



Q1 Report 2008

April 2008

Vision:

With increasing profitability we will strengthen our position as a leading provider of beverages in Northern Europe, Italy, and in our markets for malt beverages. Outside these areas we will develop selected profitable export markets.

Mission:

We will meet our consumers' and customers' demands for quality beverages focusing on branded products primarily within beer, malt beverages and soft drinks.

double up

EBIT: DKK 500 million in 2010

Customer
&
Consumer
Excellence

Operational
Excellence

Acquisition
&
Integration
Excellence

Company Values, Mission & Vision

Overall target

- Organic growth of 6% (CAGR), which exceeds expected market growth

Action areas

- Increase sales and marketing competences
- Utilisation of best practices and use of Regional Excellence (13 golden rules)
- 140 managers and employees in Sales & Marketing College in 2008-2010
- Extensive innovation within beer, fruit juices, soft drinks and malt drinks as well as packaging
- More focus on own brands; increased investments in strategic brands
- More opportunistic approach to private labels

The six strategic brands



Target:

- Savings of approx. DKK 90 million in 2010 in addition of the DKK 92 million from the initiatives introduced in November 2007

Action Areas:

- Production structure and processes
- Supply chain
- Global purchase
- Systems + Shared Service Centres

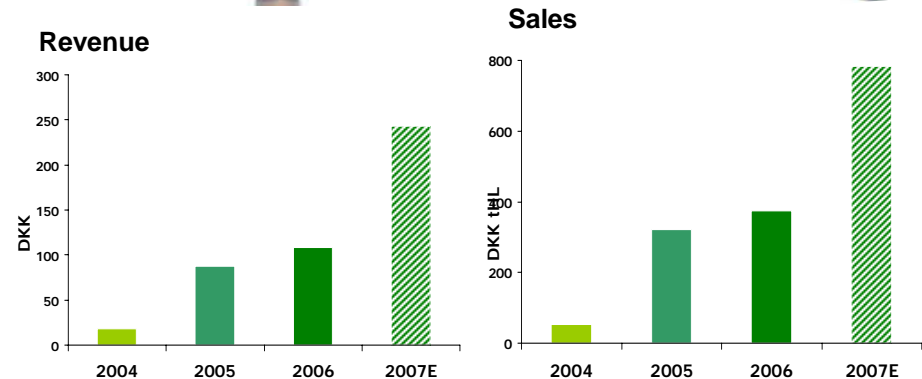


Target

- Double revenue until 2010
- Improve earnings significantly

Action areas

- Strengthen regional brands further
- Penetrate local areas more broadly and more deeply – expand market coverage
- Streamline production and processes
- Optimise distribution
- Restructure product assortment
- Product innovation, eg. launching of flavoured beers
- Optimisation of back-office functions in corporate centres in Warsaw

