

## Company Announcement

Should you request additional information, please do not hesitate to contact  
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### **Royal Unibrew strengthens its position in the Baltic countries through acquisition of all assets and activities of Livu Alus in Latvia**

- **Acquisition of all assets and activities relating to the Livu Alus brewery in Latvia**
- **Livu Alus is the number 3 brewery in Latvia in terms of size**
- **Synergies expected from cooperation between Livu Alus and other Group activities in the Baltic countries**
- **Over a 3-year term a return on invested capital in line with the Group's required return is expected**

The Baltic countries are a focus area in Royal Unibrew's "MACH II" Strategic Plan and the Group is already operating Kalnapilio-Tauro Grupe in Lithuania as well as the soft drinks producer Cido and the Lacplesa Alus brewery in Latvia. Royal Unibrew's position is now reinforced by the acquisition of all assets and activities relating to Livu Alus from the firm Grigis un Co, SIA.

The acquisition price of the unencumbered activities amounts to EUR 17.5 million (DKK 130 million) including a site that makes possible future expansion.

The acquisition is made through Royal Unibrew's Latvian subsidiary Lacplesa Alus AS.

The acquisition, which is subject to, among other things, approval by the Latvian competition authorities, is expected to be finally realised at the beginning of Q4 2007.

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**Livu Alus**

Livu Alus is the number 3 beer provider in Latvia in terms of size holding a market share of some 9-10% in 2006. The brewery's main brand is primarily sold in the mainstream segment through retail traders, whereas the HoReCa segment is less developed. Moreover, the brewery has a certain amount of exports, particularly to Lithuania.

The brewery was established in and has been extended since 2000 and still has unutilised capacity. In 2006, net revenue amounted to some EUR 9 million (DKK 67 million). The brewery has approximately 125 employees.

**Background to the acquisition**

Royal Unibrew is already today a leading supplier of beer, fruit juices, water and soft drinks in the Baltic countries, with total revenue in 2006 of some EUR 74 million (DKK 550 million) and a total number of employees of approximately 900.

In combination with the Kalnapilio-Tauro brewery in Lithuania as well as the soft drinks producer Cido and the Laplesa Alus brewery in Latvia, the acquisition of Livu Alus represents significant strengthening of the market position on beer in Latvia, postponement of capacity-related investments at the Kalnapilio-Tauro and Lacplesa Alus breweries (cf. Announcement RU20/2006 of 9 August 2006) as well as the achievement of production, sales/distribution and administration synergies in the Baltic area.

**Accounting issues and expectations for the future**

It is expected that the Livu Alus activities will be included in the financial statements of the Royal Unibrew Group as of 1 October 2007 approximately.

As a result of market investments and integration expenses, the acquisition of the Livu Alus activities is expected to have a minor negative effect on Royal Unibrew's profit before tax in both 2007 and 2008, whereas, after 2008, positive earnings contribution and key ratios are expected in line with the Group's targets.

Please direct any questions to me at tel +45 56 77 15 00.

Yours sincerely  
Royal Unibrew A/S

Poul Møller  
CEO