and equipment and fixed asset investments as well as dividend received from associates. Cost is measured inclusive of expenses necessary to make the acquisition and sales prices after deduction of transaction expenses.

Cash flows from financing activities comprise changes to the amount or composition of the Group's share capital, payment of dividend as well as borrowing and repayment of interest-bearing debt.

Cash and cash equivalents include securities with a maturity of less than 3 months that can readily be turned into cash and are only subject to an insignificant risk of value changes.

SEGMENT REPORTING

The Group's business segment is beer and soft drinks sales. Reporting on the business segment is by geographical markets. Segment reporting is based on the Group's returns and risks and its internal financial reporting system.

Items included in net profit for the year, including income from investments in associates and financial income and expenses, are allocated to the extent that the items are directly or indirectly attributable to the markets.

Items allocated both by direct and indirect computation comprise "production costs" and "administrative expenses", which are allocated by indirect computation based on allocation keys determined on the basis of the market's drain on key resources. Administrative expenses incurred in the group functions of the Parent Company are partly allocated.

Non-current assets comprise the non-current assets that are directly or indirectly used in connection with activities in the markets.

Segment liabilities comprise liabilities derived from activities in the market, including provisions, trade payables, VAT, excise duties and other payables.

KEY FIGURES AND RATIOS

The Group's key figures and ratios have been calculated in accordance with the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts, to the extend they are included in the "Recommendations and Financial Ratios 2010".

The definitions of the key figures and ratios are explained on page 99.

Quarterly Financial Highlights and Key Ratios

			2010		
mDKK	**Q1**	**Q2**	**Q3**	**Q4**	**Full year**
Sales (million hectolitres)	**1.3**	**1.9**	**2.0**	**1.4**	**6.6**
Income Statement					
Net revenue	781.9	1,100.5	1,087.6	805.4	3,775.4
Production costs	-432.8	-545.5	-536.8	-430.6	-1,945.7
Gross profit	349.1	555.0	550.8	374.9	1,829.8
Sales and distribution expenses	-281.2	-356.0	-297.9	-265.1	-1,200.2
Administrative expenses	-58.5	-57.9	-48.9	-51.3	-216.6
Other income	0.6	0.9	1.0	1.4	3.9
EBITDA	63.5	190.0	245.2	102.6	601.3
Profit before financial income and expenses (EBIT)	10.0	142.0	204.9	60.0	416.9
EBIT-margin (%)	1.3	12.9	18.8	7.4	11.0
Income from associates	-1.7	13.3	7.2	12.7	31.5
Financial income and expenses	-28.8	-29.9	-15.9	1.3	-73.3
Profit/loss before tax	-20.5	125.4	196.2	73.9	375.0
Profit/loss for the period	-18.0	88.9	140.2	66.7	277.8
Royal Unibrew A/S' share of profit/loss	-18.2	87.9	139.8	68.6	278.1
Balance Sheet					
Non-current assets	2,453.2	2,410.9	2,383.7	2,375.1	2,375.1
Total assets	3,335.7	3,404.0	3,197.4	3,056.8	3,056.8
Equity	965.2	1,029.2	1,170.1	1,280.5	1,280.5
Net interest-bearing debt	1,238.2	1,010.7	719.1	769.7	769.7
Net working capital	-96.2	-183.2	-250.2	-134.0	-134.0
Cash Flows					
From operating activities	0.9	220.6	305.5		492.3
From investing activities	182.0	2.0	-8.7		159.7
Free cash flow	-5.7	222.6	296.5	-50.4	463.0
Financial Key Ratios (%)					
Free cash flow as a percentage of net revenue	-0.7	20.2	27.3	-6.3	12.3
Cash conversion	31.7	250.4	211.5	-75.6	166.7
Equity ratio	28.9	30.2	36.6	41.9	41.9

The key ratios comprised by the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts have been calculated in accordance with these.