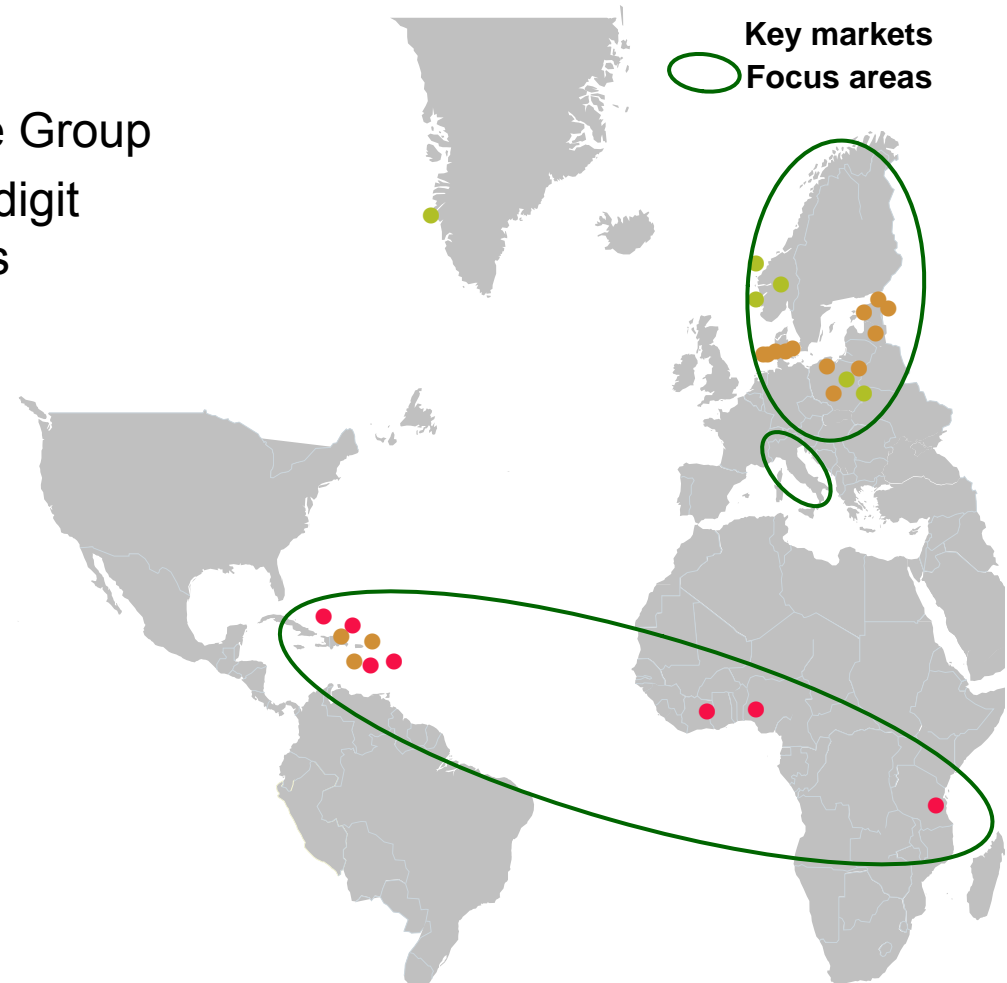


Target

- Acquisitions to increase growth of the Group
- Acquired companies must show two-digit ROIC and EBIT margin within 3 years

Action areas

- Focus on the Nordic countries, Northern Germany, the Baltic countries, Poland, Italy and the international malt markets
- Bolt-on acquisitions of profitable enterprises on main markets
- Utilise experience from acquisition efforts for quicker and better integration



- Strengthen winner culture and the ability to innovate and change
- Systematise internal management training
- Strategic and tactical goals for all managers – monthly follow-up on KPIs
- Enhance incentive and retention programmes to attract and retain good employees
 - Talent programmes
 - Higher variable salary parts



Company Values

Responsible

Committed

Creative

Holistic

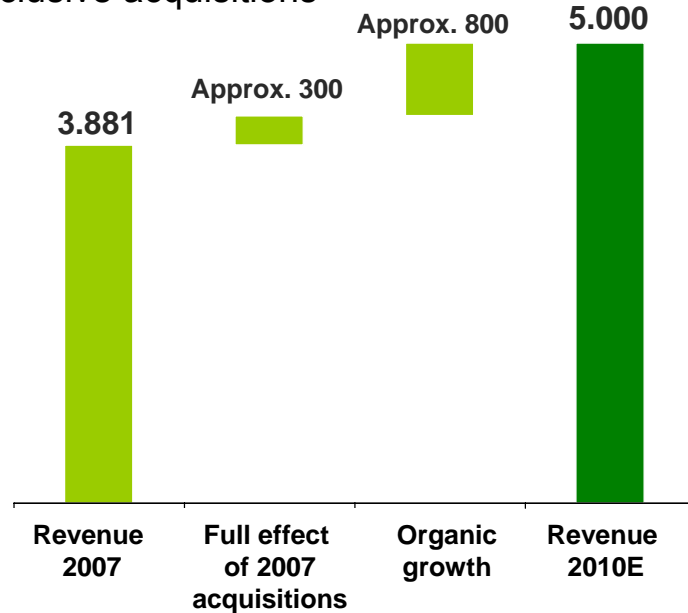
Ambitious

Honest and Open

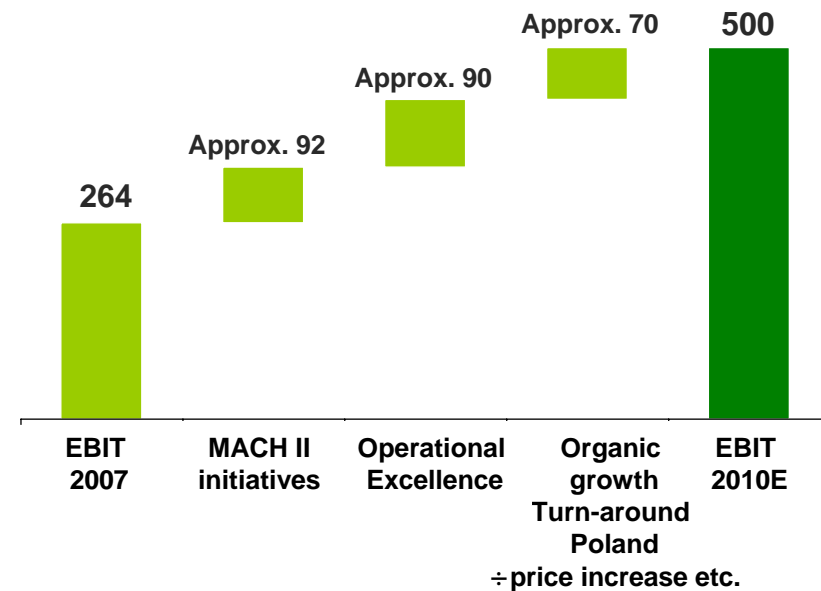
Financial goals in 2010

Target: DKK 5 billion revenue

Exclusive acquisitions

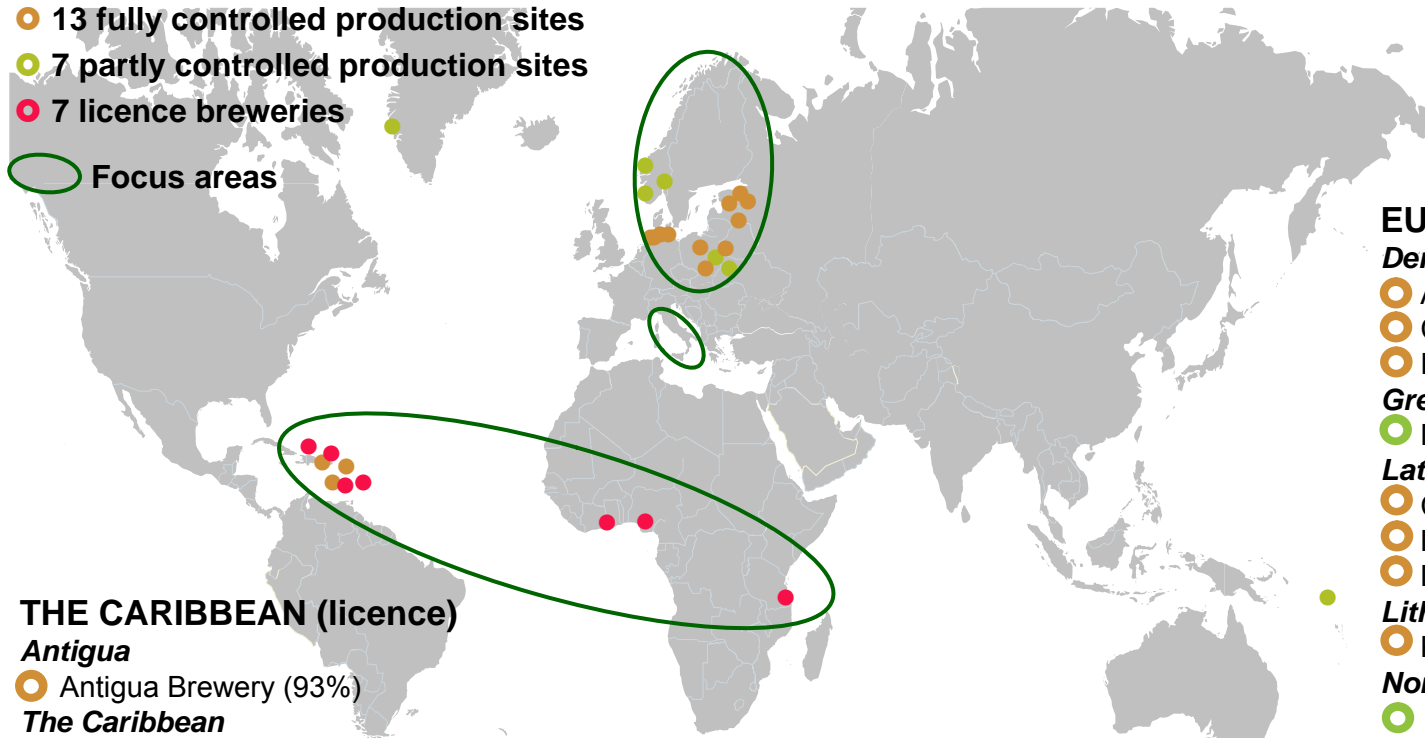


Target: DKK 500 million EBIT



- Two-digit ROIC (unchanged)
- Two-digit EBIT margin, excl. non-recurring items (unchanged)
- Free cash flow of 7% of revenue in 2010 (unchanged)
- NIBD of 3 times EBITDA, pay-out ratio of 25-40% (unchanged)

- 13 fully controlled production sites
- 7 partly controlled production sites
- 7 licence breweries
- Focus areas



THE CARIBBEAN (licence)

- Antigua**
 - Antigua Brewery (93%)
- The Caribbean**
 - Banks Brewery, Guyana
 - Commonwealth Brewery, Bahamas
 - Grenada Brewery, Grenada
 - St. Kitts Brewery, St. Kitts
- St. Vincent**
 - St. Vincent Brewery, St. Vincent (76%)
- Dominica**
 - Dominica Brewery and Beverages (58%)

AFRICA (licence)

- Accra Brewery, Ghana
- Serengeti Brewery, Tanzania
- Vitamalt (West Africa) Plc., Nigeria

SOLOMON ISLANDS

- Solomon, Honiara (35%)