Definitions of Key Figures and Ratios

Net interest-bearing debt	Mortgage debt and debt to credit institutions less cash at bank and in hand, interest-bearing current investments and receivables.
Net working capital	Inventories + receivables - current liabilities except for corporation tax receivable/payable as well as mortage debt and debt to credit institutions.
Free cash flow	Cash flow from operating activities less net investments in property, plant and equipment and plus dividends from associates.
Dividend per share (DKK)	Proposed dividend per share.
Earnings per share (DKK)	Royal Unibrew's share of profit for the year/number of shares in circulation.
Cash flow per share (DKK)	Cash flow from operating activities/number of shares in circulation.
Diluted earnings and cash flow per share (DKK)	Royal Unibrew A/S' share of earnings and cash flow, respectively, from operating activities/average number of shares in circulation including share options "in-the-money".
EBITDA before special items	Earnings before special income and expenses, interest, tax, depreciation, amortisation and impairment losses as well as profit from sale of property, plant and equipment and amortisation of intangible assets.
EBITDA	Earnings before interest, tax, depreciation, amortisation and impairment losses as well as profit from sale of property, plant and equipment and amortisation of intangible assets.
EBIT	Earnings before interest and tax.
Return on invested capital after tax including goodwill (ROIC)	Operating profit before special items net of tax as a percentage of average invested capital (equity + minority interests + non-current provisions + net interest-bearing debt - fixed asset investments).
Profit margin	Operating profit before special items as a percentage of net revenue.
EBIT-margin	EBIT as a percentage of net revenue.
Free cash flow as a percentage of net revenue	Free cash flow as a percentage of net revenue.
Cash conversion	Free cash flow as a percentage of net profit for the year.
Net interest-bearing debt/EBITDA	The ratio of net interest-bearing debt at year end to EBITDA.
Equity ratio	Equity at year end as a percentage of total assets.
Net return on equity	Consolidated profit after tax as a percentage of average equity.
Dividend rate	Dividend calculated for the full share capital as a percentage of the Parent Company shareholders' share of net profit for the year.

Group Structure

Segment	Ownership	Currency	Share capital	
WESTERN EUROPE				
Subsidiaries				
Aktieselskabet Cerekem International LTD., Faxe, Denmark	100.0%	DKK	1,000,000	Production, sales and distribution
Albani Sverige AB, Sweden	100.0%	SEK	305,000	Other activity
Centre Nordique d'Alimentation EURL, France	100.0%	EUR	200,000	Sales and distribution
Ceres S.p.A., Italy	100.0%	EUR	206,400	Sales and distribution
The Curious Company A/S, Faxe, Denmark	100.0%	DKK	1,805,500	Other activity
Supermalt UK Ltd., UK	100.0%	GBP	9,700,000	Sales and distribution
Vitamalt (West Africa) Ltd., UK	100.0%	GBP	10,000	Sales and distribution
Associates				
Hansa Borg Skandinavisk Holding A/S, Faxe, Denmark	25.0%	DKK	53,577,400	Holding company
Hansa Borg Holding ASA, Norway	100.0%	NOK	54,600,000	Holding company
Hansa Borg Bryggerierne ASA, Norway	100.0%	NOK	29,065,000	Production, sales and distribution
Nuuk Imeq A/S, Nuuk, Greenland	32.0%	DKK	38,000,000	Production, sales and distribution
EASTERN EUROPE				
Subsidiaries				
AB Kalnapilio-Tauro Grupe, Lithuania	100.0%	LTL	62,682,000	Production, sales and distribution
Royal Unibrew Services UAB, Lithuania	100.0%	LTL	150,000	Other activity
SIA "Cido Grupa", Latvia	100.0%	LVL	785,074	Production, sales and distribution
Royal Unibrew Polska Sp. z o. o., Poland	100.0%	PLN	107,302,400	Production, sales and distribution
MALT AND OVERSEAS MARKETS				
Subsidiaries				
Impec Holding SAS, Guadeloupe	51.0%	EUR	5,294,000	Holding company
Import-Export Compagnie S.A., Guadeloupe	100.0%	EUR	304,898	Sales and distribution
Impec Martinique S.A., Martinique	100.0%	EUR	8,000	Sales and distribution
The Danish Brewery Group Inc., USA	100.0%	USD	100,000	Sales and distribution
Royal Unibrew Caribbean Ltd., Puerto Rico	100.0%	USD	200,000	Other activity
Associates				
Solomon Breweries Limited, Solomon Islands	35.0%	SBD	21,600,000	Production, sales and distribution

Activity
- Production, sales and distribution
- Sales and distribution
- Holding company
- Other activity

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