EUROPE

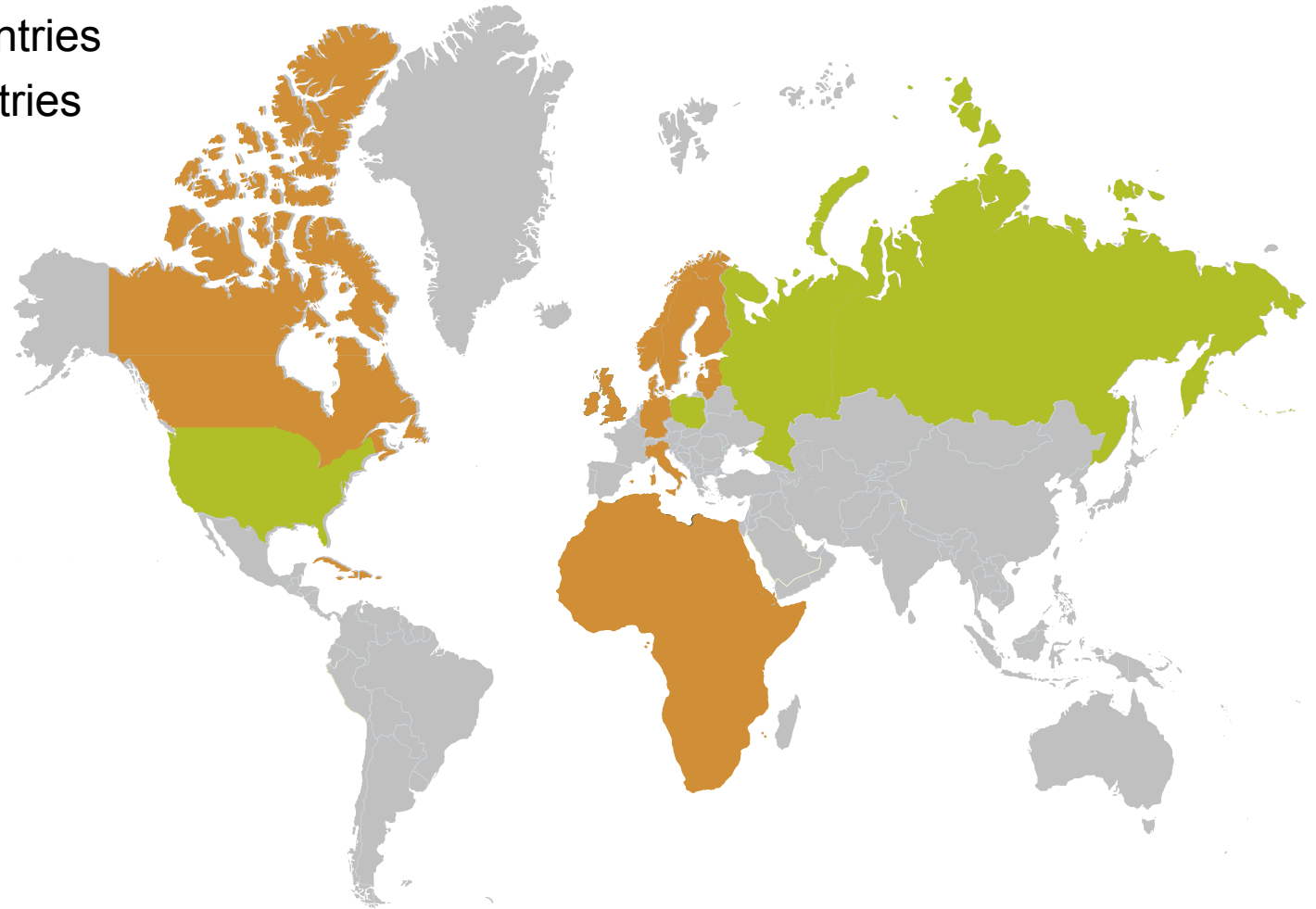
- Denmark**
 - Albani Breweries, Odense
 - Ceres Breweries, Aarhus
 - Faxe Brewery, Faxe
- Greenland**
 - Nuuk Imeq, Nuuk (35%)
- Latvia**
 - Cido, Riga
 - Lacplesa Alus, Lielvarde
 - Livu Alus, Liepaja
- Lithuania**
 - Kalnapilis, Panevėzys
- Norway**
 - Hansa Borg, Bergen (25%)
 - Borg, Sarpsborg (25%)
 - CB Brewery, Kristiansand (25%)
- Poland**
 - Brok, Koszalin
 - Strzelec, Jedrzejow, Kraków
 - Browar Lomza, Lomza
 - Perla, Lublin (48%)
 - Zwierzyniec, Zwierzyniec (48%)

Premier League

- The Nordic countries
- The Baltic countries
- Italy
- Germany
- The Caribbean
- Africa
- The UK
- Canada

First Division

- Poland
- The USA
- Russia





Beer



Soft drinks and water
(Denmark/Baltic countries)



Malt beverages
(The Caribbean, Africa & the UK)

- Royal Unibrew has the leading imported strong beer in Italy – Ceres
- Royal Unibrew has the world's third largest malt drink brand – Vitamalt
- Faxe is a large imported brand in Germany, Poland and Lithuania
- Soft drinks in the Baltic countries:
 - No 1 in Latvia
 - No 2 in Lithuania
 - 2nd largest soft drink company in the Baltic countries



Royal Beer® in Denmark



Kalnapilis® beer in Lithuania



CIDO® fruit juice and water in the Baltic countries



Ceres® strong beer in Italy



Vitamalt® (malt drink) in Africa, the Caribbean and Europe



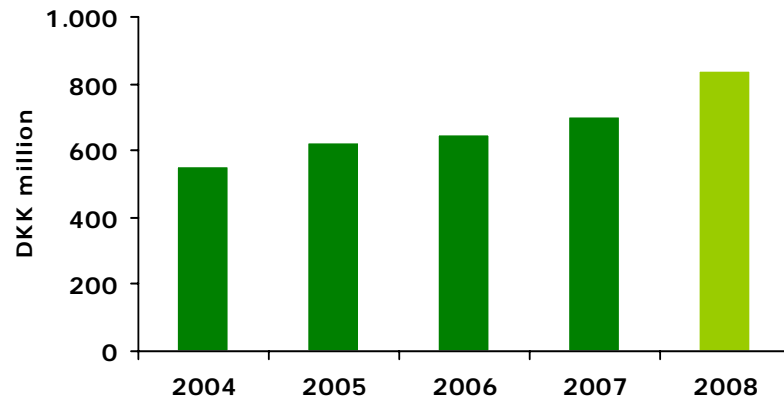
Faxe Beer® International

Key Issues Q1 2008

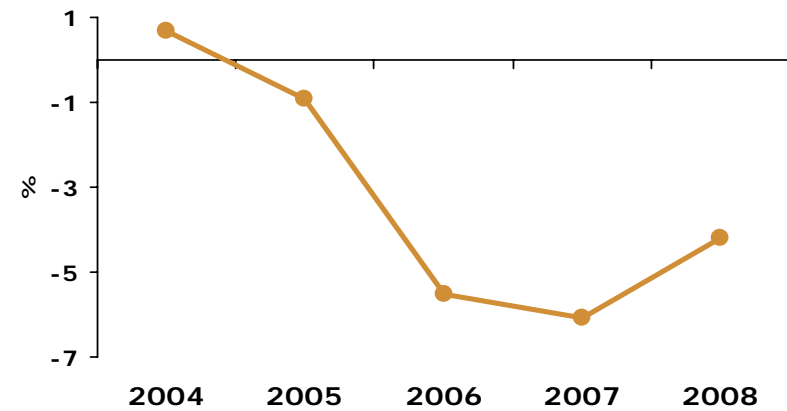
- Realised growth in sales of 19%, organic growth in volume representing 3 percentage points, but organic growth in value +8%.
- Sales price increases realised in key markets and covers increases in raw material prices in 2008.
- Turn-around plan for Poland progressing with some 25% sales growth and increased profit contribution for Brok-Strzelec activities
- Brewery in Maribo closed by end of February (real estate sold) and decision has been taken to close Aarhus brewery and move production to Faxe and Odense
- License agreement for Faxe Brand in Russia, which overtime will enhance our earnings in Russia significantly.
- Double up strategy implemented as planned:
 - Organic revenue growth higher than target of 6%
 - New products launched in Denmark, Poland, Lithuania and Latvia
 - Plans for improvement of efficiency in Danish production structure under implementation as planned
 - Ready to insource the filling of PET-bottles after an investment in a new PET-canning line
 - Reorganisation of the Danish distribution structure decided and planned

DKK million	2008	2007	% change
Net revenue	838.3	704.6	19
Operating profit	-35.1	-43.1	19
EBIT	-67.7	-43.1	-57
Net financials	-28.1	-16.0	-76
Profit before tax	-95.8	-59.1	-62
Consolidated profit	-68.3	-42.6	-60
Profit margin	-4.2%	-6.1%	-
EBIT margin	-8.1%	-6.1%	-
Free cash flow	-142.7	-50.4	-139
Free cash flow as a percentage of net revenue	-17.0%	-7.1%	-

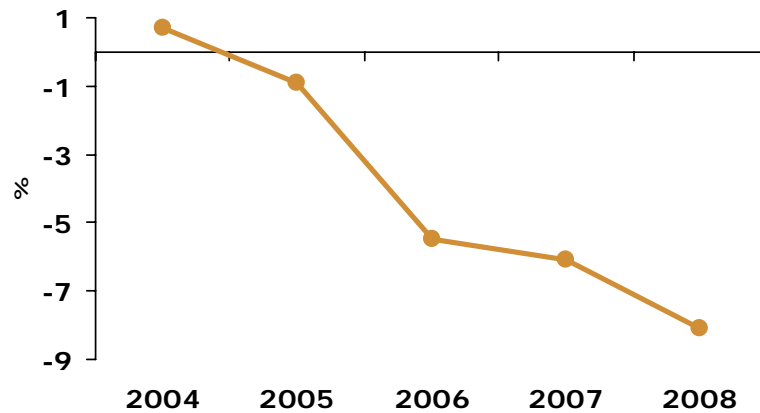
Net revenue



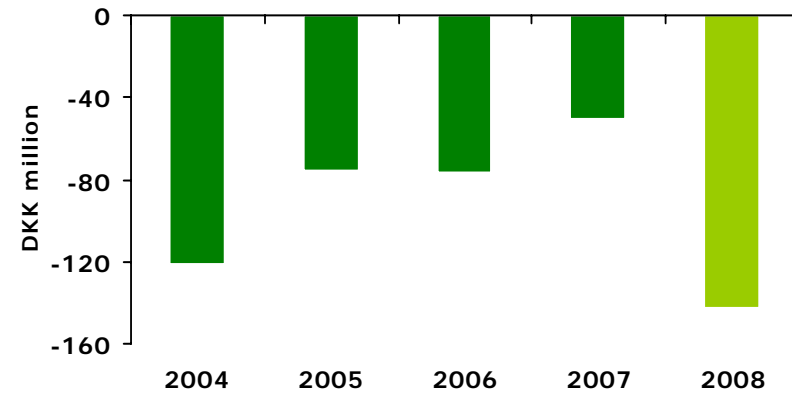
Operating Profit



EBIT Margin

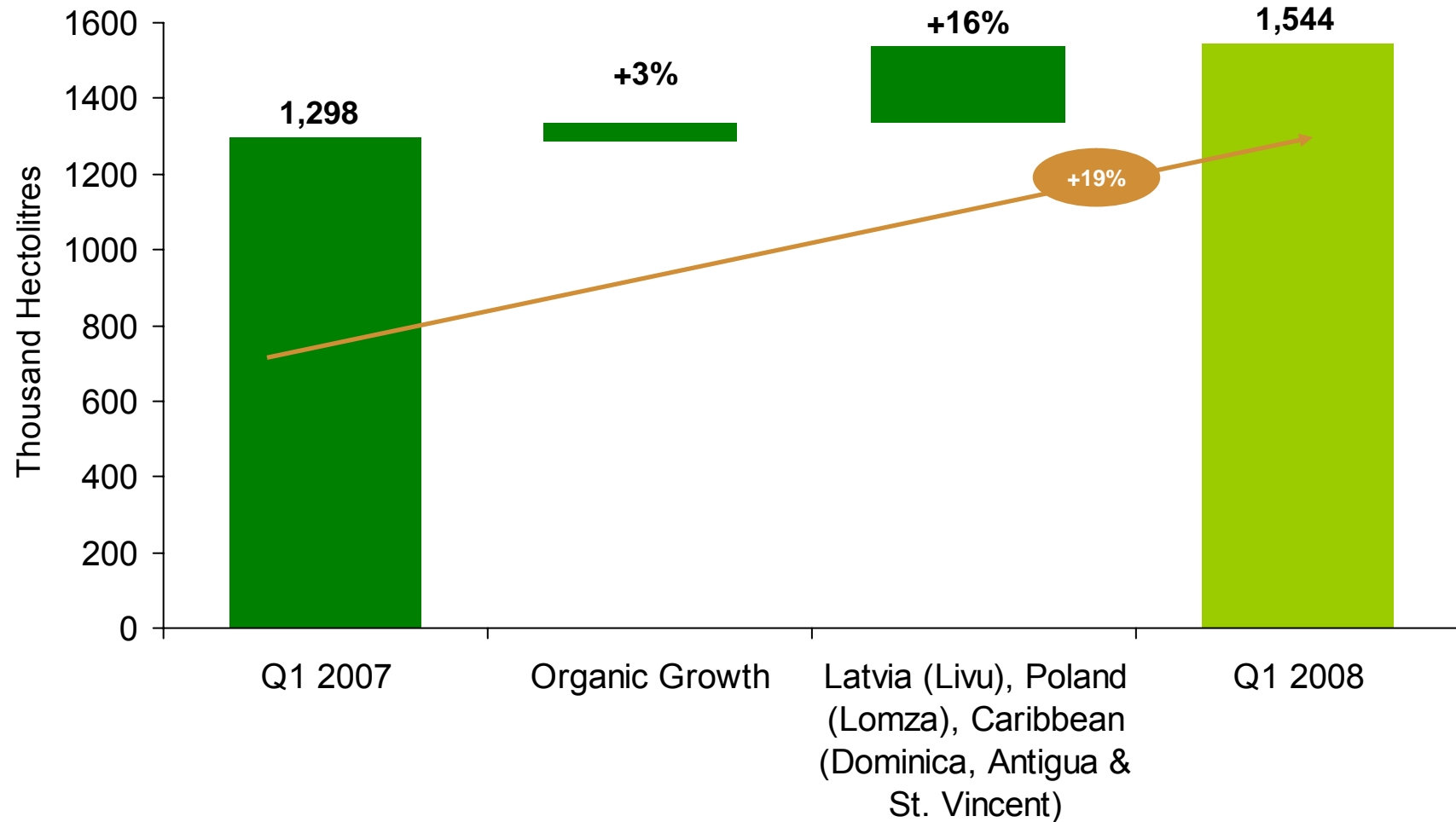


Free cash flow



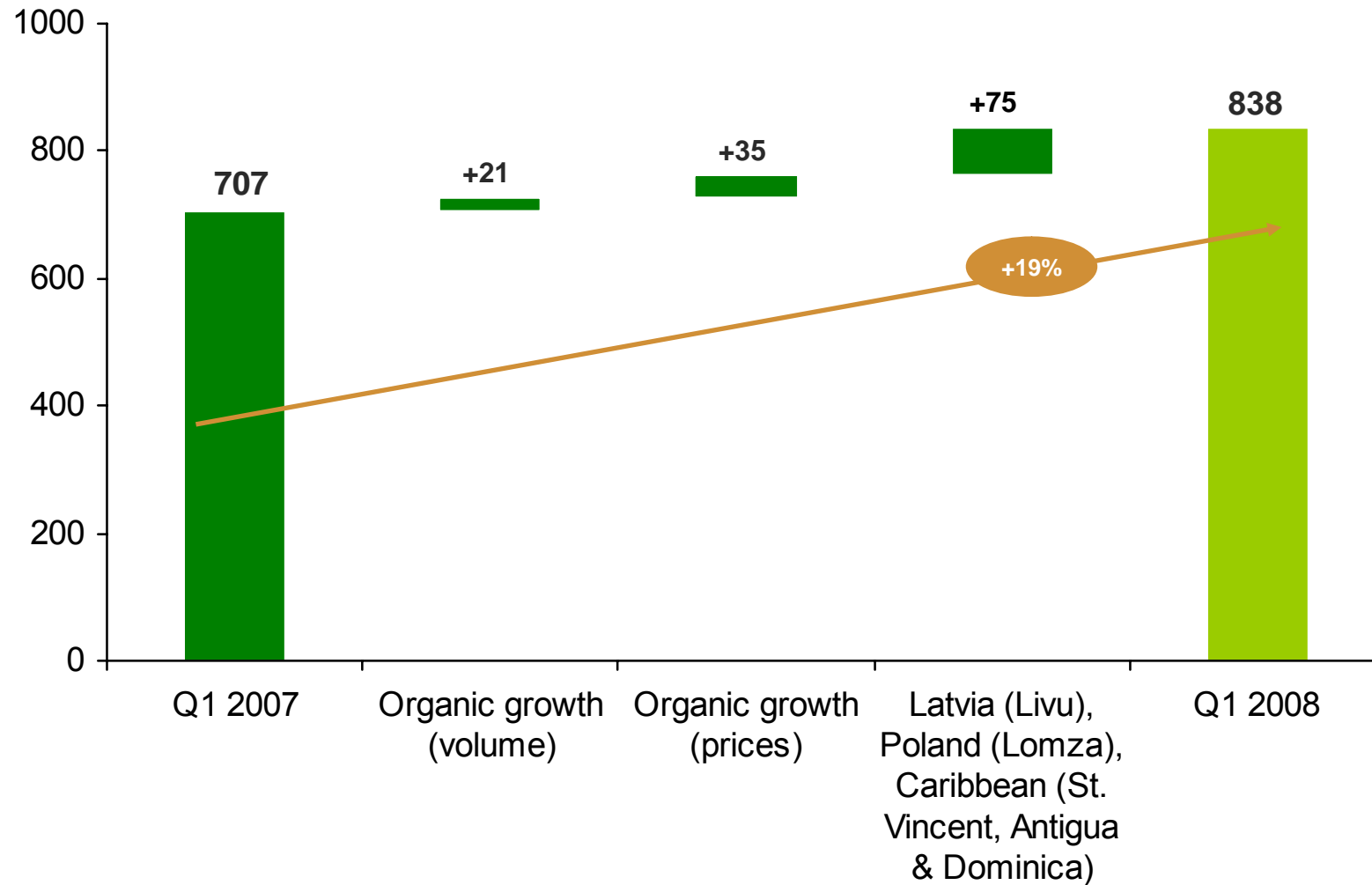
- Net revenue up by 19% from 2007 (organic growth 8%) amounting to DKK 838 million
- As expected, operating loss before special items improved by DKK 8 million on 2007 thus amounting to -DKK 35 million
- As expected, activities in Poland are developing positively with net revenue growth, gross margin and profit according to plans
- As expected, costs of closure of the Aarhus brewery and of the Danish distribution reorganisation affect results for Q1 negatively by DKK 39 million (special expenses)
- Consolidated loss amounting to DKK 68.3 million

Elements in Volume Growth Q1 2008



Elements in Top Line Growth Q1 2008

DKK million



Summary: Key Markets – Q1 2008

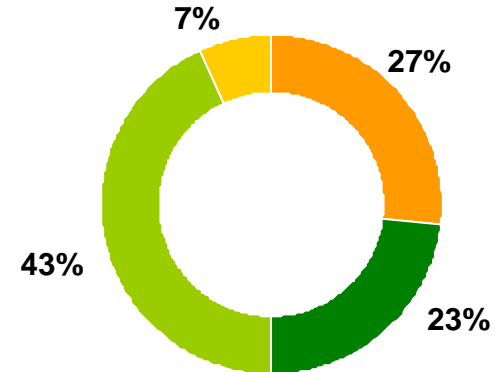
- **Total group net revenue up by 19%**
- **Western Europe net revenue up by 6.8% (volume +5.0%)**
 - Price increases in key markets
 - Denmark: Royal beer brand still increasing market shares. Soft drinks also continue to gain market shares
- **Eastern Europe net revenue up by 52.6% (volume +40.0%)**
 - Organic growth net revenue +5% (volume +22%)
 - Lithuania: Market shares and profitability for Kalnapilio-Tauro Grupe still increasing
 - Latvia: Increasing net revenue per hectolitre due to price increases on fruit juices and increasing beer sales
 - Poland: Sales increases of 25% for Brok and Strzelec and increasing profit contribution
- **Malt and Overseas Markets net revenue up by 27.9% (volume +23.2%)**
 - Volume increase due to acquisitions
 - Negative impact on revenue from weak USD and GBP currencies



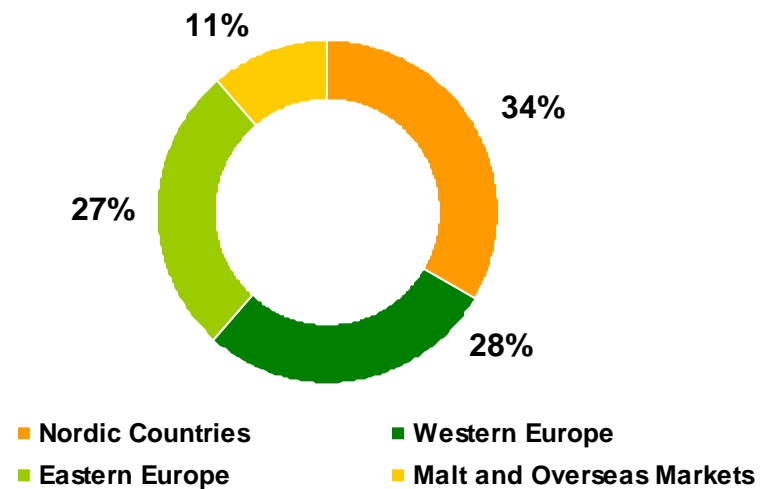
	Market	ROYAL UNIBREW
Denmark:		
Beer (branded)	(4%)	7%
Soft drinks	(3%)	(2%)
Italy:		
	2,5-3%	(4%)
Lithuania:		
Beer	4.4%	25%
Latvia:		
Beer	2%	18%
Soft drinks	5%*	1%

Note: Own estimate

Volume Distribution Q1 2008



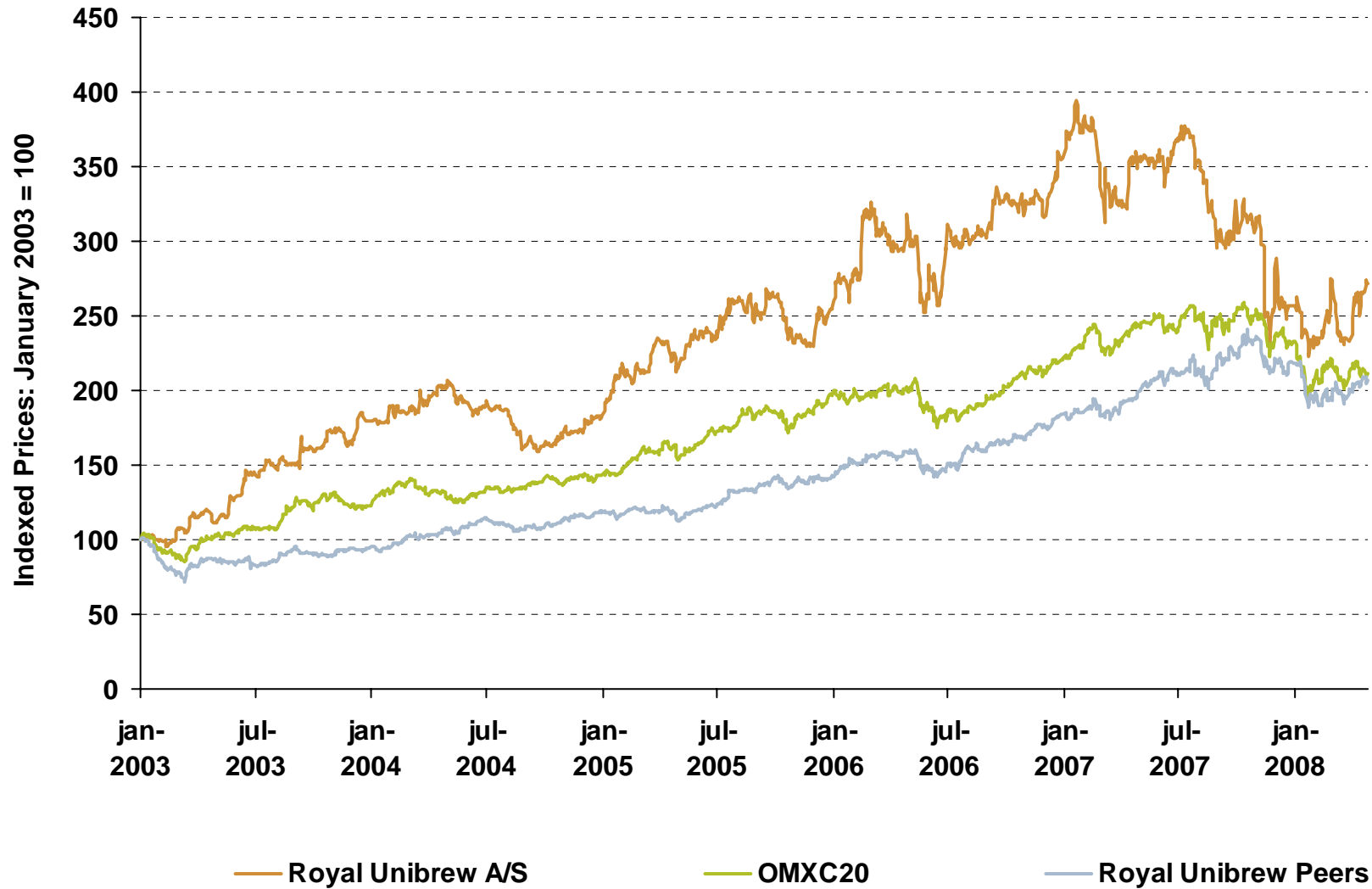
Revenue Distribution Q1 2008



- Plan for capital structure unchanged: net debt to be at a level of some 3 x EBITDA (net debt year-end 2007 at 4 x EBITDA)
- Dividend policy unchanged: Pay-out ratio of 25-40% of net profit



Share Performance at 24 April 2008



Note: Peers consist of Carlsberg, Heineken, Scottish & Newcastle, SABMiller and InBev

Expectations for 2008

- Increased earnings by approx. DKK 50 million by solving production problems in Denmark
- Savings of DKK 7 million by closing down of breweries in Maribo (Denmark) and Lielvarde (Latvia)
- Savings of approx. DKK 35 million from redundancies (300 employees) in the autumn of 2007
- Sales price increases compensate for purchase price increases
- Expected profit before tax for 2008 unchanged at DKK 230-270 million including costs of DKK 50 million (special items) related to the closure of the Aarhus brewery and the reorganisation of the Danish distribution structure





Thank you for your attention

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